

INTRODUCTORY STUDY¹

HOW TO REMOVE ALL IDLENESS FROM SPAIN AND INTRODUCE WORK

COMMENTARY ON THE
MEMORIAL BY THE PUBLIC ACCOUNTANT LUIS ORTIZ TO FELIPE II OF SPAIN

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* The incentive to write about Luis Ortiz in my work came from Bertram Schefold, from the Johann Wolfgang Goethe Universität in Frankfurt, who asked me to write an introduction to the Memorial (which we did, with the inestimable cooperation of Marjorie Grice-Hutchinson) to include it in the amazing *Klassiker der National-Ökonomie* collection released by the Düsseldorf-based publishing house *Wirtschaft und Finanzen*. I have now expanded upon this introduction with new materials. I would like to thank Michael Tochtermann, who gave me the first clue to Luis Ortiz's editorial work, which in turn allowed me to expand upon the profound erudition of Mercedes Fernández Valladares, from the Complutense University of Madrid. I was helped by Mercè Dexeus at the Biblioteca Nacional de España in Madrid, by María Luisa López-Vidriero and José Luis Rodríguez at the Library of the Royal Palace of Madrid, and by Montserrat Lamarca at the Library of the University of Barcelona. Sira Palma helped me with the introduction and the edition. Enrique Fuentes Quintana has helped me publish most of my research, and this case is not an exception. Lastly, the publishing activity of the Junta of Castile and Leon and the initiative of Josefa Eugenia Fernández Arufe —the Regional Minister of Education and Culture— have allowed my work, as well as Marjorie Grice-Hutchinson's (and, needless to say, even more so the work of Martín Azpilcueta and Luis Ortiz) to be known outside of Germany. (Introductory note written by professor Ernest Lluch, to the edition of the paper included in the 3th work volume *Economía y economistas españoles*, led by professor Enrique Fuentes Quintana, published in 2000.)

¹ Traducción al inglés de Juan Rivera Rodríguez.

Until recently, Luis Ortiz's text has been published under the title it received from its copyists, given that the original manuscript has not yet been found and its two existing editions were based on the various existing manuscripts, which we will speak about later. Perhaps unwisely, these copyists were given the task of choosing a heading, which is why the two currently existing editions have the exact same title: *Memorial del Contador Luis Ortiz a Felipe II* (Fernández Álvarez, 1957, reprinted in 1963) and *Memorial del Contador Luis Ortiz a Felipe II* (Instituto de España, 1970) (*Memorial by the public accountant Luis Ortiz to Felipe II*). The personal information we have about the author indicates that his name was, in fact, Luis Ortiz; however, the important problem that arises from the title is the use of the word “memorial”, which has a very specific meaning, much more limited than the actual contents of the text. Up until now, it has only been remarked once (J. Vilar, 1978: 41) that “memorial” was not quite the appropriate word to use, since Ortiz himself calls it “work”, “book”, “volume” and “treatise” in his text.

If we look beyond the words and focus on the contents, we can see that Ortiz uses other words (with broader meanings, too) than “memorial” to refer to his writing, which is not to say—as it has been pointed out by Jean Vilar—that it does not feature elements of the aforementioned type of text. It is obvious, however, that Ortiz intends to write much more than merely “a request made to a judge or lord for the recollection of an enterprise” (Covarrubias, 1943)² or a “paper or written piece in which a favor or benefit is requested, accompanied by the merits or the motives upon which

² TRANSLATOR'S NOTE: Unless specifically noted otherwise, most of the direct quotes featured in this introduction have been translated into English for your convenience by me, the translator of this text, due to the unavailability of any official English translations of the source texts.

this request is based” (*Diccionario de la lengua*, 1992), which are the meanings of the word “*memorial*” in Spanish. We should add that this word has appeared in documents since 1490 (Corominas, 1990, entry “*remem-brar*”). It is true that Ortiz does request economic compensation for his ideas—even though he does more than just that—and this must be why he uses the phrase “another memorial”, as if this text were such a thing (fols. 10, 19, 40 or 72). This is proven true by the fact that it matches Covarrubias’ definition when he claims that his text is “[his] business” (fol. 6). In summary, Luis Ortiz’s text does contain a “memorial”, although it is more than just a “memorial”.

Indeed, Ortiz, at the very beginning of the text, uses the phrase “little book” to refer to his work. The “little” part seems to be justified in that it is “humbly” offered by “this servant of Your Majesty” (fol. 7). He may have had the word “book” in mind, which seems to be confirmed by the fact that, before offering it to Felipe II, he had called it a “small volume” (fol. 6). In sixteenth century Spanish, “volume” meant “a book that has many pages” (Covarrubias, 1943), a meaning that still exists in Spanish nowadays—since a book is a “scientific or literary work that is extensive enough to have volume” (*Diccionario de la lengua*, 1992). Given that Ortiz’s text is not very long, “book” seems to be the most appropriate term for it. In other instances, he calls it “work” (fols. 6-7 and 73), and especially in the introduction, which Ortiz entitled “*Prefación de la obra*” (“Preamble of the work”). Since “work” has a very vague meaning, and it is not just confined to the editorial field, all indications lead us to think that “book” and “small volume” are the most precise ways of referring to it, so we will use the former. That same year, in another piece of writing dated the 15th of October 1558, Ortiz himself repeatedly calls his text a “book” (Cuartas, 1981a: 50-52).

Having chosen the term “book” as the most adequate one, I have chosen to accompany it with the only economic expression found in the “*Prefación de la obra*” section, albeit with a slight modification: “On how to remove all idleness from Spain and introduce work”. This singularity reflects the core goal of the text, and so we figured that the title *Libro sobre cómo quitar de España toda ociosidad e introducir el trabajo* (*Book on how to remove all idleness from Spain and introduce work*) would be the most germane to its contents. Prior to the 1957 and the 1970 editions, Luis Ortiz’s text was known as *Memorial al rey para que no salga dinero del Reino* (*Memorial to the King so that no money leaves the Kingdom*) (Hamil-

ton, 1948 [1932])³, but I did not think it was a good idea to reclaim that title. This title is almost exactly the same as the first chapter's, "*para que no salgan dineros del Reino*" ("so that no monies leave the Kingdom"), and the following five chapters either have exactly the same title (the second one), or very similar ones (the following four, which are entitled "*para que no salga dinero*", "so that no money leaves"). The following fourteen chapters cover a wide variety of contents, so it doesn't seem right that the headers of the first six chapters set the title of the whole text. In any case, as the aforementioned "*Prefación*" section says, the ultimate goal is to fight against idleness and favor work, and that's what we have tried to reflect in our title proposal.

Our position fits perfectly in Joseph A. Schumpeter's neat observation about the title *Memorial al Rey para que no salgan dineros de estos Reinos de España* (*Memorial to the King so that no monies leave these Kingdoms of Spain*) in his first reference to Luis Ortiz: "Never mind the title, which might bring the work under the ban on the score of 'mercantilism'. It has little to do with the true import of the argument and was presumably chosen by the author to attract the attention of laymen" (Schumpeter, 1954: ch. 3.3, par. c, n. 24)⁴. For all these reasons we have considered it appropriate to suggest a title that is much more accurate to both the letter and the spirit of Ortiz's text and avoids misconceptions. One such misconception can be found in a manual that is widespread in Spain—and whose author, Raymond Barre, was a Prime Minister of France—, in which Luis Ortiz is portrayed as being in favor of prohibiting the importation of goods and the outflow of precious metals from the country, which led to the economic suffocation of the Iberian peninsula (Barre, 1959).

In 1932, American historian Hamilton was the first person to defend the importance of Ortiz's work. He considers that Ortiz had penned "for his day—or indeed any later day—a remarkably lucid and consistent formulation of the balance-of-trade doctrine" (Hamilton, 1948: 198)⁵. As we have seen before, Austrian economist Schumpeter had a similarly high con-

³ TN: See footnote in the bibliography section about this reference.

⁴ TN: Quote transcribed directly from the referenced text, originally in English (in Spanish in the original).

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sideration for Ortiz's work: "an early 'quasi-system', the work of Ortiz [is] mainly a well-reasoned program for industrial development of a type that was so prolific in the seventeenth century, both in Spain and in England" (Schumpeter, 1954: ch. 3.3, par. c)⁶. We consider that French historian Pierre Vilar followed the same line of thought as the aforementioned authors, since he considered that the text made a lot of sense (P. Vilar, 1964: 195). More recently, an Italian economist claimed that Ortiz "may well be considered the first European mercantilist" (Perrotta, 1993: 23)⁷, and a British economist with a sharp sense of humor wrote: "His was one of the first mercantilist treatises known to appear in any country. We would venture to say 'that he was first' were such claims not so easily refuted" (Grice-Hutchinson, 1993: 44)⁸. There are some who consider that, to say that Ortiz was the first mercantilist, it would be necessary to have a better knowledge of the 1530 Albertine-Ernestine controversy in Saxony, as well as Melchior von Osse's *De Prudentia Regnativa* (written in 1556 and published in 1607) (Larraz, 1970: 15). Schumpeter agrees with this last position. Jean Vilar beautifully described the unique situation of Luis Ortiz's text: "The fact that this economic analysis —written in 1558 by an obscure 'accountant' from Burgos— has remained unnoticed for centuries is the greatest mystery in the history of economic thought in Spain. It is almost as surprising as the miraculous knowledge of the facts and mechanisms that the text shows" (J. Vilar, 1974: 51).

This high praise is counterbalanced —outweighed, even— by the omissions of the increasingly Anglocentric perspective of the history of economic thought. Thus, Ortiz's entry in the most important dictionary of economics (*Palgrave's Dictionary*, 1899) has disappeared from the contemporary edition (*The New Palgrave*, 1987), which also left out many other non-Anglo-Saxon writers. Another example would be the lack of references to Spain and Latin America in a work that claims to be more encompassing (Ekelund and Tollison, 1981). Lastly, there's the case of someone who mentions Perrotta's original claim that Ortiz was "the first European mercantilist", but doesn't provide further commentary on it; rather, they reference it in passing and continue to center "the Birth of a

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⁷ TN: In English in the original.

⁸ TN: In English in the original.

Discourse of Mercantilism” around English texts from the 1620s (Magnusson, 1994: 60-94).

In 1932, Hamilton noted the uniqueness of Ortiz’s text, given “the dearth of notable mercantilist tracts in the second half of the sixteenth century” (Hamilton, 1948: 200)⁹. The studies conducted since then confirmed the American historian’s hypothesis. A systematic investigation on the main source —documents from the Treasury Council and Juntas from 1555 to 1598— has proven that texts were indeed scarce (three written by court appointments, and 46 memorials and notices from private individuals), of mostly poor standards and with a narrow perspective. The five memorials that are featured due to their interest are beneath Ortiz’s text in quality, length and generality (Cuartas, 1981b). Most of them are actually proposals of “*arbitrio*” —i.e., proposals for the King to impose new taxes (a percentage of which would be paid to the proponent) without the approval of the Cortes, supposedly aimed at solving with little expense the serious problems of the Treasury at the time. It was precisely after 1558 that the *arbitrios* stopped being extraordinary measures to become official measures, and they came to be considered ordinary income of the Treasury. More than sixty years had to go by before Ortiz started having true followers.

One of the reasons why Ortiz was not well regarded was that he was considered a mere *arbitrista*. In Spanish culture and economic literature, *arbitristas* were regarded with contempt (deservedly in many cases). Manuel Colmeiro, a highly educated economist who had just experienced a radical “conversion” from protectionism to economic liberalism —particularly the brand of liberalism defended by Frédéric Bastiat and the *Journal des Économistes*—, wrote a highly influential text in which he claimed that “the *arbitristas* were the quacks of the republic, ministers of harmful novelties, inventors of chimeras, numbskulls who spent their lives trying to earn money by consuming the wealth of the King’s lands. They were rightly despised by the Cortes of Madrid, who begged the King in 1588 to rid himself of their presence, and no less rightly vilified by Cervantes, Quevedo and other sharp-witted satirists, at a time in which the vigour of the House of Austria had withered” (Colmeiro, 1857: 18-19). Indeed, *Don Quixote* and *The Dialogue of the Dogs* by Miguel de Cervantes, as well as *The*

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Swindler and *Hora de Todos* by Francisco de Quevedo, mocked the *arbitristas* to great effect; there is also mockery at their expense in some works by Vélez de Guevara, Tirso de Molina, Lope de Vega and Moreto (J. Vilar, 1973). Ortiz's text was well-known at the time due to its various existing copies, albeit unpublished, and as long as it was considered *arbitrista* in nature—and rightly so, at least in part—, this smear campaign was bound to impact it, due to *arbitristas* being the focus of literary satire and economic liberalism.

Ortiz was a pioneer of mercantilism in Castile (and beyond), but he was also alone in his uniqueness. True, in the year before Ortiz's text was written, scholastic theologian Martín de Azpilcueta had taken crucial steps towards understanding the quantity theory of money in his *Comentario resolutorio de cambios*. It would not be long before another theologian, Tomás de Mercado, would publish his *Suma de tratos y contratos*, which shows he shared moral and economic concerns with Ortiz. "There is no divergence in thinking between the accountant Ortiz—who, in 1558, expected that the prices would go down if the gold were kept in Castile—and the 'Quantitivist' theologian Azpilcueta in his 1557 *Comentario*, but rather a different approach in trying to solve the same problem" (P. Vilar, 1964: 187-188). Mercantilism and monetarism—Ortiz and Azpilcueta—were very different, but they also shared a common underlying reality.

This underlying reality led them to attempt to solve the same problem, "and it was not an episode lacking in transparency. Between 1450 and 1650, Spain was the first country to create a truly global empire. Spain had transformed the universal conditions of monetary circulation by developing mines in America. For some time, the Spanish hegemony in Europe seemed to be guaranteed due to this vast superiority in medium of exchange (which was, in reality, merely apparent). This excessive expansion of power would be thwarted by a demographic, economic and social sclerosis in Castile that would even make the political empire come to an end" (P. Vilar, 1964: 177). Martín de Azpilcueta and Luis Ortiz were the first ones to understand particularly the negative consequences of this situation (which were starting to become obvious by the mid-sixteenth century), as well as the first ones to propose measures to counteract them. Some of the most important economic writers in the sixteenth and seventeenth centuries were clergymen and court appointments, and "relatively little Spanish economic literature emanated from business men" (Hamil-

ton, 1984: 197)¹⁰. Simultaneously, almost two hundred people proposed new *arbitrios* to the King, which would allegedly benefit the Treasury in a quasi-miraculous way —as well as their own particular treasure through some percentages (Cuartas, 1981b: V-VII).

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II THE METALS COMING FROM THE INDIES

During the first few years, the metal coming from America was, for the most part, gold. The import of gold reached a maximum of at 42,000 kilograms during the decade of 1551 to 1560 before it started to decline. However, an enormous amount of silver started to come to Spain in 1560, and this amount would only continue to grow over the course of the rest of the century. This influx of metals led to what we now call the Price Revolution, and it had three main components: payment of imports, the capitals of returning *Conquistadores*, and royal taxes. Apparently, the price inflation during the first half of the century was higher than during the second half, and the decadence arrived much later than it was believed up until now. However, serious problems would arise, leading to a big regression from 1550 to 1562 (P. Vilar, 1969: 183).

In 1556, Felipe II succeeded his late father, Emperor Carlos V. In April of 1557, Felipe would have to deal with a suspension of payments. According to Felipe Ruiz Martín, the solution to this crisis led to the beginning of his long-term credit system with high interest rates, which went against the entrepreneurial spirit and benefitted the consolidation of rentiers who owned “*juros*” (long-term debt bonds). On the other hand, several fiscal changes had made the finances look like they had started to achieve a certain order. Two more payment suspensions in 1575 and 1596 would prove that this was not the case. In 1552, the Crown had declared a policy of freedom of import from Europe to fight the dearth (1552), which was not well received amongst the Castilian artisans. This policy was rectified in 1555 and in 1558 (after Ortiz wrote his text). None of these things had managed to destroy the Castilian industry, which continued to persist for a long time, and even stay stronger than was believed up until now, so industrialists such as Ortiz in 1558—or his follower, Moncada, about sixty years later—based their writings on specific interests that were very much alive at the time, an industrial reality that had been boosted by the discovery of America. Thus, drawing from the claims of the cities in the Cortes

of Castile, Carlo Cipolla theorized that, in 1545, artisans would receive complaints from Seville for taking six years to dispatch the orders coming from the New World, which would explain the later industrial persistence.

III FRAGMENTS OF LIFE

Luis Ortiz writes in a very specific historical context and in response to very urgent facts. Thus, on the 24th of June 1557, two months after the declaration of suspension of payments, he offered his services to solve the problems of the Spanish Treasury (acting like a true *arbitrista*) by implementing four solutions that he would only reveal if he were first granted 20 percent of the savings, the power to appoint and lead the team of civil servants needed to implement those solutions, and the Treasury's promise not to contract any more debt. He explains that his demands are justified, because in 1543 he suggested some new ideas that were successfully implemented, and he did not receive compensation of any kind for that service; thus, he had fourteen years of experience as a strict *arbitrista*. The Treasury Council seems to hastily accept his demands of a five percent, although when he later presented his lengthy work, on the 14th of March 1558, he would lower it to a three percent under unclear circumstances. This would force him to issue a claim on the 15th of October 1558, in which he recounts several episodes of his life. In 1534, he was an accounting assistant of the artillery in Malaga, and later in other positions such as Algiers, Bougie and Cartagena, until he returned to Madrid, where he submitted a proposal that "was met with great admiration in the Court" (possibly in the aforementioned year 1543). Afterwards he was in Perpignan, and he was a high officer in several cities of the north of Spain —Pamplona, Burgos (where he wrote his most important work), Laredo, San Sebastian and Hondarribia—, which had a profound effect on him as we will discuss afterwards.

I believe the following fragment—an autobiographical excerpt of his text, dated on the 15th of October 1558— could be useful to determine certain aspects of his biography:

My ancestors have been serving the Royal Crown for more than two hundred years; to elaborate on the work they have done in its service would

take too long, so I will just list a part of mine. On the year 1534, in Guadajajara, my life was put in risk, and because of this I decided to devote it to the Royal Crown—which, as Y.M. knows best, was then property of another. Then, when I obtained this humble job of accounting assistant of the artillery, I came to live in Malaga and other places where I performed several services. I then participated in the Algiers expedition, in which, amid many horrible misfortunes, I performed other important services. After this, I returned to Madrid from Cartagena on my own, acting as a messenger. I was the first person to warn of everything that happened and what had to be done regarding the good care of Y.M.'s treasury; this was met with great admiration and pleasure in the whole Court, since they had thought that our Lord the Emperor and everyone else had been lost. I was then tasked with the —Army expedition while the purveyors that were in Bougie with H.M. returned, and I performed several great services, especially victualling and other necessary things; this was done so quickly that H.M. and everyone thought it had been done by more than one man, and if victuals had not arrived in time—which they did— people would have resorted to eating each other. Afterwards, I was at the siege of Perpignan, and then I went to Pamplona, Burgos, Laredo, San Sebastian, Hondarribia and any other place where my services were needed. In all of those places I've served Y.M.'s Treasury in general and particular matters. (Cuartas, 1981a: num. 3)

He later refers to the memorial he has presented —always calling it a “book”, which shouldn't be surprising given its nature. His profile as an *arbitrista* and a mercantilist appears again.

The documents discovered by Cuartas Rivero in the Treasury Council section of the Archive of Simancas then leap to 1566, when Ortiz demands that the Treasury pay him the percentage he requested of the taxes in his proposals. The only response he gets from the administration is silence. The best piece of evidence that seems to be on his favor in this dispute is the fact that Princess Joanna issued a decree on the 30th of April 1558 (a month and a half after Ortiz had proposed it) in which a new tariff on the export of wool was imposed. He never received any credit for it. After this, his name just vanishes, and until recently, nothing else was known about him (Cuartas, 1981a).

New information about Luis Ortiz's work as a publisher came up, and from there, new facts about his personality have been discovered. Accord-

ding to Mercedes Fernández Valladares, who has investigated about the printing industry in Burgos in the sixteenth century, Luis Ortiz published three books: *Libro intitulado las catorze cuestiones del Tostado* ["el Tostado" was a pen name of Alonso de Madrigal, bishop of Avila]. *Prólogo de Luis Ortiz, Contador de la Artillería de la Magestad Cessarea, dirigido al Ilustrissimo y muy excelente Señor Don Pero Fernández de Velasco, Condestable de Castilla, Duque de Frias y Conde de Haro, etcétera* (Burgos, 20th of August 1545); *Epístolas del glorioso doctor San Hieronimo... Traduzidas de latin en romance, en elegante estilo, por el bachiller Juan de Molina. Ahora nuevamente impressas* (Burgos, Sarmental, at the home of Pedro de Santillana at the expense of Luis Ortiz and company and their printing presses in this year of 1554) and *La historia de los dos nobles cavalleros Oliveros de Castilla y Artus de Algarve* (Burgos, Sarmental, at the home of Pedro de Santillana at the expense of Luis Ortiz and company, 1554). The above are three large quarto books with remarkable typographic quality.

Luis Ortiz's 1545 prologue to the first of the three books mentioned above provides us with previously unknown information about his life. Some of it will be coherent with the information that he would write thirteen years later (which we have just summarized). This insistence on writing about his life reveals his constant need to explain his merits. This is odd, considering that, from our vantage point of several centuries of hindsight, his achievements seem to be quite important, and emphasizing them so insistently seems unnecessary. His somewhat confrontational nature appears to explain this. He shows this nature while informing us that he studied at the University of Salamanca: "This Castilian doctor shuts their [the Greeks and Romans, who believed that the Iberian peninsula was a region deficient in knowledge] mouths and gives its fame back to his *alma mater*, the University of Salamanca, which taught him well with its very wise documents" (fol. 111v). Now we know that the University of Salamanca, which played a key role in the origins of monetarism, was also hugely important for the man who is widely considered to be the first mercantilist. Precisely Alonso de Madrigal, who published his writings under the pen name "el Tostado", studied in the same university: "el Tostado, Don Alonso de Madrigal, former bishop of Avila, master of the School of Salamanca, professor of Theology in the same University, was a highly honored doctor, and had high and universal ingeniousness in all divine and human sciences" (fol. 11v).

As he would later write in 1558 in connection with the King, his family has had a long relationship with the Constable of Castile before him:

Your Lordship knows well how long my ancestors and I have been subjects of this house to serve in what little we can muster from our poor strengths, and in my case, what little I have written. Y.L. also knows that, even though there are lords I am subject to, I am only the most loyal subject to Your Honorable Lordship. This tribute bestowed upon me is enough for Y.L. to favor my work, and even though this book I am presenting is not from my pen, you must read it, since it comes from such an excellent man (fol. 11r).

He also insists on two more aspects of his life: his frail health and his most consistent line of work: “I have been unwell from an illness I have caught, and added to the work done this past year I have also summarized all the artillery accounts” (fol. 11r). He published the book in 1545 because “the printers of this city [Burgos] asked me to give them something they could print while the other writing I have almost finished and that Y.L. has seen [is yet to be sent to the print]” (fol. 11r). We know nothing about this other “almost finished” writings. Unlike the other two books he would edit nine years later, there is no mention of this one being published “at the expense of Luis Ortiz and company”, which seems to suggest that he didn’t take part in the publishing process. We do not have any mercantile information concerning him in 1554, but in the Burgos Provincial Historical Archive there is a contract, dated on the year 1562 and numbered 1662, by which:

I, Luis Ortiz, Accountant of the Artillery of His Majesty, on behalf of myself and my company [...], lease to you, Pedro de Santillana, printer of books [...] the presses and their gear, and the houses in the neighborhood of San Pedro partly adjacent to the Emperor’s Hospital [...] at the price of 1,200 maravedis per year [...] moreover, the aforementioned Pedro de Santillana undertakes to return the presses, types and other such printing gear in good condition and as it was given to him. (García de Quevedo, 1941: 335)

Thanks to this document we now know that he lived at least six years longer than we initially believed.

García de Quevedo thinks that “it is not risky to believe that this company he speaks of was the Burgos artillery company. If that were the case, that would imply that the artillery men had their very own printing press here [in Burgos], where the establishments of the aforementioned corps

—the Brotherhood of Santa Bárbara, a gunpowder mill, and so on— were so important, which would be odd”. This would explain why the book of which Ortiz wrote the prologue doesn’t have an imprint —although we now know that it was made by Juan de Junta, the premier printer of Castile. We do know, however, that printers from Burgos could not sell books beyond the town of Torquemada, so the cities of Palencia, Valladolid, Segovia and Salamanca were excluded—they were reserved for the *Junta* of the latter city—, though they were absolutely free to sell their books in the north and the east (Ibáñez, 1990: 414). Whether Ortiz had an entrepreneurial spirit or rather a more financial/militaristic mindset is something that we cannot know based on the information that we have so far.

Pedro de Santillana was, according to Fernández Valladares, the second most important printer in Burgos between 1553 and 1588. He started collaborating with Ortiz during his second year of professional activity, during a time in which Juan de Junta was not active. Among the books that Santillana edited, there’s two works published in 1553 that prove his connection to tradesmen from both Burgos and Flanders: *Ordenanzas bechas por el prior y cónsules de la Universidad de Contratación desta ciudad de Burgos* (first edition of the trade regulations) and *Formulario de póliza de seguro*. Does this prove (or reflect) that Luis Ortiz could have been connected to mercantile life? (Fernández Valladares, 1998). We could still pose a few more questions: firstly, to which extent did Ortiz influence Santillana’s activity? Secondly, and more importantly for this edition, why did Ortiz—who presents his memorial as a book and has connections to the printing industry— choose not to publish it? Or rather, why was not he asked to provide the original copy, like he had to do with the “*Tostado*” book? These new pieces of information answer some questions while raising new ones.

However, knowing that Ortiz was involved with the printing industry does explain why he focused so much on books in a mainly economic text, a fact that had caused some puzzlement in the past. Let’s take a quick closer look. On the one hand, he wanted to create a favorable trade balance, as in other sectors, but on the other hand there also were very powerful ideological mechanisms at play here. Thus, he speaks of “the evil, perverse seed of Luther and his minions” (fol. 22v), or he requests that the censorship be further enforced by “two people from Your Majesty’s Council and a general visitor”, with the help of “a literate on science and cons-

ciencia” in Seville, so that “no heresies or other defamatory libels or dishonest things that do harm to the consciences” (fol. 20) would cross over to the Indies. We will touch upon that later.

IV THE THREE MANUSCRIPTS AND THE EDITION

The main text by Luis Ortiz —the one dated the 1st of March 1558 and addressed to Felipe II— has not yet been found. There are two copies at the Biblioteca Nacional de España in Madrid: the first one dates from the sixteenth century (ms. 6,487, fol. 73), the second one from the eighteenth century (ms. 11,042, fols. 220-279). The first one is untitled, while the second bears the title of *Avisos de Luis Ortiz a S.M. el Señor Rey Don Felipe II Rey de España (Advice of Luis Ortiz to H.M. the King Don Felipe II, King of Spain)*. The two editions that have been published so far have used the first manuscript as the source: the one by Manuel Fernández Álvarez, which was republished in 1963 (Fernández Álvarez, 1957 and 1963) copies the text verbatim and maintains the Castilian language of the original copyist. However, the one published by the Instituto de España (1970), although faithfully transcribed by Jaime Fernández Laville from the Naval Museum of Madrid and proofread by Ana María Vigón from the Corps of Archivists, Librarians and Archaeologists, noticeably updates the language. The editor of the latter, José Larraz, considers it a “more faithful and careful transcription than others published” —an opinion that we don’t share, at least in regards to the Fernández Álvarez edition.

The Biblioteca Nacional manuscript number 6,487 will continue to be our main source of reference, at least until the Archive of Simancas provides us with the more official one. Even if the latter were to appear, the differences may be minimal, since the former is well composed and has elegant writing. The eighteenth-century manuscript is a faithful, albeit free, version of this manuscript, though some differences seem to suggest that it may have been compiled from a fourth manuscript. It is impossible to say for sure, precisely because of the smart liberties that the 1700’s copyist took, but we have to remain open to this possibility.

Manuel Fernández Álvarez found another manuscript dating from the sixteenth century at the Library of the Royal Palace, but he considers it

“very questionable” (Fernández Álvarez, 1957: 102), without explaining his reasons to think so. The writing seems to be from the sixteenth century too, and it has a very comprehensive title: *Orden de Luis Ortiz Contador de Artillería vecino de Burgos para que no salgan dineros de España mas que vengan de otros, para que bajen las cosas de los precios [sic], que tienen para asegurar y allanar el Mar Mediterráneo y para desempeñar la Corona* (Order by Luis Ortiz, Artillery accountant and citizen of Burgos, so that no monies leave Spain but come from other [kingdoms], so that the prices of the things [sic] lower, to secure and pacify the Mediterranean Sea and get the Crown out of debt). The Royal Library manuscript is missing the first two (“*Sacra Católica...*” and “*Prefación...*”) and the last three sections (“*Remedio...*”, “*remediase...*” and “*El Rey*”), but on the other hand, a detailed analysis reveals that this manuscript contains some accurate expressions and various fragments that are not present in the Biblioteca Nacional manuscript number 6,487, such as fols. 113-114, 125-126 and 188-190, among others. Therefore, we disagree with Fernández Álvarez’s assessment about this manuscript, since a close reading of it shows some elements that are complementary to the Biblioteca Nacional manuscript.

In my opinion, the Royal Library manuscript was written before the Biblioteca Nacional manuscript—it may even be the immediately previous draft of it. This manuscript came from the Count of Gondomar’s collection, and according to paleographer Rodríguez Montederramo, there is technical evidence that confirms this origin. Another closer look reveals that the Biblioteca Nacional manuscript is more finished—by virtue of having an introduction and an epilogue—and many expressions are more subdued; however, it also reveals that the final section—“*Yo, el Rey*” (“I, the King”), which is not in the Royal Library manuscript—, was written by Luis Ortiz himself, since it features two passages taken almost verbatim from the Royal Palace manuscript.

V A HIDDEN INFLUENCE

Since, as previously established, Ortiz's "book" was not published until the release of the 1957 and 1970 editions, we could pose the question of whether or not it had any influence before those years. The fact that it was not published would not undermine its value, but it could have greatly limited its influence at the time of writing and immediately after. The fact that three manuscripts exist (which is worth pointing out, given that we can not rule out the possible existence of other manuscripts, or at the very least the original one) suggests that it may have had a greater influence than we could have deduced just from the fact that it remained unpublished. Hamilton was the first to presume its influence: "we know that Moncada and other economists were familiar with [Ortiz's text]"¹¹. It should be noted that Hamilton considered the eighteenth-century Biblioteca Nacional manuscript to be the best version, which is debatable—although that manuscript does prove that there was continued interest for Ortiz, within the interest there was at the time about texts that were edited during the two previous centuries (as proven by the considerable amount of reeditions of this kind of texts during the eighteenth century and especially between 1775 and 1795) (Juárez, 1988; Perdices, 1996: 197-239),.

Ever since Hamilton, it is been widely assumed that Ortiz may have influenced Sancho de Moncada, which is worth noting because of how influential Moncada himself later was. The main specialist on the latter economist, confirming Hamilton's claim, has made it crystal clear:

The overlap in general principles, application purposes and even doctrinal errors between Ortiz and the mercantilists of Moncada's generation was so staggering that the American researcher had to say that Moncada "was

¹¹ TN: Quote transcribed directly from the referenced text, originally in English (in Spanish in the original).

familiar with” the former —sometimes this overlap almost gets to the point of verbatim quoting. The personal circumstances and immediate purposes of their works are identical —spontaneous *arbitrios* addressed to the King and the Councils—, as are their structure, their undercurrent industrialism, their “calculations” of the losses suffered, and their sector by sector assessment. Just like Ortiz, Moncada mentions specifically the trade of books and its economic and spiritual consequences, and he plans to create a “war chest”. Most notably, complete sentences from Ortiz’s *Memorial* can be found in *Ocho discursos* with little to no modifications—very striking, abrupt, unusual sentences, such as “we are treated worse than Barbarians”, “worse than Indians” and “Spain is the world’s main source of money”. Not to mention the “radical remedy”: “closing doors”, “that raw products do not leave the kingdom, nor finished goods enter it”. This could certainly be explained as indirect knowledge of the text through other authors, but there’s no evidence against the possibility that Moncada could have read a copy of Ortiz’s *Memorial* —maybe an anonymous, undated one (J. Vilar, 1974: 52).

Given Ortiz’s decisive influence in Moncada, it bears repeating that there was a sizeable time gap (61 years) between them. It is not just that this time difference is quite large: in 1558, Ortiz wrote his *Memorial* with the goal of increasing the Treasury’s income as well as his own, but he also wanted to make Castile richer and maintain the Spanish Empire for a long time —whereas seventy years later there would be a mentality shift towards economic decadence and impoverishment. It would be many years until mercantilism simultaneously caught on in several European countries around 1620, with many books written about it. Sancho de Moncada holds a privileged place in the history of economic thought in Spain—so much so that, after the Spanish Civil war (1936-1939), the Spanish National Research Council named their Economics Institute after him. On the one hand, every author considers him the most important Castilian industrialist mercantilist —which led to the reedition of his writings in 1746—, since liberal mercantilists still considered him one of them and he attracted “the enthusiasms of Enlightenment”. On the other hand, his obsession for quantification (a trait he shared with Ortiz) has made him a source of information for economic historians. Through Moncada, Luis Ortiz was deeply influential in Spanish mercantilism—among others, he influenced early eighteenth-century economist Jerónimo de Uztáriz, who was a source of information about Spain for Adam Smith.

Before we get into the final part of this introduction (which will be a first analysis of Ortiz's text), it is important to point out that Moncada was part of the "School of Toledo", which formed around the former capital of Spain—an important center of industrial activity in which, in 1618, "the time of the *arbitristas*" would come (to quote Jean Vilar). The School of Toledo was a large group of *arbitristas* (among which Damián de Olivares is worth mentioning due to his extremism) who defended the need to protect the industry because of its capacity for job creation, as well as asserting that a quantitative knowledge of reality was an indispensable work tool. Moncada (and, through him, Luis Ortiz) would be the main inspiration for the School of Toledo, which "represents the militant wing of Spanish mercantilism" (J. Vilar, 1974: 58). Ortiz also influenced some non-industrialist writers within a broader scope (Gutiérrez, 1986; Perrotta, 1993), among which we will only mention one: Martín González de Cellerigo, a jurist from Valladolid who could be considered the first Spanish mercantilist in the era of full awareness of economic decadence, and who wrote *Memorial de la política necesaria y útil en restauración de la república de España y estados de ella y del desempeño universal de estos reinos* (1600).

VI MERCANTILIST CONTENTS AND SYSTEM

Luis Ortiz starts off from a highly optimistic economic vision of Spain: “It is located between Africa and France, isolated by the Strait of Gibraltar and the Pyrenees, and it is more fertile than both of them because it is not roasted with all the force of the sun like Africa is, nor is it exhausted by strong winds like France is” (fol. 5v). It gets to a point in which he portrays Spain as incomparable: “There is no other land as abundant, rivers flow on it [...] which are convenient to water the fields and abound in fish; many of them have gold, and they are the greatest in the world for dyeing cloth and quenching weapons” (fols. 5v-6); “In Spain there are mines of gold, silver and other metals which are still hidden underground because there are no professionals that know how to separate them from the earth, and if we had such professionals like they have in Germany and other kingdoms we would have more gold and silver here than there is in the Indies” (fol. 15v). By contrast, he has a very negative opinion of the Castilian character, because “if [the Castilians] don’t have war outside, they fight one another, because every person there (or at least the majority of the people) is naturally choleric and arrogant, and since most live an idle, illiterate, craftless life, they are found to be more prone to sedition than [the inhabitants of] any other nation” (fol. 6). From this point of view, it is only logical that, in the “Prefación” section, he points out that his main goal with this work is to “venture to give an order on how to remove all idleness from Spain and introduce work” (fol. 7).

Ortiz’s approach is to analyze the main items in the balance of trade to decrease the sums made over to other European countries in exchange for importing manufactured products that are made out of raw materials from Castile. These imports and their high prices caused inflation and prevented domestic job creation. Despite claiming that “Spain is the world’s main source of money because of the things it produces and what comes from the Indies” (fol. 12), this is not what is causing the inflation; the root of the problem lies in the European imports, which are a way to sell us

back our own raw materials for a much higher price: “[things wouldn’t] cost as many monies if they didn’t come manufactured from other kingdoms, which is one of the main reasons why they are more expensive” (fol. 15v). If the rule requiring “that raw products do not leave the kingdom, nor finished goods enter it” were to be applied to wool, iron, cochineal and kermes, that would save the Crown over two million gold and silver ducats per year. This would make foreigners not “treat us much worse than Indians, for we at least give them [Indians] more or less useful things in order to take their gold and silver, but they [Europeans] sell us back our own things” (fol. 9v). Enacting measures to protect domestic production is not enough, the following measures are also necessary: 1) abolishing the laws that devalue mechanical labor; 2) limiting the luxury of the rich; 3) establishing a period of four years (with possible extensions) for people to learn trades and crafts, which would avoid the current situation in which “any person, regardless of status or condition, does not know any other job or trade but to go to Salamanca [to study at the University], or to go to war in Italy or the Indies, or to be a notaries or court officials” (fol. 16), and attract foreign artisans to the country (which would cause an increase in population); and 4) changing a fiscal system that makes “farmers, who are mostly poor and unfortunate, pay for everything” (fol. 14v). More abundant work would cause crime and litigations to decrease, and this would avoid the tension caused by highly conflictive people going to the Indies.

“Another door” that must be closed is that of water-related activities, which would save the Crown over two million ducats more; particularly the production of linen, paper, flax and hemp; preventing water from being wasted; and making rivers navigable and. He proposes to improve the yarn spinning methods, moving away from “hand spinning ” (which was the custom among women at the time in Burgos) in favor of the Flemish technique of “wheel spinning”. Limiting the importation of books has the goal of not only creating jobs and avoiding the outflow of capital, but also of preventing the influence of “Luther and his minions” (fol. 19). He specifically requests a “scientific and dogmatic” control of the books that are to depart to the Indies, so that no heresies or other defamatory libels or dishonest things [...] go there” (fol. 20). The prohibition of importing books would save the Crown 200,000 ducats. Another measure aims to create jobs by encouraging beekeeping and the production of honey, which would save the Crown a minimum of 500,000 ducats.

The “fifth door” that must be closed (one that, as an officer of the Crown, he knew very well) would be the one that the north of Spain has opened to buy grain, barley, oil and wine from France. He claims that oil is exported to later import soap, and that something similar happens with wine; this costs the Crown a large sum of money. He proposes to construct big granaries that could store large quantities of grain for the years in which the price of bread increases. In the chapter “*Remédiase la carestía de pan*” (“To remedy the shortage of bread”) (fols. 66v-68v), he mentions the Signoria of Venice as a leading example of how this would work. The closing of this “fifth door” would save the Crown over one million ducats. Next, payments outside the country would have to be limited. Because he was not familiar with the quantity theory of money, he writes that if “no monies leave the Kingdom, but come from other Kingdoms” (fol. 30v), the prices of things would go down, but not enough, so additional measures (which we will explain later) would have to be put in place. The following table is a quantitative summary of how much the Crown would save if Ortiz’s proposal of banning the exportation of raw materials and the importation of manufactured goods is approved:

EFFECTS OF PROHIBITING THE EXPORT OF RAW MATERIALS AND THE IMPORT OF MANUFACTURED GOODS (IN DUCATS)

1) Wool, iron, cochineal and kermes	min.	2,000,000
2) Linen, paper, flax and hemp	min.	2,000,000
3) Books		200,000
4) Honey	min.	500,000
5) Grain, barley, soap and French wine for the north of Spain	min.	1,000,000
Total	min.	5,700,000

To further “lower the prices of things” (fol. 30v-41), Ortiz proposes to put measures of liberalization in place. The first one would take aim at the perpetuity of municipal offices, which results in measures that cause “everything that is necessary for human sustenance” to be more expensive. Other parts of the administration also complicate trade, so everything

passes “through the hands of seven or eight different people [...] [This] goes against the interest of the republic and causes the prices of things to rise” (fol. 33v). Another convenient measure would be a higher number of trade fairs. The Kingdom of Castile (Luis Ortiz’s territory) would have a great deal to learn from the kingdoms of Navarre and Aragon, since the latter two had better economic institutions. Although the three kingdoms were united politically under the Crown, they still had separate markets, so Ortiz proposed (fol. 40v) to unify the three markets into one—something that wouldn’t happen until the early nineteenth century:

On the occasion of the next *Cortes* in Castile or in Aragon, some deputies from the aforementioned kingdoms and for the Kingdom of Navarre should meet and order that inland customs and excises as exist between the three kingdoms be abolished and displaced to the borders of France and Portugal, and that tradesmen and travelers be able to roam freely through these kingdoms [Castile, Aragon and Navarre], for they all belong to His Majesty.

Another anti-inflationist proposal is the reduction of transport costs by making rivers navigable.

“Securing the Mediterranean Sea” is always proposed as a safety measure and to defend the faith against “the Turk”. Ortiz presents a meticulously detailed proposal for the creation of a navy, describing with quantitative obsession its operation costs and funding (fols. 45–45v). In his funding model, Ortiz makes an often-underemphasized new demand: that the Crown appropriate or take back the tax exemptions of the privileged and the temporal rights of the Church. This comprehensive, thoroughly detailed plan would greatly broaden the Crown Lands -or *realengo*, “that which belongs to the King” (Covarrubias, 1943). Here can be seen one of the characteristic traits of mercantilism, to wit, the unification of the economic market and the Treasury). Unifying the economic markets ruled by the same Crown and “getting His Majesty out of debt” at the expense of the nobles and the clergy would be the two core principles of what would eventually become mercantilism. Using Flanders as an example, he proposes to ban exchanges and repress capital merchants—he even proposes penalties comparable to those of the Inquisition—substantially to limit their action.

What we just summarized doesn't reflect the epic, the dramatism with which Luis Ortiz regards the dangers coming from the Mediterranean, or the severity with which he proposes to respond to them —flowing from his militaristic nationalism and uncompromising Catholicism. To him, the danger is dire: "I believe that everything will be lost. Not only will the Kingdoms of Valencia, Murcia and Granada, and the whole coast of Spain, be lost and blighted, but the very core of Castile will be raided by Turks, Moors and other enemies, and in time there will be nobody who could remedy the situation, or manage to survive the calamities that await us; time will bear witness to what I say" (fol. 43). A fundamental cause for this is an unstoppable demographic growth: "In Algiers and in many other African towns there are Moors that have sixty or seventy sons, and some of them have no daughters; as such they could easily take over the world if Our Lord does not prevent it" (fol. 44v). This could only be avoided with viciously violent military action: "Razing the coasts of Africa" (fol. 44v).

There's nothing in Luis Ortiz that pertains to bullionism (love of bullion) or chrysohedonism (the belief that happiness lies within gold), but only to mercantilism. Establishing an exclusive market and unifying the various medieval territories is a good place to start for creating work and "placing idle rich people, soldiers, servants, vagabonds, students, writers and lawyers into productive jobs —this is, 'mechanical trades'—; thus [Ortiz makes] a classification of the unproductive that is virtually identical to the one Petty would propose more than a century later, and the one proposed by Smith more than two centuries later" (Perrotta, 1988: 88). This exclusive market would exploit its own raw materials to create work with the capital coming from the Indies. The increase in production that would stem from this proposal would be the thing that creates work and true wealth. The unbearable inflation is caused by the importation of manufactured goods —a way to sell us our own raw materials back for a higher price— and the lack of an infrastructure or institutions that make transports cheaper and lower prices, as well as the use of the influx of capital from overseas in productive activities (this influx of gold and silver from the Indies indeed caused problems, but Ortiz did not think it was in any way related to inflation). He reaffirms the predominance of the Royal Treasury and patrimony with absolute mercantilist clarity. This is the origin of the quasi-system (as Schumpeter would call it) constructed by Luis Ortiz.

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¹² TN: The text referenced here is a compilation of several Hamilton texts translated into Spanish. For the original article in English, from which I directly transcribed the quotes for this translation, see: HAMILTON, E.J. (1932), "Spanish mercantilism before 1700", in *Facts and Factors in Economic History: Articles by former Students of Edwin Francis Gay*, Cambridge, Arthur H. Cole.

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