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Review Article

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Currency, Control and Repression: Analyzing the Creation of the Royal Mint of Segovia in 16th-Century Spain

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Abstract: *The reasons which led to the creation of the Segovia Mint in the last decades of the 16th. Century, were several and the objective of this work is to analyze each one of them. The most important one is related with Geography, its strategic location near the river Eresma and the Royal Monastery of San Lorenzo de El Escorial. The research also will examine the debasement of currency as a state strategy, but also as a vital tool used by counterfeiters. Likewise, the presence of the Inquisition, an institution that reported directly to the monarch, will be analyzed. Within a repressive context, it was part of border control to prevent precious metals from leaving the Spanish peninsula. Therefore, it will work with bibliography from both History and Numismatics, as well as sources from the period under analysis. It should also be noted that currency was a fundamental element during this period, along with portraits of the era, in making the image of the monarch known to society. The aforementioned reforms enabled an improvement in monetary issuance and also strengthened state control to prevent counterfeiting and adulteration, while preventing the outflow of scarce precious metals. In view of the above, this paper proposes to take a look at what happened in Habsburg Spain during the final years of Philip II's reign.*

Keywords: *Segovia, Royal Mint, Currency, Coins, Inquisition, Philip II, Spain.*

INTRODUCTION

The topic analyzed in this paper is related to History and Numismatics of Spain during the sixteenth century. The coins issued by the various mints of the Spanish Empire not only represented their intrinsic value, at which each piece was issued, but also reflected symbolic aspects relating to the monarch and the power he exercised over his domains. The establishment of the Royal Mint of Segovia cannot be considered early when compared to others established in Europe, but it was a fundamental step in the circulation of metal coins and greater control over counterfeit coins.

The aim of this study is to investigate the reasons that led to the construction of the Segovia Mint in the second half of the 16th century, with the purpose of creating a new mint in Castile near El Escorial. It will also examine the various situations that arose with regard to the debasement and counterfeiting of currency during the reign of Philip II, as well as the involvement of the Inquisition in the repressive context.

The extensive bibliography analyzing this topic from the perspectives of history and numismatics, as well as contemporary sources, will help us understand the importance of currency in terms of both its qualitative and quantitative value. Coins were also an important vehicle for disseminating the king's image to society.

To conclude this introduction, must ask ourselves: Was this merely a response by the Spanish State to the alteration in the vellon, or were there other motivations? In 16th-century Europe, what was the difference that distinguished Spanish currency from that of other kingdoms? Why did the Holy Office decide to intervene in the detection of currency smuggling?

REVIEW OF LITERATURE

Regarding the historical context of the period in question, Henry Kamen [1] analyzes the vicissitudes faced by the imperial government in obtaining resources from the different regions of the Iberian Peninsula. The author argues that Castile was the region most committed to contributing resources to armed conflicts. He also recounts the economic strategy of converting debt into interest, which accrued annual interest.

It is also important to highlight the work of Joseph Pérez [2], who, in the chapter "Economy and Society, the Indies" of the book La España de Felipe II, provides a detailed analysis of the complex economic situation faced by the Spanish empire during his reign. The author states that, despite the number of precious metals arriving from America, the monarch had to go into debt with bankers to sustain the war in Europe, leading to a total of three bankruptcies throughout his reign.

Ignacio Panizo Santos [3] describes the role of the Inquisition as an institution that had greater power than the various laws, charters and privileges. According to the author, Philip II used a ruse in his religious struggle against the French Huguenots, obtaining the Pope's support to control the borders, with the export of coins being a crime. Later, the Inquisition used this precedent to punish the counterfeiting of currency.

Likewise, various experts have analyzed this issue from a numismatic point of view, examining the fundamental aspects of the problem in question. At the beginning of the 20th century, Casto Rivero [4] described the construction of the Royal Mint in Segovia and also referred to the minting of silver and vellon coins by this Mint in order to prevent counterfeiting.

María del Mar Royo Martínez [5] describes the complex monetary situation in Castile from the time of Emperor Charles V until he was succeeded by his son Philip II. The author points out that the monetary system had to be completely transformed in order to cope with this difficult situation. The devaluation of the currency appears to have been a strategy launched by the Crown to address economic difficulties.

In the 21st century, the work of Glenn Murray [6] stands out, as he has explored this topic on numerous occasions. On this occasion, the author highlights coins as the first mass-produced product for the population. Murray points out that Philip II ordered a series of hallmarks to be made to certify the validity of each piece and make the task of counterfeiters more difficult.

Francisco de Paula Pérez Sindreu [7] recounts the behavior of the Royal Treasury with regard to variations between monetary value and commodity value. The author also provides a comprehensive description of the currency minted in water mills and how these mills operated. For her part, Teresa Muñoz Serrulla [8] describes the characteristics of the monetary symbols used in the time of Philip II. The author recounts both the artistic and propaganda features of the coins, all of which were endorsed by relevant legislation.

Finally, Javier de Santiago Fernández [9] analyses the problem of currency adulteration in his work. The author argues that the nobility and the Church hardly faced this problem, due to the collection of rents, which was not the case for the lower classes, who only had access to vellon coins.

RESEARCH METHODOLOGY

This work will be guided by a methodology based on a survey of the various books and papers which analyzed the topic during the aforementioned period. Information from the History and Numismatics will be compared and the political context in which the Royal Mint emerged will be considered [10]. Additionally, bibliographies related to the topic will be consulted, ranging from general to highly specific sources. The qualitative methodological approaches that will guide the research are based on documentary analysis [11]. The research will examine the historical context and various events of a period marked by numerous internal and external tensions within the vast Spanish empire. Therefore, it is important to investigate the key works addressing this issue in sixteenth-century Spain [12]. At the same time, secondary sources from various archives collections will be examined in depth. The aforementioned documentation will be observed to complement the various historiographical works used in this study.

RESULT ANALYSIS

The entire process that led to the creation of the new Royal Mint in Segovia during the 16th century will be analyzed below, emphasizing the different power groups affected by the emergence of the mint [13]. The sections that analyze the result of the work are the following: The transfer of power from Charles V to Philip II, Currency in Castile during the 16th century, Inter-noble and factional tensions, The bankruptcies of Philip II, The royal capacity to use monetary issuance, The monetary reform of Philip II, The Inquisition as a repressive institution against currency flight and The creation of the Royal Mint of Segovia, which will constitute the elements of observation.

The Transfer of Power from Charles V to Philip II

Since 1551, the political situation in Castile under the rule of Emperor Charles V had become very complicated, mainly due to the wars in which the Spanish Empire was involved. To finance these military operations, the Crown had to find new sources of income capable of supporting such financial expenses [14]. Therefore, a profound transformation and renewal of the entire monetary system was necessary in order to adapt to the situation at that time and to enable the monarch to meet the expenses arising from his foreign policy. It was in this context that the transfer of the kingdoms of Spain and other possessions to his son Philip II took place [15]. In 1549, Charles V had recognized him as heir to the Netherlands, in 1555 he transferred Burgundy to him, and in 1556 the crown of Spain and the Indies. However, between 1554 and 1559, Philip II was absent from the Iberian Peninsula, having married the English queen and his father's cousin, Mary Tudor [16]. In order to avoid a power vacuum in the peninsular kingdoms during this interval, Philip asked his father to appoint his sister Doña Juana as regent, who would remain in Valladolid occupying the regency of the kingdom until the definitive return of her brother, which would take place in 1559 [17].

Like his father, Philip II had to resort to loans from European bankers to finance the Crown's debts and fund military interventions in various parts of Europe. However, the monarch had the resources of Castile to repay these loans. In order to curb the monetary evasion caused by the expenses incurred by continuous wars and foreign policy, Charles V had changed the

denomination and value of gold coins, moving from the ducat to the *escudo*, which had a value of 350 maravedis. During the reign of Philip II, devaluation brought the escudo to a value of 400 maravedis, the ducat to 429, and the gold *peso* to 544, respectively.

Year after year, the Indian fleet brought numerous shipments of precious metals to Seville in increasing quantities, rising from 2 million maravedis in 1535 to 14 million in 1570, reaching its peak in 1600 with 35 million. Part of this currency belonged to the Crown and part to private individuals, with only a little over a quarter of this income ultimately remaining with the State, the rest being taken by merchants, conquistadors, and colonists as a result of the colonial profits obtained in America [18]. Although remittances from the so-called New World were abundant, in order to finance Portugal's war, interventions in the Netherlands and France, and the creation of the Spanish Armada, it was necessary to resort to borrowing. These were divided into two categories: *juros*, which consisted of the issuance of public debt to individuals, and *asientos*, which were short-term loans from bankers.

To cover the payments for these latest advances, Spain resorted to land transport to transfer the payment to Flanders and other regions using trusted men in the service of the kingdom, who carried gold coins sewn into their clothing from Genoa to the Netherlands. To cover this route, they crossed the so-called "Spanish road" that ran from Spain to Genoa, passing through Milan, Franche-Comté, Lorraine, and Luxembourg [19]. In order to obtain new sources of income, the Crown often resorted to currency devaluation in various ways, such as issuing coins with the same face value but containing less precious metal, maintaining the amount of metal but reducing the size of the coins, or increasing their face value without altering the intrinsic characteristics of the coins. This disparity between the face value of the coin and the precious metal it contained was the profit that went into the coffers of the Royal Treasury, and on some occasions this debasement of the currency was considered the only means available to the sovereign to finance foreign wars.

Currency in Castile during the 16th century

Currency was divided according to the characteristics of a class-based society: gold was exclusive to princes, large merchants, and the Church, while silver was used for ordinary trade, medium-sized transactions, civil servant salaries, and the payment of certain taxes. Finally, vellon was a type of currency that did not tend to leave Castile. In addition to being easily altered, it was the currency most commonly used by the lower classes, and its adulteration affected them much more than the upper classes, who had the possibility of saving and storing their wealth by hoarding precious metal coins, something quite complicated for ordinary people [20]. The nobility and the Church had incomes that weathered the changes well, as many of them grew with the rise in prices, others were received in kind, and they were always able to hoard precious metals. In contrast, the working classes received their income in vellon and had no way of defending themselves against the changes. In line with this, vellon has been described as "the credit provided to their king by the most disadvantaged and impoverished sections of society."

The following is a transcription of Law III referring to the minting of vellon coins:

> "Law III: How vellon coins are to be minted. We also order and command that in each of our said Mints, vellon coins be minted, to be called *blancas*: of seven grains, and of a size and weight of one hundred and ninety-two pieces per mark, and that two of them be worth one maravedi: and that in all of our said mints, ten-fifths of this coin shall be minted, and no more without our license and special command: and that these ten

> hundred shall be minted in the seven mints: in Burgos, two hundred, in Granada, one hundred and two hundred thousand maravedis, and in Toledo two hundred and in Seville two hundred, and in Cuenca one hundred and in Segovia, one hundred, and in La Coruña eight hundred thousand maravedis, and this coin shall bear on one side a **f**. with its crown, and on the other side **a** y. and with its crown and letters as on the *reales*."

Inter-noble and Factional Tensions

As a result of military spending, relations between the monarch and the representatives of Castilian taxpayers at court deteriorated, leading to an economic crisis between the two sides, as expenditure exceeded income. This situation led to the subsequent insertion of the aristocracy into a new political scheme through the provision of services by imposing censuses on entailed estates [21].

Although it was not only a matter of the aforementioned censuses, but also of various types of income, jurisdictions, and offices that the monarch made available to the nobles, in the last four decades of the 16th century, the tax burden had increased by an annual average of 5%, thus creating a tense situation. This situation gave rise to numerous internal tensions between the *albista* and *ebolista* factions that made up Philip II's court. In the context of the political and religious division caused by the advent of Lutheran ideas, the ebolists were accused by the other faction, led by the Asturian inquisitor Fernando de Valdés, of heresy and heterodoxy. This situation led the king to doubt the ebolists, but he later realized that it was a political move by Valdés and expelled him from the court. In any case, this would set a precedent for the power of the Inquisition.

From 1566 onwards, licenses were granted for the removal of goods, due to pressure from Genoese bankers, who from that moment on were able to transfer their cash, but at the same time the bankers reduced their purchases of Spanish raw materials, causing a crisis in the economy [22]. Likewise, metal from America increased prices on the peninsula, causing a slowdown in activity while increasing credit, mortgages, income securities, and bad currency in circulation. People lived without producing anything while taxes rose enormously, as the state was in debt and could find no other solution at that time. As a result, there was notable parasitism among the Castilian landed nobility, who invested in land and lived off their income while renouncing trade, while the *Moriscos* were expelled from Spain, accused of causing unemployment. However, it was not considered that they were doing the work that, in many cases, the people from mainland Spain refused to do.

The Bankruptcies of Philip II

Castile was the only region that could provide the kingdom with resources for wars thanks to the money coming from America, but this was at the expense of its own development, while the other regions only used the money to cover their internal needs. Furthermore, in 1566, problems arose in the Indies with a rebellion by the Incas in Vilcabamba, while there were also rebellions by settlers protesting against the payment of taxes. Notwithstanding the above, in 1563 and 1585 Catalonia contributed considerable resources to the Crown, but this cooperation was subject to the interests of Barcelona, which on these occasions coincided with those of the empire [23].

In Spain, as in the rest of Europe, although smuggling existed, it was risky and rarely practiced. Unable to transfer cash abroad, bankers purchased various raw materials, and this demand, combined with that of the American market, led to an agricultural boom in the first half of the 16th century. Philip II realized that he could not repay the loans requested to finance the French

campaign, whose debt amounted to 7.5 million ducats, so he decided to transform the floating debt into consolidated debt, replacing the interest-bearing debts, which accrued interest at 5% in 1577, with a decree to repay the entire interest-bearing debts.

During that same year, the king yielded to pressure from Genoese lenders, who were given land from the royal treasury and ecclesiastical jurisdictions along with two-thirds of the total amount at 3.33% interest, which satisfied the Genoese. By 1597, the kingdom owed 6 million ducats to its bankers. On this occasion, it repaid two-thirds of its loans with interest, which was used to settle the debt with its creditors.

> "The silver from the estates of the deceased, the sale of slaves, deposits, and absentees is considered to belong to private individuals, without the Treasurer or other officials of the Mint returning any rights from it, nor does the seigniorage (its meaning will be explained below), apply to the pocket, as it belongs to the situation of interest imposed on this right of silver that is worked from private individuals."

By 1557, the first bankruptcy occurred. A year after his accession, Philip II had to declare a "suspension of payments" due to the debt incurred by his father, Charles V, in order to obtain the title of Holy Roman Emperor, for which the emperor had signed agreements backed by the Empire's mining and tax wealth. However, imperial growth was parallel to that of its debt.

In 1575, the most serious of the three bankruptcies of his reign occurred, which greatly affected the city of Antwerp and the Fugger family bankers, forcing cities to accept a tax increase that fundamentally harmed the peasant sectors. By 1596, the third bankruptcy occurred as a result of enormous military expenditures caused by various wars and a decrease in income from America, leading to further tax increases, as well as consequent inflation and poverty among the population.

The Royal Capacity to Use Monetary Issuance

The Crown had the power and responsibility to mint coins because, according to the Old Charter of Castile, currency belongs to the natural dominion of the King and is therefore the property of the political power, which regulates its minting and circulation. This reality makes currency a financial instrument of the first order, as the monarch has the ability to alter it at will. This principle was used extensively in Castile during the reign of the Habsburgs as a means of financing their military efforts in Flanders, which was facilitated by the almost total monetization of European society in the Modern Age [24]. Despite this, Philip II encountered strong opposition in the courts, causing tensions between the different factions, since their representatives, being rentiers, were the ones most affected by inflation in the vellon currency.

When coins were minted from metal whose value as a commodity was lower than its face value, the Royal Treasury was responsible for minting them, thereby making a profit on the transaction. However, when metal money was issued whose value as a commodity was equal to its monetary value and commonly served as a standard, the Royal Treasury authorized private individuals to convert bars of precious metal into coins. Coins were minted at a mint or official institution dedicated to this purpose. When the Royal Treasury declared minting by private individuals to be free, they took their ingots to the mint so that it could proceed with minting in accordance with the established ordinances.

> "The style and arrangement observed in these sales is to sell His Majesty's silver at the legal weight of the bars brought from the Indies, plus six and a half maravedis, to declare its value (in silver put to the law for minting reales) in the Treasurer of the Mint, with

> which the rights that must be returned, which are applied to the Royal pocket, remain in the possession of the same Treasurer, so that he may deliver them to the person in charge of the supervision and administration of the effects that are applied to him ..."
>
> "The silver and gold belonging to the salaries and lodgings of the lords of the Council and all other items consigned to the Treasurer General are sold and benefit (like all other items of public land) in the same way as those of the Royal Treasury, and although it was also once attached to the Treasurer of the Mint, so that he might mint His Majesty's silver, this was not repeated."

The Monetary reform of Philip II

In 1566, two Royal Pragmatics were issued by Philip II, dated November 22 and December 14, introducing significant changes to the Castilian monetary system. The excess of silver coinage from America, compared to gold, had caused an increase in the price of gold on the European market, as it was scarcer than silver [25].

This reform, which affected Castilian gold and vellon coins, was part of a broad reform plan promoted by Philip II in the 1560s. However, the reform was not part of an urgent plan to overhaul the monetary system at a time when the Castilian treasury was facing acute financial problems, which had been dragging on since the final years of Charles V's reign.

In addition, part of the coinage in vellon called "rich vellon", had to pay the king's new tax: the Seigniorage, also called the cost of minting gold, by charging one real for each mark of coin minted in the royal mints. In addition, with regard to gold, its nominal value was increased through the Pragmatic of the New Stamp, dated November 23,1566, with coins being minted with a fineness of 916.66 and a theoretical weight of 3.38 grams, but increasing their nominal value from 350 to 400 maravedis.

> "Law XIIII: Establishing the vellon coin that King Philip II ordered to be minted again and its value. We command that from now on, for as long as we wish, two and a half dineros and two grains of legal coin, which is sixty-two grains of fine silver, be minted in our kingdoms and in their mints, and that eighty pieces be minted from one mark, each worth a quarter of a real, which is eight and a half maravedis ..."
>
> "Seigniorage is the name given to the right that His Majesty is paid in the mints, so called in reference to the sovereign lordship that allows him to mint it as coinage, according to Don Gaspar de Escalona, and forty-eight maravedis of the King's silver and fifty of private individuals' silver are charged for each mark (of the law that the coin must have), and twenty-nine thousand nine hundred and twenty maravedis for each mark of gold worth twenty-two and a half carats according to the law ..."

However, the reform did not have the desired effect due to the short life of the rich vellon coinage on the peninsula as a result of counterfeiting, which would increase in the following century with the Peruvian coinage from Potosí. Therefore, at a time when coins had intrinsic value due to their gold and silver content, maintaining their balance was a rather complex task. Likewise, the measures adopted by the issuing authorities were also significant in the evolution of the situation.

In addition to the internal aspect of the coin, there was also the external aspect, which was an essential element for the sovereigns of the Modern Age, in order to express different messages on the coin, whether political, religious, cultural, etc., which turned the coin into a tool for the propaganda of power. Artistic considerations, the availability of technology, control over their

manufacture, and the exclusivity of their issuance were aspects that monarchs carefully considered as a demonstration of their territorial power.

This description can be seen on gold coins throughout the Habsburg period, with the modification of the coat of arms on the obverse in the Pragmatic of the New Stamp of 1566. Philip II ordered that the large coat of arms of the Monarchy be engraved, including for the first time his patrimonial territories that united the inheritance of Castile with that of northern Europe through Philip the Handsome.

Figure 1: Shows doubloon of Philip II, minted in Castile.

Thus, at the top are the coats of arms of the peninsular kingdoms, corresponding to Castile, León, and Aragon-Sicily, with the addition since 1580 of the five-pointed stars of Portugal. At the bottom are those of Austria, "modern" Burgundy, "ancient" Burgundy, and Brabant, above the divided shield of Flanders and Tyrol, with that of Navarre not appearing [26]. The arms and title of King of Navarre continued to be used at that time by the French Bourbons, so their exclusion from the Spanish coat of arms may be related to Philip II's objections to the incorporation of that kingdom, since the legitimate rights of succession did not correspond to the Habsburgs. However, political motives took precedence over dynastic ones, and the territory was never relinquished. The Cross of Jerusalem was retained on the reverse side of the coins.

Everything concerning emissions was carefully decided and legislated, except when the economic and political obligations of the kingdoms took precedence over public need. It was at that point that the changes introduced instability into the monetary system, which could affect domestic and/or foreign trade. In any case, the Spanish monarchs during the modern era maintained the stability of the gold currency, which was used for international trade, while the devalued vellon currency was used for domestic trade, affecting the most vulnerable sectors, as mentioned at the beginning.

The Inquisition as a Repressive Institution Against Currency Flight

At the same time, fraud was taking place with the export of Spanish gold and silver coins, while devalued European currency was being introduced into Spain. This was very easy to do, as it was sufficient to alter the alloy of the precious metal in the various continental coins to obtain huge profits. If the smuggling of goods was impossible to stop at the borders, what could be expected of currency, hidden among goods, clothing, or carriages. Added to this situation was corruption at checkpoints [19]. There was only one institution in the entire kingdom subject to a hierarchy: the Inquisition, with the advantage that its actions were above territorial laws, privileges, and rights, and therefore it was the appropriate body to prosecute this crime. Localities had a commissioner, who was usually the parish priest, assisted by several relatives and "respectable" lay neighbors from the towns.

The Holy Office controlled the border in order to keep the country under surveillance through a vast network of informants and collaborators [20]. However, in order to take action, it had to be for a crime against the faith, and monetary fraud did not qualify. Therefore, to overcome this limitation, Philip II resorted to a legal ruse. Being involved in the religious struggles in France, he got the Pope to announce that the export of weapons, horses, and coins to the place where the Huguenots were camped was considered heresy for collaborating with the enemy.

The situation described was consistent with its function, since, in terms of the inquisitorial proceedings, the questions were basically about the crimes and the defendants, with less consideration given to the heretical content of the crimes themselves. Thus, in the district courts bordering France, trials were held against smugglers who made a living from transporting animals, provisions, weapons, or coins across the border, even if these items were not intended for the Huguenots [21]. Later, other courts on the peninsula extended the charges to include counterfeiters. In Toledo, a network of Judaizers who smuggled coins abroad was prosecuted, including in this concealment the property of the *Moriscos* expelled from the kingdom.

The Creation of the Royal Mint of Segovia

There are very early records of coinage in Segovia, with bronze coins being minted between 30 and 20 BC. This resumed during the reconquest of the peninsula in 1136, when Emperor Alfonso VII donated a quarter of the coins issued to build the old Cathedral of Santa María, which led to an increase in employment in the city.

In 1455, Henry IV built a new mint, whose coins featured a small aqueduct as the mint mark for the first time. This mint became known as "La Casa Vieja de Moneda" (The Old Mint), after the founding of the Royal Mint in 1583, which would remain in operation until 1681. Today, this monument is an integral part of the Segovia monument complex declared a World Heritage Site by UNESCO in 1985. It is located at the foot of the famous Alcazar de Segovia, in the historic part of the city, and is the oldest example of industrial architecture still standing in Spain.

> "Water mills required a real engineering installation; two main components made up the mill: the driving force, that is, the water from rivers or irrigation ditches, with its walls and floodgates, which drove the wheels and the mill itself, with its rapids, wheel, axle, sledgehammer, and smelting furnaces, which were the components and accessories of the mill's machinery. The coins minted by this system were called "mill coins."

Compared to other countries such as France and the Germanic kingdoms, the introduction of a modern mechanical coinage system in Spain was delayed. For this project, Philip II sought the advice of his cousin Ferdinand, Archduke of Austria, asking him to send a group of experts to build the mint. These experts first surveyed the banks of the Manzanares River, where the new Mint was to be built [22].

However, due to water shortages at that site and the history of the Segovia mint, they moved to the banks of the Eresma River, where the Ingenio de la Moneda de Segovia was built in 1583, based on plans by Juan de Herrera, architect to Philip II, famous for having built the Monastery of San Lorenzo de El Escorial, among other magnificent architectural works. The costs of building the mint were borne entirely by the monarch's private funds, as the mint was the private property of the Royal House [23]. Several Royal Decrees contain the following sentence: "Having founded a mint on the banks of the River Eresma in the city of Segovia at the expense of My Royal Treasury for the purpose of minting coins." As it depended on the

monarch, the mint was under the authority of the Royal Board of Works and Forests, an institution of the Castilian Crown.

Figure 2: Shows royal mint of Segovia.

Although the coinage machines arrived in June 1585, it was not until March 1586 that the coins minted at the Ingenio appeared, with the 8 real coins being the first coin issued at the mint. It can be said that the increase in the production of silver and vellon coins, in addition to the geographical location of the Mint in relation to the royal residence, were the main reasons for its creation [24].

The Royal Mint was an industrial and mechanized building. The use of advanced technology at the time allowed Herrera to build the first iron rolling mill in Spain in 1591, near Durango. The mint had 14 water wheels, which were powered from below. There were two buildings: the "large mill," where copper coins were minted, which had 10 wheels, and the "small mill," with 4 wheels for silver and gold. Each mill was equipped with two rollers mounted in parallel. All the rollers were similar, but the minting rollers had the designs of the obverse and reverse engraved on them.

Figure 3: Shows the 8 Reales coin from 1586 issued in Segovia.

Behind the Ingenio Grande, on the other side of the canal, is the Ingenio Chico, a building that was formerly a paper and flour mill, which the monarch purchased in 1583 to house his new mint [25]. Paper manufacturing continued during the first five years of coin production, with the business being leased out by order of the king. In 1590, all the machinery and tools for paper production were removed and taken to the monastery of El Escorial: "three paper-making wheels that His Majesty ordered to be placed in San Laurencio, where the Las Piedras mill is located," so that it could be used as a paper mill by the friars. Therefore, the coins produced in the new mint were characterized by being the result of a mechanized process, leaving aside

artisanal production [26]. The metal plates, better known as rails, were the elements from which the coins were obtained, cutting the blanks with scissors, thus achieving a more aesthetic appearance for the coins. Philip II visited the mint on December 8, 1592, where he observed the manufacture of silver and vellon coins. Although gold coins dated 1587 appeared at that time, they appear to have been minted in honor of the royal visit and were not part of a regular issue. The Ingenio also established a guarantee against fraud in the production of vellon coins, agreeing that all coins of this alloy should be minted in Segovia. However, as mentioned above, on some occasions the debasement of the currency was justified on the pretext that it was the only means available to the Crown to finance foreign wars.

DISCUSSION

From the results obtained, some analyses and interpretations can be made that engage with the context and historiographical works that address related topics. A deeper focus will be given on the creation of the Royal Mint of Segovia in 1583, the advantages it brought and greater control over cash flow. Although the vast Spanish empire during the reign of the Habsburgs included the riches of the American territories, from which tons of precious metals arrived, currency shortages were a constant feature of the period which was caused by the different wars that Spain had at that time. Control over monetary issuance was a power that belonged solely to the king. For this reason, Philip II decided in 1583 to open a new mint in the city of Segovia, which was strategically located near the Eresma River, which powered the water mill. In addition, Segovia had a long history of monetary issuance dating back to Roman times. All of this made the new mint a successful enterprise for the Habsburg Empire.

CONCLUSION

The construction of the Segovia Mint was a combination of factors. On the one hand, there was the exclusivity of producing vellon coins in the Castilian kingdoms, as a result of the lack of control over alterations in other mints. and on the other, the implementation of new technology with officials brought in from the Germanic kingdoms who gave the mint a distinctive stamp, making it the most important in the kingdom on the Iberian Peninsula. In addition, its geographical proximity to the Eresma River and the monastery of El Escorial is also a relevant point. It has also been very useful to determine the manufacture of the different coins and how they were used according to each social class, depending on the metal used in them, which indicated not only their intrinsic value, considering the metallic purity of Spanish coins compared to those from other parts of the world, but also, as a detail of no small importance, the symbolic significance given to the coins during the reign of Philip II, which bore the various coats of arms of the different royal houses of the empire. On the other hand, the presence of Inquisition officials controlling border crossings in order to curb currency flight abroad was a key factor in attempts to maintain a considerable amount of cash. Philip II was very clever in obtaining a license from the Pope to use the Holy Office for smuggling control rather than the usual repression of heretics.

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