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The Genoese in the kingdom of Naples: between viceroys' Buon governo and Habsburg expansion

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« Kings cannot achieve heroic actions without money ».
(Count Duke Olivares, 1625)

« The Genoese were envied and even hated because of their fortune, but their loans in service to the royal finances avoided the dangers of many tempests ».

(Giulio Cesare Capaccio, 1630)

On June 7, 1647, a brief rebellion erupted in Naples against the ever-increasing taxes imposed by the Spanish viceroy. Masaniello, the ring leader of the revolt, shouted to the crowd « open your eyes, my people, these are the traitors of our nation; I know that tomorrow I will be killed, but I do not care ... and, my people, if you want to make sure to get His Majesty's attention, you should follow my advice and make of this public square a harbor, and build a bridge linking Naples to Spain »¹. Following its leader, the angry crowd shouted in the streets, « long live the King, and down with bad government »². The revolt originated in legitimate popular discontent whose actual outburst derived from a popular festival held in early June for the feast of the Madonna of the Carmine³. This yearly celebration entailed a mock battle between the Neapolitans and Turkish invaders. When the news broke that the Spanish had levied yet another tax on fruit, Masaniello – in charge of the mock Neapolitan army in the festival – became outraged

¹ « Orsú, popolo mio, ecco i traditori della patria; io so che domani debbo essere usciso, ma non me ne curo ... e poi, popolo mio, se vuoi star sicuro, e farti sentire da sua Maestá, devi seguire il mio consiglio, e fare un porto di questa piazza ed un ponte da Nápoli a Spagna ». B. CAPASSO, *Masaniello. Ricordi della storia e della vita napoletana nel secolo XVII*, Napoli 1979, p. 58.

² « Viva il Re, mora il malgoverno ». T. DE SANTIS, *Historia del tumulto di Napoli*, Leyden 1652, p. 49.

³ For a vivid account of the revolt, see P. BURKE, *The Virgin of the Carmine and the Revolt of Masaniello*, in « Past and Present », n. 99 (May 1983), pp. 3-21. See also R. VILLARI, *La rivolta antispagnola a Napoli. Le origini (1585-1647)*, Bari 1967.

and transformed his make-believe army into a real one and marched on the palace to wring justice from the Spanish viceroy⁴. Masaniello's ragtag army spilled out of the festival. With a mob of tens of thousands roaming the streets, the viceroy was forced into concessions: the repeal of the fruit tax and the reinstatement of reforms dating from the previous century. However, the Spanish authorities eventually eliminated Masaniello and his mob.

The revolt of Masaniello arose during a period of European economic crises. It occurred at the end of thirty years of a grueling war (1618-48) among continental powers, for which southern Italy had contributed men, money, and food resources. The upheaval was fundamentally a fiscal revolt, but it also expressed the exacerbation of a conflict among different social groups involving Neapolitan commoners, the local nobility, wealthy foreigners, and Spanish officials. For the philosopher Pietro Giannone, the uprising symbolized the clash between Iberian and Neapolitan powers, the corruption of viceroys and ministers, and the conflict between nobility and commoners⁵. Therefore, the insurgency underscored obvious socio-political problems.

I further suggest that this episode illustrates another dimension of Spanish governance in southern Italy. Although this rebellion has been studied as one in the cycle of the seventeenth-century protests within the Spanish domains (together with Portugal, Sicily, and Catalonia), I propose an alternative to resistance to the forceful assertion of royal authority⁶. Analyzing the prelude to the revolt reveals some attempts from the Spanish viceroys to exercise good government in the kingdom of Naples. Looking further in depth at the viceroys' actions provides a window into the real culprits of Naples's financial predicament. The viceroys made efforts to engage in good government but were foiled by the powerful Genoese merchant-bankers who used adept political maneuvers to protect their interests. The Genoese raped the resources of the kingdom by pressuring Spain to protect their financial interests in southern Italy. To preserve their financial assets in Naples, they aptly manipulated the viceroys, who indeed tried to main-

⁴ A. MUSI, *La rivolta di Masaniello nella politica barocca*, Napoli 1989, pp. 12, 22, 135.

⁵ P. GIANNONE, *Istoria civile del Regno di Napoli*, 5, Napoli 1723, p. 304.

⁶ The first scholar to suggest a cycle of protests within a single composite state was R.B. MERRIMAN, *Six contemporaneous revolutions*, Oxford 1938. For a recent update, see W. TE BRAKE, *Shaping History. Ordinary People in European Politics*, Los Angeles 1998.

tain *buon governo* in southern Italy and the Habsburg crown, which needed Genoese finances to pursue its expansion on the European continent. Masaniello appealed to the monarch and vilified the viceroys, but it was the latter who wrangled with both Genoese and crown to insure the welfare of the kingdom. Therefore, the revolt suggests that the Spanish kings and the Genoese merchants were complementary imperialists. There emerges a clear conflict of interest between imperial vision and local concerns, or between maintenance of the empire and the establishment of good government. What Masaniello did not see was that the prosperity of the Habsburg empire required constant negotiation. The Genoese struggled to preserve their economic interests, the crown to sustain its empire, and the viceroys to apply good government.

The principle of good government Masaniello begged included peace, justice, security, and harmony, which some viceroys did try to apply. Masaniello's harangue of « down with bad government » blamed the viceroys but saw the most immediate problem. His wish to see a bridge built between Naples and Spain alluded to the mutual dependency between the two places, and the idea of a harbor to replace the square also indicated the need to enhance Naples's commercial activities (and trade which the Genoese monopolized) rather than to raise its *gabelle* (taxes levied on commodities). What he did not really understand was that some viceroys did engage in good government but were countered by the Genoese. Masaniello wrongly appealed to the king to restore order because it was the crown's heavy reliance on Genoese funds which provoked the financial ruin of the kingdom. A few viceroys did take their task of preserving the kingdom's welfare seriously because they learned from one another and recognized the inefficiency of the imperial system. Some viceroys tried to remedy the mistakes of their predecessors. Realizing the urgency of the situation in the Spanish domains, not only did they swear allegiance to the subjects of the king, but genuinely tried to uphold their rights. Justly enough, they understood that the only way to proceed properly was to change the system of privileges.

The tensions in the correspondence between Genoese residents in Naples and their doge expose the viceroys' attempt to perpetuate good government. Some viceroys enacted bans that compelled the Genoese nation to take cuts in their share of feudal privileges, constraining them to participate in the financial burden of the region. One of the most lucrative assets of the Genoese community was their right to collect indirect taxes known

as *gabelle* on traded products such as silk, oil, and grain, but also on indirect taxes due to the city, the court, or the king. Since the government lacked the means to collect the *gabelle*, they farmed them out under agreements to entrepreneurs who bought the right to collect a specific *gabelle* in a designed area and then tried to maximize their income. The viceroys' main objective was to annul the Genoese right to perceive an income from the city's *gabelle*, a medieval privilege granted before the Habsburg crown's arrival in Naples. In return, the Genoese fought the bans in order to preserve their monetary interests in the kingdom and to assist the monarchy.

Although the primary duty of the viceroys was to administer the lands of, and possibly derive financial benefits for the Spanish monarch, in the kingdom of Naples the state of local affairs led some of them to side with local needs. In fact, an anonymous booklet published at the time of the revolt indicated that in order to preserve both good government and his reputation, it fell upon the king himself not to raise unjust *gabelle*⁷. Thus, unlike the populace, Masaniello and his clique, the local élite realized that there were conflicts of interest between the monarchy and its viceroys. The kings granted the viceroys the privilege of *merum et mixtum imperum*, which some of them used for public good⁸. Such was the case of the third duke of Alba (r. 1556-58), the duke of Alcalá (r. 1559-71), viceroy Benavente (r. 1603-10), viceroy Lemos (r. 1610-16), viceroy duke of Osuna (1616-1620), cardinal Zapata (r. 1620-1622), viceroy fifth duke of Alba (r. 1622-1629), and viceroy duke of Medina (r. 1637-44).

Machiavelli began traditional historiography in the sixteenth century affirming that in the Kingdom of Naples «there has never arisen any Republic or any political life ... the material is so corrupt, laws do not suffice to keep it in hand»⁹. Until recently, Italianists underscored the Spanish conquest of 1503 as the watershed period during which the Kingdom of

⁷ *Il Cittadino Fedele*. «Discorso breve della giusta, generosa, e prudente risoluzione del valoroso, e fedelissimo popolo di Napoli per liberarsi dall'insopportabili gravetze impostegli da Spagnuoli, Napoli 1647, in R. VILLARI, *Per il Re o per la Patria. La fedeltà nel Seicento*, Roma 1994, pp. 41-57.

⁸ This medieval privilege allowed the viceroys to rule with an iron fist. The local parliament was made up of the local privileged classes who wished to preserve the financial and political status quo. By the mid-sixteenth century, the strengthening of royal authority made it always more difficult for them to assert themselves over vice-royal decisions.

⁹ N. MACHIAVELLI, *The Discourses*, New York 1984, Ch. 55, 246.

Naples became a commonplace example of misrule¹⁰. The local baronial class prevented the emergence of a political culture, and therefore of good government. The following century, Neapolitan humanist Giulio Cesare Capaccio, welcomed Spanish rule, which contrasted with the local barons' reliance on feudal order. He saw Spanish government as a relief from the barons and as synonymous with good laws¹¹. For Capaccio, Spanish leadership exemplified true "reason of state" because it attempted to apply good government¹². His agenda was clearly against the barons, and in favor of the monarchy. But he also welcomed the Spanish regime because de facto rule was done by the viceroys. Indeed, the king's officials checked on the nobility's abuse of vassals, the growing tide of banditry, and administrative disorder¹³. To that extent, historian of the Mezzogiorno, Rosario Villari, made illuminating remarks about the practice of good government. He suggested that good government included the commitment to ensure fiscal solvency and revenue growth, to provide sufficient food for the capital, to keep the peace, and to apply uniform justice¹⁴. The Spanish viceroy tried to uphold these governing ideals, even though they did not always succeed¹⁵. Following that thought, Villari suggested that the local governments' expedient decision-making required at times the private self-interested selling of

¹⁰ B. CROCE, *History of the kingdom of Naples*, Chicago 1970.

¹¹ G.C. CAPACCIO, *Il Forastiero. Dialoghi*, Napoli, Gio Domenico Roncagliolo, 1630, pp. 561-573.

¹² J. Marino found that Capaccio envisioned two true modes of government that spoke to the king's greatness: imperial laws (adjudicated by royal tribunals), and statutes and laws (administered by royal courts). See J.A. MARINO, *The Foreigner and the Citizen. A Dialogue on Good Government in Spanish Naples*, in *Reason and its Others. Italy, Spain, and the New World*, D. CASTILLO and M. LOLLINI eds., Nashville 2006, pp. 145-164.

¹³ G. GALASSO, *Trends and Problems in Neapolitan History in the Age of Charles V*, in *Good Government in Spanish Naples*, A. CALABRIA and J. MARINO eds., New York 1990, pp. 13-78.

¹⁴ R. VILLARI, *La rivolta antispannola* cit., pp. 252-253.

¹⁵ « Quattro cosas son las principales en que consiste el buen gobierno deste reyno: en la Buena administración que vulgarmente llaman la grassa que se pide particularmente en esta ciudad; en la observancia de la justicia e prematicas; en el beneficio conservación y aumento del Patrimonio Real y en la Buena disciplina y orden de la milicia y fuerças que su majestad sustenta y mantiene en este Reyno con grande costa y cuydado y es de creer non sin causas de Buena consideración por razon de stado ». See Biblioteca Casanatense, Roma, ms. 2417, fols. 195-200.

public revenue to private speculators¹⁶. Thus, imparting good government was obtained through the maintaining of privileges as well¹⁷. In fact, John Elliott argues that «divide and conquer» was the rule for the viceroalties within the empire because good government required some subjects to be granted privileges over others¹⁸. In the relationship between ideal government and its practice, management strategies were open to the viceroys. The administration of the kingdom rested on dire economic realities and organizational rationale¹⁹. For this reason, good government was complex and, as suggested by Koenigsberger, Spanish rule in Italy was not the rule of decadence, but rather an attempt to continue the Renaissance ideal of good government under a universal emperor²⁰.

Thus in southern Italy, the viceroys exercised the concept of *buon governo* by mediating the Habsburg kings' expansionist policies and the financial needs of the kingdom. Giovanni Muto speaks of two different programs in which the viceroys were caught: reformism and expansionism. Seeing that the viceroys were trapped between Spanish imperialism and Neapolitan socio-economic pressures, he differs from the findings of Geoffrey Parker who postulated a political and military «grand strategy of the Spanish crown». As a result, the viceroys' duties to administer the region kept them very much on the borderline of their allegiance to the crown, and imperial schemes always infringed upon the viceroys' *buon governo*. The viceroys' failure to maintain good government did not mean they came to rape the kingdom of Naples. Instead, their failure reflects the active intervention of the Genoese made possible by the wars the kings were engaged in. The crown had to give in to the Genoese to finance its wars. Thus the Spanish viceroys did not come in with the intent of exploiting the kingdom, nor was there any grand strategy to support their political undertakings. Only the Genoese were efficient at working the kings over.

¹⁶ R. VILLARI, *La rivolta antispagnola* cit.

¹⁷ *Ibidem*, p. 161; and J.H. PARRY, *The Spanish Theory of Empire in the Sixteenth Century*, Folcroft 1969.

¹⁸ J.H. ELLIOTT, *Imperial Spain, 1469-1716*, New York 1966.

¹⁹ *Good Government in Spanish Naples* cit., p. 10.

²⁰ H.G. KOENIGSBERGER, *The government of Sicily under Philip II of Spain: a study in the practice of empire*, New York 1951. See also ID., *The Practice of Empire*, Ithaca 1969.

The Genoese nation provided a steady income to the Habsburg crown, using the kingdom of Naples as one of the many links in their chain of Mediterranean investments, which in turn secured both their financial and mercantile interests in Europe and the western Mediterranean. The Habsburg crown was an institutional monarchy with various centers whose economy was mercantilist. The merchants benefited from the kingdom's wealth by disseminating its resources throughout the European continent. Their alliance converged in Naples for their mutual profit, pushing the kingdom into a mercantilism of feudal character. The Genoese financial assets in the kingdom enabled them to make prodigious loans to the crown. This was the crux of the symbiotic alliance between these merchants and the crown: through advances on future revenues the crown was able to meet military pressures anywhere in the Spanish empire²¹. This way, the financial oligarchy of the Genoese allowed the Habsburg from Charles V to Philip IV to pursue their imperial policies.

This essay is divided into three periods organized in a series of episodes involving the Spanish viceroys who attempted to maintain good government, the Genoese merchants who exploited the kingdom's resources, and the Habsburg kings who sought revenues. First, it presents Naples's financial contribution to the empire in the sixteenth century, then it turns to the continuing struggle for *buon governo* and Spanish territorial expansion in the seventeenth-century, and finally it analyzes the repercussions of the Thirty Years' War (1618-48). Imperial expansion and provincial management depended on endless negotiations, which made Naples one of the great links of the Habsburg chain. To extract money from the Genoese, the viceroys clearly disobeyed the Habsburg kings' orders to uphold the Genoese privileges in the kingdom. We will see that maintaining the empire entailed to protect the western Mediterranean against Turkish assault, prevent the spread of Lutheranism in Europe, and insure the profitability of the extra-European domains. What was unknown to Masaniello was that the Habsburgs relied partly on Genoese negotiation in the kingdom of Naples to preserve the empire.

²¹ In *The Modern World System* (New York 1974) I. Wallerstein sees that the Habsburg's stake in Genoa's economic well-being corroborated with the economic need to integrate the northern Italian city-states into Spain. By satisfying Genoa, Spain sought to control the 'European world economy.' See especially chapter one.

The Mid-sixteenth century Challenges

Viceroy duke of Alba (r. 1556-58) was the first viceroy to realize the strategic importance of southern Italy for the preservation of Spanish interests. Alba's vested interests in the welfare of the kingdom were clear. He explained his situation to King Philip II: «I came to Naples principally to find money, dealing as best as I could with the ministers of the Collateral Council»²². In his correspondence with the king, the viceroy declared that «in this kingdom there is need to provide for everything, but above all money»²³. After a few months in residence, Alba further noticed that the kingdom lacked all bare necessities, and expressed his iron resolve to remedy the city's grain problem²⁴. Thus, he infringed upon Genoese privileges which he identified as the ideal source of money to rescue the kingdom from dire financial straits. He explained to the king that «thinking about exporting one grain of wheat from this kingdom to Genoa would be impossible, because the penury is so great that men drop dead»²⁵. The viceroy tried to convince the monarch that the Genoese privileges encroached upon his exercise of good government. Thus he emphasized the contractual dimension of the king's empire. The ruler was to insure public peace and protection in exchange for a contribution proportional to what the Neapolitans could afford. In exchange for its willingness to serve the king with its lives and fiscal obligation, Naples was *fedelissima*. It was an equilibrium respected through a pact between the king and his vassals. The viceroy was thus trying to reconcile the two parts for financial assistance.

Financial disarray, added to social discontent and poverty in the kingdom of Naples, accounted for the viceroy's resolution to obtain funds

²² *Epistolario del III Duque de Alba*, ed. J.M. FITZ-JAMES STUART Y FALCO, 10° duque de Berwick y Alba, Madrid 1952. Letter from viceroy duque de Alba to king Philip II, Nápoles, January 6, 1557. The ministers of the Collateral Council were a handful "supreme ministers" who were doctors in law. The nobility was barred from political power and only the meritorious *togati* (hooded ones) could access the Council of State. Thus, although Charles V had granted the viceroys *merum et mixtum imperium*, in reality their authority was constantly undermined by the crème de la crème ministers. In the practice of good government, the constant struggle between Spanish viceroys and local ministers became a hindrance. See P.L. ROVITO, *Il Vicereame Spagnolo di Napoli. Ordinamento, Istituzioni, Culture di Governo*, Napoli 2003, pp. 50-59.

²³ *Epistolario del III Duque de Alba* cit., February 15, 1556.

²⁴ *Ibidem*, March 28, 1556.

²⁵ *Ibidem*.

from the Genoese. Displeased with Alba's rationale, the Genoese doge pleaded his merchants' case with the monarch and threatened to retaliate in kind by imposing similar economic measures on Spanish transactions in Genoa. So, by the mid-sixteenth century, the Habsburg crown was already negotiating with the Genoese for financial support. It was not a good time for the viceroy in Naples to anger the financiers of Philip II. In the Netherlands, anti-Catholic factions were rioting against Spanish rule, and more than ever, advances from bankers were needed. The intervention of the doge underscores his bargaining power over the Spanish king. A paralysis in transactions with the city of Genoa meant an interruption of the financial alliance with the Genoese bankers throughout Europe. Maintaining Genoese privileges in the city of Naples was thus one of the necessary conditions to insure their good will. It was a conditional entente, based on mutual reciprocity and agreements. Advantages to both parties needed to be insured for the alliance to be maintained. In these times of war, reliable financiers needed to be nurtured.

Philip II repeatedly intervened directly with the viceroys in Naples on behalf of the Genoese to guarantee their financial support for his endeavors. The political situation in the Netherlands was mirrored in the Mediterranean, and Genoese finances were crucial to allow the Spanish monarchy to combat the Ottomans²⁶. The first of many setbacks in the Mediterranean was the loss of Djerba in 1560. During the tenure of the viceroy duke of Alcalá (r. 1559-71), Spanish treasurer Gómez Suárez de Figueroa arranged for a *donativo* of 100,000 scudi of gold from prominent Genoese financiers in the kingdom, Paris Lomellino and Cristoforo Centurione²⁷. Fearing the infringement on their financial privileges in Naples, the Genoese appealed directly to the Spanish king for assistance. The monarch needed his financiers for his Mediterranean enterprises, so he put them at ease and assured the Genoese of his personal regard for the republic. Time and again, the

²⁶ For the importance of the kingdom of Naples in the Mediterranean conflict see G. FENICCIA, *Il regno di Napoli e la difesa del Mediterraneo nell'età di Filippo II (1556-1598): organizzazione e finanziamento*, Bari 2003.

²⁷ ARCHIVO GENERAL DE SIMANCAS, *Papeles de Estado de la correspondencia y negociación de Nápoles*, ed. R. MAGDALENO REDONDO, Valladolid 1942, leg. 1055, año 1566. J.D. TRACY, *Emperor Charles V, Impresario of War. Campaign Strategy, International Finance, and Domestic Politics*, Cambridge 2002, argues that once the Habsburg were established in Italy, Naples always needed to provide *donativi* to pay the debts of recent wars.

king reminded the viceroys that he « personally wished to see the Genoese well treated and financially favored in the Spanish possessions »²⁸. The Genoese struggle with the viceroys thus exposes how Naples was one of the anchor points for the monarch's Mediterranean imperial strategies, increasingly threatened by Turkish advances. It also illustrates the significance of the Genoese in Naples's affairs. Even though the viceroy attempted to secure funds for the kingdom, the Genoese could not allow Naples to be well governed since for them also, the region was an anchor point for their finances. Local negotiations to insure the welfare of the kingdom of Naples came as a very distant priority in the face of the harsh realities of the loss of Spanish territories throughout Europe and the Mediterranean. Precedence was given to the preservation of the Spanish domains, not to the maintenance of good government in its satellite possessions.

As a result of these imperial policies, the turn of the seventeenth century marks a rupture in state finances. As Europe as a whole descended into financial crisis, the kingdom of Naples, because of its role as the « Castile of Italy », was badly hit. The viceroys maintained their balancing act between international state finances and a local policy of *buon governo*. The region continued to provide financially for Spain's pursuit of empire, thus severely draining its economic means. In 1580, Philip II had coalesced the two crowns of Spain and Portugal. This event merged the colonies in the New World and created an administrative nightmare for the Spanish empire. This state of affairs ushered in a period of change for the empire as a whole and for the kingdom of Naples in particular.

The viceroys were caught in expansionist wars and their struggle with the Genoese was representative of their tightrope walk between local and international interests. In the spirit of the duke of Alba, the count of Miranda (r. 1586-95) argued in 1592: « I remind your majesty that the Royal court is in no condition to bear such obligation [of a loan to the crown] because it is so weakened that it cannot meet even its ordinary and predictable expenses ». Francesco Caracciolo has pondered whether the viceroys were bad economists, bad politicians, or both²⁹. If we see them as imperial go-

²⁸ Archivio di Stato di Genova (ASG), *Giunta di Marina*, 2, Consoli Nationali et esteri (1601-1694), letter from the king of Spain to the viceroy of Naples, October 13, 1603. This is one of many such letters.

²⁹ F. CARACCILO, *Il Regno di Napoli nei secoli XVI e XVII*, Roma 1966, p. 50.

vernors, aware of the contradictions but eager to both pressure the Genoese and to try to gain loyalty of the Neapolitans, neither of these categories applies. More simply put, the viceroys' main focus was to maintain the kingdom's financial assets within local boundaries. As Spain was fighting nearly every state on the European continent, the viceroys' economic terms constantly changed. They worked to safeguard the kingdom while the Genoese absorbed its resources partially with the end of providing for the empire. As a result, the empire was wearing itself very thin, draining the resources of the other Spanish domains. The financial effort to maintain extra-European possessions led the monarch to neglect the needs of his European territories. Based on a system of loans for continued existence, Spain inefficiently stretched itself to the limit (since the sun never set on the Habsburg empire). While the alliance with the Genoese brought momentary financial relief, it wound up exhausting the Spanish domains' resources, therefore undermining the very essence of the imperial system.

The Seventeenth-Century crisis

The year 1607 marks a watershed in the financial history of the Spanish crown. The Spanish state entered yet another bankruptcy with wide repercussions for all the provinces of the empire. To mend the gaping fiscal hole, viceroy Benavente (r. 1603-10) located an adequate source of money in the kingdom in the wealthy Genoese community. The viceroy thus proceeded to catalogue all Genoese earnings in the kingdom and decided to tax it. He argued that «foreigners sucked the blood of this kingdom ... it would be wise to suspend their collection of the trimestrial *gabelle* for a while ... and in particular [that of] the Genoese nation, which owns all the income of this kingdom»³⁰. The viceroy established an inventory, listing feudal and personal revenues, as well as lands and baronial states, that the Genoese had acquired during their lifetimes or inherited through the royal court, the city of Naples, the commune, as well as retirement, favors, and gifts³¹. When

³⁰ *Problemi monetari negli scrittori napoletani del Seicento*, a cura di R. COLAPIETRA, Roma 1973, pp. 20-21.

³¹ The Genoese consul convoked the Genoese nationals registered as residents in Naples. Sixty such families were present to the meeting that acknowledged their contribution to the viceroy's new ban. The most famous of them included the Grillo, Fornari, Spinola, Serra, Grimaldi, Pallavicino, Squarciafico, Cattaneo, Lomellino, Gentile, Lagomarsini, Pavese, Naselli,

the Genoese consul Grillo received notice of the imminent tax to pay, he alleged that the said action inflicted great financial damage on the community he administered³².

Fortuitously for the Genoese, local military exigencies afforded them to circumvent the tax and earn money at the same time. The viceroy needed funds and galleys to protect the kingdom's coasts against Ottoman attacks and so appealed to the Genoese for assistance. Since the court had contracted numerous loans for the kingdom's necessities through the Genoese banks, he located a way to acquit it from the debts: the Genoese would not pay the tax and in return would 'erase' the court's debts³³. This bargain was all beneficial to the Genoese, since by sending their ships they obtained money in return. So essentially they earned proceeds instead of not paying the tax. In addition, a memorial from the Collateral Council provided the Genoese with annual earnings partially to defray the costs of garrisoning soldiers near Naples to counter the Turkish threat³⁴. The agreement between the viceroy and the Genoese meant that the costs of protection of the kingdom fell upon the merchant-bankers. Although good government required the crown to safeguard its subjects in exchange for a commitment with their life and money, the Spanish imperial system infringed upon this notion because it left to private individuals such as the Genoese to insure the safety of the Spanish domains, thus allowing them to make incredible profits.

Benavente's measure to raise money locally at the expense of the Genoese community was destined to fail. The Habsburg imperial project invariably worked in the Genoese favor since it was more beneficial to the empire for the Genoese to provide military assistance than to eliminate the private

Massa, Saluzzo, De Mari, Malacida, Carmagnola, Centurione, Doria, Vivaldo, Cigala, Belmonte, and Di Negro. The list did not include the Genoese located outside of the capital.

³² On May 12, 1609 the Genoese Republic tried to satisfy the demands of the Spanish crown. Thus, the doge ordered three Genoese in Naples (Tomaso Pinello, Paolo Grillo, and Giacomo Fornari) to collect the nation's tax on high incomes. See ASG, *Archivio segreto*, 2635, letter from console Tomaso Pinello, Napoli, May 12, 1609.

³³ *Ibidem*, letter from console Tomaso Pinello, Napoli, July 7, 1609.

³⁴ ASG, *Archivio segreto*, 2636, letter from console Battista Spinola, Napoli, June 20, 1610. 300,000 ducats were levied from the kingdom to help the Genoese prepare the armada. See *Catalogo XXV del Archivo General de Simancas, Papeles de Estado. Genova*, por R. MAGDALENO, Valladolid 1972, leg. 1370, año 1537. The republic came to the rescue of the court in its military offenses of Porto Vecchio and Istria, *Ibidem*, año 1564.

collection of *gabelle*. In short, the Genoese agreed to provide financial relief, military leadership, and galleys for transportation and, in exchange, the Spanish viceroy legalized their right to collect both direct and indirect taxes in the kingdom³⁵. Local politics played an important part since Neapolitan ministers struck deals with the Genoese when it seemed most convenient. The Genoese consistently provided military and financial assistance, but never agreed to surrender their mercantile privileges, which was the source of their financial success. Negotiations seem always to have been working in the Genoese favor, thanks to their variegated portfolio. Consequently, both the crown and the local court were at the mercy of Genoese finances and military force.

The kingdom of Naples found in viceroy Lemos (r. 1610-16) an even greater supporter. He refused to provide for Habsburg expansion and became more concerned with defending Neapolitan interests because he was mindful of the crown's inefficiency to address the financial exhaustion of the kingdom. In trying to distribute local resources rightly, he enacted policies that corresponded to the ideals of *buon governo*. He thus aimed at the wealthy Genoese merchants, the premier financiers of the Spanish monarch. In 1610, Lemos refused to pay for debts not contracted in Naples (the very essence of the imperial system) and delayed the foreigners' collection of indirect taxes. His methods were novel for the kingdom, and he consequently wrote to the sovereign, «if you require financial contributions from this kingdom above the possibility of the state patrimony, then you will need a more industrious and forceful man to go ahead with this enterprise». He expressed his deep sense of moral obligation to Naples by trying a series of strategies. Namely, he suspended foreigners' collection of *gabelle* from the court (the public debt) in 1611³⁶. He also lowered the tax on public income (whose collection was chiefly in the hands of foreigners). He also tried to discontinue the collection of all inherited income (through interests on debts and *gabelle* on silk, iron, and oil) and income guaranteed for life³⁷. The court also impounded fallow lands, which Lemos decreed to spread

³⁵ ASG, *Archivio segreto*, 2636, letter from console Battista Spinola, Napoli, November 9, 1610.

³⁶ G. MUTO, *Le finanze pubbliche napoletane tra riforme e restaurazione (1520-1634)*, Napoli 1980, p. 93.

³⁷ ASG, *Archivio segreto*, 2636, letter from console Battista Spinola, Napoli, April 5, 1611. For a detailed work on the *arrendamenti* see L. DE ROSA, *Studi sugli arrendamenti del Regno di Napoli*, Napoli 1958.

equally among foreigners and locals³⁸. The Collateral Council claimed that this course of action was in accordance with the ‘antique form of ruling’ (i.e. *buon governo*), which provided for the destitute people of this kingdom.

However, Lemos’s attempts to resolve the kingdom’s fiscal gap resulted in two financial failures: lowering the value of Neapolitan currencies in outside markets, and losing the money he expected from the Genoese. Despite his well-intended actions, Lemos’s measures culminated in the 1622 financial crisis of the kingdom due to the mounting deficit and the inflation of credits³⁹. The reduction of the yearly interest evidently greatly affected the Genoese and, by extension, the Spanish crown. The interest due to foreigners amounted to a total of 1,250,000 ducats per year, and the Genoese owned 1,120,000 of that⁴⁰. Should Lemos’s annulment of foreigners’ collection of direct and indirect taxes be passed, the Genoese would not only lose much of their assets, but also the opportunity to extend further loans to the monarch. Neither the crown nor the Genoese were willing to jeopardize this steady revenue. Thus not only was the kingdom’s financial situation disastrous but the association between Genoese and Habsburgs prolonged the exploitation of the region.

Once again, the Genoese circumvented local authorities and benefited from imperial largesse. Some of them protested against the court’s interference with the collection of their *gabelle* in the kingdom⁴¹, and Genoese consul Giacomo Lagomarsino secured a copy of the decree stipulating the right to receive their income from the viceroy⁴². After much debate with the consul, the Spanish king sanctioned this decree, making it inalienable. Lemos’s administration is representative of the kingdom’s entry into a new age, along with the rest of Europe. The viceroy did not condone the predatory relation the Genoese entertained with his administered region. He had come across a suitable source of funds, the Genoese *gabelle*, whose

³⁸ ASG, *Archivio segreto*, 2328, letter from agent Stefano Salvago, Napoli, August 9, 1611.

³⁹ R. ROMANO, *Between the Sixteenth and Seventeenth Centuries. The Economic Crisis of 1619-22*, in *The General Crisis of the Seventeenth-century*, G. PARKER and L.M. SMITH eds., Boston 1978, pp. 165-225.

⁴⁰ G. GALASSO, *Alla periferia dell'impero. Il Regno di Napoli nel periodo spagnolo (secc. XVI-XVII)*, Torino 1994, p. 204.

⁴¹ ASG, *Archivio segreto*, 2636, letter from console Battista Spinola, Napoli, January 24, 1612.

⁴² *Ibidem*, letter from console Giacomo Lagomarsino, Napoli, February 4, 1614.

non-collection would in turn hamper the movement of capital from Naples to the king. So, in order to try to maintain good government, the viceroy attempted to contest the privileges the monarchy granted to the Genoese (thereby undermining the alliance between Genoese and Habsburg) so as to find financial resources for the kingdom. For him good government meant to redistribute assets in order to keep the kingdom financially afloat. The king, however, saw things differently and did not wish to see his financiers distressed by local hindrances.

Emulating his predecessor Lemos, Lieutenant-General cardinal Antonio Zapata (r. 1620-1622) targeted the Genoese community for funds. His tribulations with the Genoese community underline, yet again, another success of the Genoese and the bargaining power they had acquired over the monarchy. In 1621, he tried to enact the prohibition of *ius luendi* (right to inherit [financial] pledges) to foreigners for the duration of three years⁴³. The Genoese consul appealed to the Republic, arguing that «such a ban was not only harmful to the nation, but against all liberty to dispose freely of one's own patrimony». Thereafter, the doge wrote to king Philip IV claiming that «such a decree went against justice» and, he added, «would not only be harmful to the Genoese nation but also to His Catholic Majesty, whose common interests were inseparable»⁴⁴. The language used was very telling. The doge nearly threatened the king that his failure to intervene would lead to his doom. This year was again a difficult one. It marked the end of the Twelve Years' Truce (1609-21) between the Netherlands and Spain. As France and England recognized the United Provinces, a triple alliance was formed against Spain. This anti-Habsburg campaign required the assistance of solid financiers to muster troops. Consul Cornelio Spinola tried in vain to negotiate with cardinal Zapata to suppress the ban on the *ius luendi*⁴⁵. The latter finally issued a decree on the reform of the Neapolitan currency. The purpose was to «raise the opulence of the kingdom ... to better commerce with commodity and general utility ... especially for merchants and foreigners who draw income from this kingdom». All foreigners were to provide a detailed explanation of their income in the kingdom within thirty days of the publication. Should they not respect the order, the

⁴³ *Ibidem*, letter from console Cornelio Spinola, Napoli, September 25, 1621.

⁴⁴ *Ibidem*, October 8, 1621.

⁴⁵ *Ibidem*, October 21, 1621.

Royal Audience would seize their revenues for three years. The Genoese bowed to the order, but not without trying individually to interrupt the moratorium through the intervention of friends of the nation highly placed at court⁴⁶. This incident exemplifies the difficulties the Genoese had to surmount in order to maintain their predatory relation to the kingdom. Since the monarchy was just a predator, the Genoese could, however, exploit the Habsburgs' military misfortune. By rendering their financial services central to the survival of the crown, they easily turned their fate in Naples. As the consul explicitly stated in his letter, the fortune and interests of Genoese and Habsburgs were entwined. The loss of privileges imposed on foreigners in Naples affected Habsburg foreign politics on the European continent. Therefore, the monarchy was constantly negotiating conflicts in favor of the Genoese in Naples.

The clash between Genoese and viceroys was exacerbated when viceroy Don Antonio Álvarez de Toledo duke of Alba (r. 1622-29) exploited the power vacuum created by the change of monarch to harass the Genoese. The viceroy endeavored to locate funds and protect the interests of the kingdom. Appealing to the ruler's protected nation was, in a way, seeking to pursue the principles good government. Then, without consulting the king, Alba required the Genoese nation to contribute one year's worth of tax on foreigners' income⁴⁷. This initiative was contrary to the king's commands to safeguard the Genoese financial assets in the Kingdom of Naples. Thus to locate funds, the viceroy clearly disobeyed the king's orders. The decree imposed by the viceroy would seize 25% of foreigners' income before the arrival of the new king, thus creating a stir among the Ligurian nation because it essentially cancelled the king's directives⁴⁸. This course of action followed the Neapolitan ministers' recommendation to enact the ban before the new king's ascent to the throne. Indeed, that year young Philip IV took the lead of the Habsburg empire. More savvy than his father, Philip nonetheless inherited a financial wreck. Evidently, the duke

⁴⁶ ASG, *Archivio segreto*, 2328, letter from agent Stefano Salvago, Napoli, August 23, 1622.

⁴⁷ *Ibidem*, there is no date or signature on this letter, but since it came with the copy of the ban on the reform on currency, it is safe to assume that it was sent between September 1622 and the end of the year (which saw the arrival of a new Genoese consul).

⁴⁸ ASG, *Archivio segreto*, 2636, letter from console Cornelio Spinola, Napoli, there is no date on the letter but it comes as a warrant of the ban issued on March 2, 1622, therefore it was sent sometimes between March 1622 and the end of the year.

of Alba's cunning tactic aimed at exploiting the hiatus, willingly defying the king's orders. He probably did so because, once the ban was issued, the only way for the Genoese to counter it was to appeal directly to the monarch, send a copy of the privileges, and wait until the crown issued new orders to the viceroy. This could take anywhere from three months to a year. Meanwhile, local authorities could collect 25% on the Genoese income, which would be impossible to recuperate since the court owed vast sums of money.

The viceroy felt the Genoese needed to fulfill their financial obligation to the region. His defiance demonstrates that the Genoese skills as crown's financiers forced them to entertain a predatory relation with the kingdom. The viceroys' role, on the other hand, was to press upon Genoese fiscal participation to preserve the kingdom's welfare. The Genoese, however, were not willing to pay for good government with a loss of their privileges. This episode acquired a different meaning for the Habsburg empire. Reducing Genoese income meant lessening their capacity to extend loans to the crown. The dualism between Genoese and viceroys was therefore aggravated by the context of imperial domination. Because of the intervention of the crown, their interests became mutually opposed. The contrast in civic engagement in the kingdom of Naples thus further enhanced the fundamental tensions between the two parties.

Eventually, the Spanish crown's need for Genoese funds in other parts of the empire was so great that it rescued the Genoese from their obligation in Naples. The Genoese doge intervened directly with the ruler, revealing that these bans really gainsaid the privileges granted by the Catholic monarchs. His dispatch to the king argued that the Genoese nation should keep its privileged status in the kingdom of Naples. Among other requests, he claimed that «the Genoese always supported financially and militarily the Catholic Kings, who allowed this privileged nation to do business in all their possessions»⁴⁹. Moreover, «during bad times, the Genoese brought their financial assistance to the kingdom. It would be,» he argued, «only decent to accommodate their needs now». He concluded by arguing that «agreements in this kingdom would have repercussions on others». This statement reveals the importance of the region for imperialistic pursuits. As pointed out by the doge, southern Italy was indeed one of the great links of the Habsburg chain.

⁴⁹ *Ibidem*.

Most importantly, it was one of the poles of Genoese income and this very fact urged the monarchy to intervene with the viceroys in Naples to amend the wrongs done to the Genoese and accommodate the merchant-bankers' needs. The crown was forced into a politics of interventionism because, more than justice, Philip IV was concerned about keeping his financiers satisfied and willing to lend for greater imperialistic ventures. While the kingdom of Naples was undergoing a major financial crisis, war on the European continent exploded, further increasing the strain on Spanish finances and their Genoese bankers. Anxious about preserving their domains, the Habsburg kings were compelled to negotiate with their agent-bankers.

The Thirty Years' War (1618-48)

The Thirty Years' War erupted mainly over religious disputes between Catholics and Protestants, but quickly turned into a conflict over territorial concerns. Despite the enormous sums sent annually from Castile and Italy to Flanders, the Spanish armies could not break Dutch resistance. The great scheme of Habsburg hegemony was to establish an imperial system in Italy to facilitate military action in the Netherlands. To maintain controlling influence in upper Italy became vital and Lombardy, in particular, became a strategic region due to its location at the beginning of the Spanish Road, which led from northern Italy to the Netherlands and became the preferred highway for numerous recruited Catholic soldiers⁵⁰. Fernand Braudel notes that during the Thirty Years' War, «Italy is more than ever the point of departure for Spain's every move»⁵¹. The city of Milan became the springboard for the military, political, and financial actions of the Habsburg dynasty.

About 1625, the Spanish Habsburgs began to develop an energetic policy in which all the Spanish possessions in Italy became tributaries of one another. Naples economically sustained Milan, and Milan geopolitically sustained Naples: the duke of Alba argued that «the state of Milan is important to the preservation and defense of the kingdoms of Naples and Sicily ... having control of Milan, the kings of Spain have a foot in the door of Naples because the day that Milan would fall, it would be just a step before losing Naples, which

⁵⁰ See G. PARKER, *The Army of Flanders and the Spanish Road, 1567-1659. The Logistics of Spanish Victory and Defeat in the Low Countries' Wars*, New York 1994.

⁵¹ F. BRAUDEL, *L'Italia fuori d'Italia*, in *Storia d'Italia Einaudi*, II, Torino 1974, p. 2231.

is much easier to take than the state of Milan»⁵². Possessing Lombardy guaranteed tranquility in Naples, so it was therefore natural that Naples contribute to its protection⁵³. The 1624 project of the Union of Arms of king Philip IV's prime minister, count duke Olivares, brought Naples to the center of the Spanish military effort⁵⁴. Between 1631 and 1643 about 1 million ducats per year left Naples for the defense of Milan⁵⁵. Count Olivares's maxim that «Kings cannot achieve heroic actions without money» rang true⁵⁶.

The Genoese based in the kingdom of Naples were active in supporting the king's efforts in Lombardy. Indeed, since the times of Charles V, the Saragoza-Milan-Naples financial route was part of the Genoese axis in Italy⁵⁷. Moreover, Lombardy was considered the antechamber of the Spanish in the Italian peninsula and "covered" both Naples and Genoa⁵⁸. The Spanish-Genoese alliance had territorial repercussions for the republic. Due to the geographic location of Genoa, the city was endangered by Spanish military decisions⁵⁹. Additionally, protecting Lombardy's borders remained an important preoccupation due to its proximity to France, whose enmity increased even more following an alliance with the Protestant Germans against the Habsburgs. Early in the conflict, in 1618, the forces of the king of France were coveting Alsace and the Pyrénées from the Habsburgs, and

⁵² G. GALASSO, *Alla periferia dell'impero* cit., p. 308.

⁵³ Milan and Naples provided mutual support to one another via the Genoese. For instance, the king asked the republic to transport 4000 infantrymen from Lombardy to Naples. A letter from viceroy duke of Ossuna reached consul Antonio Spinola in the summer 1618. The kingdom urgently required soldiers, galleons, and other provisions of war in addition to 300.000 ducats. See ASG, *Archivio segreto*, 2788, Lettere principi alla Repubblica di Genoa (1600-1632), Napoli, March 3, 1618.

⁵⁴ In 1627, the last Spanish bankruptcy led to Olivares's decision to switch Spanish state finance away from the Genoese to the Amsterdam Marranos. While the repercussions on the larger Genoese network were important, Ligurian financiers based in Naples continued to provide for Habsburg imperial needs.

⁵⁵ G. GALASSO, *Alla periferia dell'impero* cit., p. 314.

⁵⁶ J.H. ELLIOTT, *Imperial Spain* cit., p. 326.

⁵⁷ *Ibidem*, p. 315.

⁵⁸ A. MUSI, *L'Italia dei viceré*, p. 42.

⁵⁹ The viceroy of Naples had sent an envoy to warn the Genoese to be prepared to rally their forces in support of His Catholic Majesty. See ASG, *Archivio segreto*, 2636, letter from console Antonio Spinola, Napoli, July 31, 1618.

threatening the Ligurian coast⁶⁰. Territorial interests combined with political alliance with the Habsburg drew the Genoese into the conflict.

Throughout the mid-seventeenth century the Genoese supported both war efforts of the Habsburg empire: in the Mediterranean and in the Spanish Netherlands⁶¹. In 1624, the king and the Genoese resident in Naples, Ottavio Centurione, agreed on an *asiento* of five million ducats to support the military operations in Flanders⁶². Spanish military endeavor and Genoese finances in Naples thus continued to be intimately entwined. The ubiquitous Genoese assistance meant that they obtained increased bargaining power with each new loan to the king. However, it also meant that further indebting the king put Genoese finances at risk. Providentially, and this is what allowed them to survive the 1627 bankruptcy, the Genoese had diversified their portfolio, enabling them to keep their finances afloat when the monarchy's finances collapsed. The diversification of their portfolio explains the rationale behind their struggle to preserve feudal privileges such as the *gabelle*. These were indeed an extremely lucrative investment, one worth lending money to the crown, even at great risk. Should loan granting fail, the collection of *gabelle* would compensate for the loss.

Again and again, the viceroys in Naples were caught between local interests and Genoa's influence on Spain. The Genoese nation's constant negotiation with local authorities at times hampered its assistance to the crown⁶³. Although the viceroys' initiatives acted as disincentives for the Genoese, the need for enormous loans compelled the king to champion the traders. For instance, Alba's decision to require 25% from *gabelle* collectors amounted to an average of 30,000 ducats per year for each Genoese⁶⁴. Phi-

⁶⁰ When an allied French-Savoyard army threatened Genoa by land and by sea, viceroy duke of Osuna used his military intelligence from France, Marseille, and Burgundy to warn the republic of the threat. Moreover, he summoned Antonio Spinola and Octavio Serra, Genoese resident in Naples to apprehend the situation, and even offered military support. See ASG, *Archivio segreto*, 2788, Lettere principi alla Repubblica di Genoa (1600-1632), doc. 118, letter from duque de Osuna to Repubblica di Genova, July 30, 1618.

⁶¹ In 1615, the Genoese provided 400 horses and 500 men for the kingdom. A couple of months later, 8 galleys left Naples for the Levant. ASG, *Archivio segreto*, 2636, letter from console Antonio Spinola, Napoli, August 2, 1615.

⁶² G. MUTO, *Le Finanze Pubbliche Napoletane* cit., p. 110.

⁶³ ASG, *Archivio segreto*, 2637, letter from console Cornelio Spinola, Napoli, April 28, 1626.

⁶⁴ *Ibidem*, August 29, 1626.

lip IV not only mediated with Alba to exempt the Genoese from the tax, but to repay the money already paid. This intervention is representative of the ruler's immense reliance on the merchants. The king intervened frequently on behalf of his favorite nation in the kingdom of Naples to secure Genoese financial support elsewhere in the Spanish dominions. Funds from the Genoese were all the more needed since Spain's own economy was not recuperating from its decline in trade with the Americas⁶⁵. During the reign of Philip IV, the silver coming from the Americas was already committed years ahead. Genoa provided from then on the only steady supply of funds destined to imperialistic pursuits on the continent.

In 1627, a new era started for the Spanish empire which depended greatly on the Genoese. At the end of 1626, the Spanish economy imploded and the Genoese funds were all the more needed. It was the start of another Spanish bankruptcy. Genoese ambassador Gio. Batta Saluzzo received orders from the republic to remind the king that the Genoese had been fighting alongside the Spanish in Lombardy for years. Should the monarch wish to maintain this military alliance and post troops in northern Italy, he needed the Genoese middlemen⁶⁶. Therefore, Genoese privileges in the states of Milan and Naples needed to be maintained. The king once again honored their aspiration. Thus, the fate of Naples depended on the well-being of the Genoese. By then, a number of things had become evident. First, the Genoese nation provided more for the Spanish crown than the Neapolitan court. Second, the king would agree to nearly anything to preserve Spain's endangered territories. Third, the Spanish monarchy had reached the point of empire preservation rather than empire management, so it was all the more desperate and dependent on Genoese funds. Fourth, the king condoned the Genoese domination of resources (as it is seen in his act of having the interests paid back) with the view of guaranteeing loans for his imperial goals on the continent. Good government was therefore becoming in direct opposition to imperial management. The viceroys increasin-

⁶⁵ In 1598, 2 million ducats were entering Spain via the silver mines. In 1618, only 800,000 entered.

⁶⁶ ASG, *Archivio segreto*, 2712, « Istruzione per il Magnifico Illustrissimo Gio Batta Saluzzo ambasciatore ordinario a Sua Maestà sopra il decreto della suspensione de pagamento a trattanti ... », Genova, February 27, 1627. As in many such documents, the first part of the letter is in Spanish and the second one in Italian. The second half is not a translation but a continuation.

gly became an obstacle to the Habsburg vision of linking its European possessions under the old adage of «one crown, one sword».

Alba was not done striving to use Genoese wealth to assist the kingdom of Naples. His defiance of the king's orders stemmed from his need to gather funds to protect southern Italy, Spain's Mediterranean enclave. However, in order to avoid paying a tax of 25% on the collection of their *gabelle*, the Genoese declared they already used their personal resources for continued support of southern Italy. Indeed, the Genoese ambassador in Madrid had just loaned 60,000 ducats to the sovereign in support of his army in Naples. For the viceroy, however, there seemed to be less room to compromise as the war proceeded. He attempted to negotiate because of the escalation of Naples's financial state. The viceroy was trying to remedy the sense of exhaustion caused by Spain's wars with the rest of Europe. However, as a result of the confrontation between Alba and Spinola, the king intervened once again. He thanked the Genoese for their financial assistance toward the royal galleys and infantry and lifted their financial obligation in Naples⁶⁷. The ruler's justification came with the expediency to lend him two millions for past expenses. Indeed, 1627 saw the worse bankruptcy ever and when a Dutch fleet captured New Spain's entire treasure fleet off the coast of Cuba, it completed Spain's financial disarray, putting more strain on its Genoese bankers. The further repercussions were multiple. For the king, the protection of his domains depended on the acquisition of funds. After 1627, his thoughts were on the preservation of the empire and the covering past expenses rather than on engagement in an in-depth protection of his lands. The imperial effort had reached the salvaging stage, which was increased by the great competition over the acquisition of the American colonies.

Last but not least, viceroy duke of Alcalá (r. 1629-32) tried a stalling maneuver by hiding the privileges exempting the Genoese from taxation in the kingdom. First, the Genoese pleaded with the viceroy to respect their privileges⁶⁸. Second, since the viceroys deliberately disobeyed the king's or-

⁶⁷ The king required the count of Monterey, president of the Council of State in Italy, Lieutenant and Captain General in the kingdom of Naples to restitute the entire balance. See ASG, *Archivio segreto*, 1638, letter from the king of Spain to count of Monterey, Madrid, November 10, 1631.

⁶⁸ The privileges of the nation in the Spanish dominions had been in place since the year 1342: ASG, *Giunta di Marina*, 2, letter from duke of Alcalá to viceroy of Naples, September 10, 1632.

der, the republic sent precise instructions to the Genoese ambassador in Madrid. The dispatch listed many years of viceroys' mismanagement exacerbated by «capricious and absent-minded ministers»⁶⁹. The doge complained of the lack of justice and *buon governo* toward «the most dedicated people to the king in Naples». Philip IV took action and ordered the viceroy to respect the Genoese privileges in southern Italy. However, in order to win time and gather some last minute funds, the viceroy tried a desperate act and purposely concealed orders arriving from Spain with the monarch's exemption toward the Genoese⁷⁰. However, this political maneuver was not effective in securing financial support for the kingdom.

The Thirty Years' War propelled the financial ruin of the region. In 1639 the duke of Medina (r. 1637-44) told the crown, «the state of the Royal Patrimony cannot supply the contributions which the King our Lord orders for Germany and the State of Milan, or even meet the normal obligations and expenses of this kingdom»⁷¹. That year, the Spanish fleet suffered another defeat against the forces of the Low Countries in the battle of the Downs. Continuous support for the war left the kingdom of Naples in disarray. Ultimately, its resources were permanently drained and its people revolted against the fruit *gabelle* because the viceroys were unable to maintain *buon governo*. As a result, despite continuous assistance from the Genoese, the peace of Westphalia of 1648 stripped the Habsburg Empire of many of its possessions.

Conclusion

Lucien Febvre noted, in the 1640s the world seemed to collapse. The inefficiency of Spanish rule sparked contemporaneous revolts in Naples, Catalonia, Sicily, and Portugal. Moreover, surplus from the Americas vanished due to the need to cope with war on many fronts⁷². For Spain, the Americas had never served to fuel commerce or industry because much of

⁶⁹ ASG, *Archivio segreto*, 2712, «Istruzioni a Cesare Durazzo ambasciatore straordinario presso il Re Cattolico», Genova, March 1, 1634.

⁷⁰ The ministers of the Collateral Council dragged their feet for a couple of months. See *Ibidem*, 2638, docc. 240, 253 and 257, letters from console Cornelio Spinola, Napoli, March 8, 1633, March 15, 1633, and April 21, 1633.

⁷¹ A. CALABRIA, *The Cost of Empire* cit., p. 110.

⁷² D.O. FLYNN, *Fiscal Crisis and the Decline of Spain (Castile)*, in «The Journal of Economic History», XLII (1982), pp. 139-147.

the Spanish trade was used to strengthen its navy and protect its realms in Europe and the Mediterranean. As silver from the Americas did not suffice to repay the Genoese financiers, the Spanish crown was not able to fight any more wars, which in turn caused the loss of territory. The loss of Spanish possessions in Europe coupled with the diminution of American silver to finance wars ended the alliance between Genoese and Spanish.

The only true winners were the Genoese who enjoyed their accustomed financial good fortune. In 1634, the Genoese finances in the kingdom of Naples were buoyant as their total income was estimated at 4,500,000 ducats⁷³. While the consequences for the Habsburg crown were dire, the disappearance of this European empire pushed the Genoese in alternative directions (titles of nobility, fiefdoms, endogamy, building local ties rather than commercial and long distance trade). The Genoese did not descend into financial abyss as scholars suggest, but simply reconverted their economic interest into land rather than into finances and commerce. Rather than financiers, they became grandees of Spain and ministers. And for those who continued to lend money, their interests then lay in the Americas.

The mutually beneficial relationship or symbiotic enterprise between Ligurian bankers and the Spanish kings allowed the Habsburgs to conduct numerous wars in Europe, protect the European continent against Turkish assault, and maintain its extra-European empire, while also allowing the Genoese to acquire a stronger foothold in the kingdom, exploit southern Italy as their springboard for trade with the Mediterranean, and secure financial privileges for their nation, reinforcing their financial clout. Recognizing Naples as a crucial component of the Spanish empire, or as the «Castile of Italy», creates a deeper understanding of how the Habsburg European empire functioned. The tension between the Spanish viceroys and the Genoese community illustrates the importance of the kingdom of Naples for Habsburg imperial expansion. Genoese merchants and Spanish viceroys were the individuals who made the empire work. While the viceroys strove to provide for the basic needs of the kingdom's population by locating adequate sources of funding, the Genoese profited from their economic and political clout to extract its resources which translated into profit for themselves and military and financial support for the Habsburg monarchy.

⁷³ ASG, *Archivio segreto*, 2639, doc. 133, letter from console Spinola, Napoli, January 3, 1634.

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