

TITLE: Philip II against the Cortes and the credit freeze of 1575–1577

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ABSTRACT: Numerous archival documents show how the suspension of payments by Philip II, in September 1575, on the contracts with Genoese bankers (*asientos*) induced a freeze of the domestic credit market in Castile through the bankers' intermediation for *asientos* and the credit interconnections. Commercial fairs stopped, banks failed and trade suffered while the king granted legal protection to the Genoese bankers. The evidence strikingly confirms that by his strategy, Philip II was able to remove the de facto ceiling on the domestic debt (*juros*) imposed by the fixed revenue commitment of the Castilian cities in the Cortes. The agreement with the bankers was signed in December 1577 immediately after the cities had agreed to the doubling of their commitment.

REFERENCE: Revista de Historia Económica / Journal of Iberian and Latin American Economic History (First View) [[LINK](#)]



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