Spain has not always been an imperial, theocratic creature of the Inquisition. During the 1700’s, and especially during the reign of the Bourbon King Carlos III (r. 1759-1788), Spain experienced a renaissance inspired by G.W. Leibniz, which paralleled the American Revolution, and laid the basis for the later emergence of independent sovereign nation-states throughout Ibero-America.

The key features of Carlos III’s reign were: (1) implementation of far-reaching reforms in the areas of economics and education, based upon the principle of the General Welfare, anticipating in Spain what was later realized as the American System in the United States; (2) suppression and eventual expulsion of the Venetian-controlled Society of Jesus (Jesuits, founded 1540), as a reflection of a policy of separation of Church and State, based upon the principle of national sovereignty vs. the oligarchical institution of the Spanish Inquisition; (3) support for the American Revolution against the British Empire, which had been consolidated with the 1763 Treaty of Paris that ended the Seven Years’ War.

The republican legacy of Spain and the nations of Ibero-America begins with the battle for Leibnizian principles against feudalism and its Inquisition.

Spain’s The American


This article is dedicated to the memory of Carlos Cota Meza and H. Graham Lowry, to the fighting spirit of Mark Sonnenblick, to victory over the Synarchist Quijanohacks, and to a future for the youth of Ibero-America.

Francisco Goya y Lucientes, details from “Los Caprichos” (1799); Gustave Doré, illustration to “Don Quixote.”
Carlos III and System

by William F. Wertz, Jr. and Cruz del Carmen Moreno de Cota

between Britain and France (known as the French and Indian War in North America). These policies led in the early decades of the 1800’s to the sovereignty of the independent nation-states of Ibero-America, and a community of principle among them and the United States of America.

Because of these policies, the fascist Synarchists in the Catholic Church [SEE Box, page 28] and their Brit-
Continued on page 28
ish allies have always hated the memory of Carlos III, almost as much as they hate the American Revolution. Synarchist fascists like Fernando Quijano, a former associate of Lyndon LaRouche, viciously attacked Carlos III and defended the Hapsburg King Philip II (r. 1556-1598). For this purpose, Quijano twisted Leibniz’s 1703 “Manifesto for the Defense of the Rights of Carlos III [Hapsburg]”* into the false argument, that Leibniz implicitly opposed the later, Bourbon Carlos III, when in fact Carlos III’s policies precisely reflected the influence of Leibniz’s ideas in economics and statecraft, as these were later expressed in the Preamble to the U.S. Constitution’s support of the concept of the General Welfare.

It is also significant that Quijano, an initiator of the MSIA (Ibero-American Solidarity Movement) in 1992, a Mussolini-like Synarchist Trojan Horse deployed against LaRouche while he was wrongfully incarcerated in the United States, hated the works of the German “poet of freedom” Friedrich Schiller with a passion. The two works of Schiller that Quijano especially despised, were the drama Don Carlos (completed 1785-1787), and the historical essay “The Jesuit Government in Paraguay” (1788). Schiller, who was born the year Carlos III became King in 1759, wrote both these works during the final years of Carlos’s reign. Schiller was, of course, a close collaborator of the brothers Wilhelm and Alexander von Humboldt, the latter of whom played a critical role in laying the basis for the independence of the nations of Ibero-America.

Quijano’s line was that Schiller, who supported the American Revolution, was an “Enlightenment Protestant” influenced by the “Black Legend”—the Anglo-Dutch propaganda campaign to depict Spanish policy in

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* The Hapsburg opponent of Spain’s first Bourbon King, Philip V, during the 1701-1712 War of Spanish Succession, was also called “Carlos III.” See below.—Ed.

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**Synarchism: A Short Definition**

“Synarchism” is a name adopted during the Twentieth century for an occult Freemasonic sect, known as the Martinists, based on worship of the tradition of the Emperor Napoleon Bonaparte. During the interval from the early 1920’s through 1945, it was officially classed by U.S.A. and other nations’ intelligence services under the file name of “Synarchism: Nazi/Communist,” so defined because of its deploying simultaneously both ostensibly opposing pro-communist and extreme right-wing forces for encirclement of a targeted government. Twentieth-century and later fascist movements, like most terrorist movements, are all Synarchist creations.

Synarchism was the central feature of the organization of the fascist governments of Italy, Germany, Spain, and Vichy and Laval France, during that period, and was also spread as a Spanish channel of the Nazi Party, through Mexico, throughout Central and South America. The PAN Party of Mexico was born as an outgrowth of this infiltration. It is typified by the followers of the late Leo Strauss and Alexandre Kojève today.

This occult Freemasonic conspiracy, is found among both nominally left-wing and also extreme right-wing factions such as the editorial board of the *Wall Street Journal*, the Mont Pelerin Society, the American Enterprise Institute and Hudson Institute, and the so-called integrist far right inside the Catholic clergy. The underlying authority behind these cults is a contemporary network of private banks of that medieval Venetian model known as *fondi*. The Synarchist Banque Worms conspiracy of the wartime 1940’s, is merely typical of the role of such banking interests operating behind sundry fascist governments of that period.

The Synarchists originated in fact among the immediate circles of Napoleon Bonaparte; veteran officers of Napoleon’s campaigns spread the cult’s practice around the world. G.W.F. Hegel, a passionate admirer of Bonaparte’s image as Emperor, was the first to supply a fascist historical doctrine of the state. Nietzsche’s writings supplied Hegel’s theory the added doctrine of the beast-man-created Dionysiac terror of Twentieth-century fascist movements and regimes. The most notable fascist ideologues of post-World War II academia are Chicago University’s Leo Strauss, who was the inspiration of today’s U.S. neo-conservative ideologues, and Strauss’s Paris co-thinker Alexandre Kojève.

—Lyndon H. LaRouche, Jr.
July 23, 2003

For a full discussion, see “Religion and National Security: The Threat from Terrorist Cults,” page 4, this issue.
Ibero-America as unmitigatedly genocidal—into unfairly attacking the Jesuits and the Inquisition of Philip II. For this reason, Quijano argued that it was impossible to organize the Schiller Institute in Ibero-America, and that a new organization, the MSIA, based on Quijano’s own pro-Franco, anti-American Synarchist fascism, was required. Leaders of the MSIA, including Quijano and, later, Marivilia Carrasco, resigned from association with LaRouche, over LaRouche’s attack on the fascist nature and terrorist threat of Synarchism. LaRouche exposed the fact that a network of Synarchists is active once again today in France, Italy, and Spain, and is deployed throughout the Americas in association with Spanish fascist Blas Piñar, chiefly under the fascist doctrine of Hispanidad. The Quijanohacks are allied with this network in Mexico, Venezuela, Brazil, and Argentina.

As we shall see, it was the Catholic rulers of France, Portugal, Spain, Naples, and Parma—and not the Protestant North—who suppressed the Jesuits. In fact, among the charges against the Jesuits in Spain, were that they maintained “treasonable relations” with Great Britain, and that the Jesuit policy in Paraguay was to foment warfare against the legitimate Spanish civil government. Thus, Schiller’s essay was not the result of a “Freemasonic, Protestant-concocted ‘Black Legend,’” but was based on the reality of the charges brought against the Jesuits by Carlos III himself.

The American System vs. The British Empire

The expulsion of the Jesuits from Spain and its possessions in 1767, and Carlos’s support for the American Revolution of 1776, strongly suggest that in writing his Don Carlos about the son and heir to the throne of Spain’s Philip II, Schiller was intervening into the world history of his time, to support the efforts of Carlos III against the forces of the Inquisition historically allied with Philip II. (Schiller first conceived of writing Don Carlos in 1782, during the final years of the American Revolution.) It should be further noted that during his reign, Carlos III banished the Jesuit-allied Inquisitor General from Madrid. Thus, in Schiller’s play, Flanders is a metaphor for the American Revolution, which Carlos III supported, and Carlos III is the Spanish monarch who Schiller’s character Don Carlos tragically failed to become, owing to the overpowering control exercised by the Beast-man Inquisition over his father Philip II—something which Carlos III, whose own father was Philip V, successfully fought.

Ironically, although Quijano attempted to twist Leibniz’s 1703 attack on Spain’s Bourbon succession into a defense of the Hapsburgs against the Bourbon kings, Leibniz’s 1703 attack on Spain’s Bourbon succession into a defense of the Hapsburgs against the Bourbon kings, Leibniz’s 1703 attack on Spain’s Bourbon succession into a defense of the Hapsburgs against the Bourbon kings, Leibniz...
Leibniz’s actual policies for the promotion of the arts and sciences, and for the development of physical economy for the General Welfare, were implemented by none other than the Bourbon Carlos III. Carlos’s moves against the Jesuits and the Inquisition should also be seen as a reflection of Leibniz’s project to reunite the Christian Churches under an ecumenical policy, based upon the principles which had guided the watershed Council of Florence (1439).

Proof of this is found in the collaboration of the predominantly Protestant, future United States of America with the predominantly Catholic, Bourbon nations of Spain and France, against the imperial policies of Great Britain, and on behalf of a policy which only later became known as the American System. This collaboration would later bear fruit in the community of principle among the sovereign nation-states of the Americas, as expressed in the recognition of the independence of Ibero-American nations by U.S. President James Monroe and his Secretary of State John Quincy Adams, a policy uniquely advocated today by the Democratic pre-candidate for the U.S. Presidency, Lyndon LaRouche.

Thus, the true history of Ibero-America is not to be found in the ideology of Hispanidad, as advocated by the Quijano hacks. This anti-American ideology was a Synarchist-Nazi concoction, aimed at wiping out the contributions of Carlos III to the founding of the United States, the development of the Ibero-America nations, and the collaboration between them and the U.S.A.

The 1648 Treaty of Westphalia, which ended the Thirty Years’ War in Europe, was based on the ecumenical principle that each nation should act to the advantage of the other. Over succeeding decades, this peace gave way to a three-way rivalry for control of Europe between Bourbon France, the Hapsburg Empire, and the British, who after the 1688 counter-revolution of William of Orange represented an emerging Anglo-Dutch, Venetian-style financier imperial power.

Over the course of the 1700’s, the networks of Leibniz in various European nations, especially those of Bourbon France and Spain, were the only counterpole to the emerging British Empire. These networks worked to continue the policies of the Treaty of Westphalia on a global scale, culminating in their support for the American Revolution of Leibniz-inspired Benjamin Franklin and his followers.

It is therefore no accident that defenders of the Synarchist Cristero War (1926-1929) against Mexico and the Mexican Constitution of 1917, such as Jean Meyer, have slanderously attacked the sovereign government of Mexico on the grounds of “Bourbon Regalism.” In Mexico, as elsewhere in Ibero-America, the battle for national sovereignty and the economic well-being of the entire population required the same fight against the ultramontane, Synarchist policies of the fascist elements in the Catholic Church, as that waged by Carlos III. Thus, the precedents for many of the measures to limit the power of the clergy contained in the Mexican Constitution, can be found in the steps taken by Carlos III in the 1700’s, first in Naples, and then later in Spain.3

The Leibnizian Conception of Man Versus Bestial Feudalism

Spain had been devastated since the rule of the first Hapsburg monarchs, Charles I (V) (r. 1516-1556) and his son Philip II, as a result of policies that degraded man to the status lower than a beast of burden.

The conditions in Spain under the Hapsburgs and their Grand Inquisitor, as described by Friedrich Schiller in his play Don Carlos, were precisely those which characterized ancient Sparta under the dictator Lycurgus. In his essay on “The Legislation of Lycurgus and Solon,” Schiller says of Sparta that all respect for the human species was lost, people were considered as means, not as ends, morality was torn asunder, by law, the minds of the population were deliberately constrained, all progress was hemmed in, all industry stifled, all science neglected.4 The same is easily said of feudal Spain.

In 1492, Queen Isabella (r. 1479-1504) and her husband Ferdinand, under the influence of the bestial Grand Inquisitor Tomás de Torquemada, expelled Spain’s Jewish population. In 1609, Philip III expelled the Spanish Muslims, called Moors. These expulsions brought an end to the ecumenical Muslim-Jewish-Christian culture which had flourished in Andalusian Spain in earlier centuries, and had made it the wealthiest and most advanced region of Europe in the arts, sciences, and economy.5 They brought about a devastating reversal of the Spain of the great Alfonso X (the Wise), who ruled Castile and León from 1252 to 1282, and who referred to himself as the “King of the Three Religions.” And this policy of expulsion was kept alive in Hapsburg Spain through the cult of “limpieza de sangre” (purity of blood), where government appointments required a “certificado de pureza” (certificate of purity) proving one was not “tainted” by Jewish or Moorish blood, and even the poorest peasant, so long as he was an Old Christian, looked down upon the so-called New Christians descended from Jewish converts (“conversos”).

These criminal expulsions, and the persisting racist mentality behind them, not only destroyed any notion of human solidarity, but also resulted in economic collapse and depopulation, as a result of the anti-human ideology they engendered. The feudal nobility considered productive labor
beneath them; by law known as the *caballero*, no knight or hidalgo could engage in productive labor without losing his noble status. Intellectual pursuits related to scientific discovery and the development of productive technologies were likewise considered a threat to “honor.” And the educational system, controlled by the Inquisition-allied Jesuits, imposed Aristotelean thought-control, rather than encouraging scientific inquiry.

The nobility, in true Aristotelean fashion, treated the rest of the population as virtual helots, whom they valued less than animals. At its most extreme, this was reflected literally in the privileges of the feudal Council of the Mesta, which had the right to drive its herds of sheep over cultivated fields, while the peasantry was prohibited by law from protecting fields by enclosure. Meanwhile, the majority of the tax burden fell upon these same poor peasants, and the aristocracy, hidalgos, and clergy were tax-exempt.

Thus, rather than treating all human beings as created in the image of the Creator, and nourishing their capacity for cognition for the benefit of the society as a whole, Spain’s feudal oligarchy treated man as a beast, to be ruled over by the oligarchy’s own Beast-man, the Grand Inquisitor. The result was a culture of idleness, in which the talents of the population were never given the opportunity to contribute, through economic activity, to the common good. It was this anti-productive, anti-progress culture of Hapsburg Spain under Philip II, which Miguel de Cervantes so successfully lampooned in his 1605 *Don Quixote*—in which an idle knight, forbidden to work, spends his time reading feudal stories, goes mad, and sallies out to encounter an entire society which is itself upside-down and totally insane.

The truly amazing accomplishment of Carlos III is that he attempted, and in large part succeeded in overturning this feudal ideology and replacing it with a Leibnizian conception of man—although ultimately his reforms were undermined, following his death and the Napoleonic invasion of Spain in 1808.

Lyndon H. LaRouche, Jr. has referred to Leibniz as “the first economic scientist, in the strict modern sense of science.” The economic policies implemented under Carlos III were as much a reflection of Leibniz’s thinking as was the American System of political economy implemented by Alexander Hamilton. Leibniz’s writings were widely circulated in Spain under Carlos III, and many of the economic and educational reforms implemented in Spain were actually first attempted in the Sierra Morena, among a colony of German immigrants.

Two works by Leibniz are particularly crucial. These are “Society and Economy” and a memorandum entitled “On the Establishment of a Society in Germany for the Promotion of the Arts and Sciences,” both written in 1671. In these works, Leibniz emphasized that man is a mirror of God’s love, and thus an instrument to serve the “common good” and the “happiness of the human race” through scientific discovery and the development of new technologies. Thus, for Leibniz, through scientific discovery “conceived by means of hypothesis,” man is both...
capable of, and responsible for, liberating his fellow man from the bestial state to which he is otherwise relegated in a society which suppresses that divine spark. Such was the case in Hapsburg Spain, which under the guise of religion, actually blasphemed God by degrading His image in man.

In the first of these writings, Leibniz argues that the “entire purpose of society is to release the artisan from his misery.” To accomplish this, Leibniz proposes that society play a positive role in fostering a harmony of interest among merchants and artisans, through the development of national industry.

In the deregulated, free-market system of monopoly capital, in which artisans are kept in continual poverty and toil, they are unproductive. However, in a society which considers artisanship “one of the worthiest occupations”—where “the highest rule shall be to foster love” and the “moral virtues shall be promulgated”—the work force will be more productive, to the benefit of society as a whole.

Leibniz explicitly argues for government intervention to foster manufactures: “Monopoly is avoided, since this society always desires to give commodities at their fair price, or even more cheaply in many cases, by causing manufactured goods to be produced locally rather than having them imported.”

Moreover, a community of principle would exist among all countries in which such a conception were implemented, such that “no country . . . will be favored over the other, rather each shall be made to flourish in those areas in which God and Nature have allowed it to excel.”

In the second essay, Leibniz calls for the creation of a society or academy to advance man’s mastery over nature through science and technology. He calls for the creation of “opportunity and arrangements for many excellent and useful thoughts, inventions, and experiments”; “to supply and make useful resources and funds, and other things lacking, on a large scale”; “to join theory and experiment”; “to establish a school of inventors”; “to maintain the nourishment of the people, to establish manufacturing”; “to improve the schools, furnishing the youth with exercises, languages, and the reality of the sciences”; “to test and be able to work out everything in chemistry and mechanics”; “to support poor students”; “to support useful people on the land”; and so forth.

In 1672, one year after he authored these two seminal works on the science of physical economy, Leibniz traveled to Paris, where he worked until 1676 in the political orbit of Louis XIV’s Minister of Finance, Jean-Baptiste Colbert (1619-1683), whose economic policies, clearly in harmony with those of Leibniz, would later become the basis for the economic transformation of Spain.

As we shall see, the principles Leibniz outlined in these memoranda, were precisely the policies which Carlos III implemented in Spain, assisted by such ministers as the great Pedro Rodríguez de Campomanes and José Moñino (Conde de Floridablanca).

The Bourbon Succession

Taken as an isolated fact, it is true that G.W. Leibniz opposed the Bourbon succession in Spain, and supported the succession of the Hapsburg pretender, the Archduke of
Austria. But, what was Leibniz’s intent? As he expressed it in his 1703 “Manifesto for the Defense of the Rights of Carlos III [Hapsburg],” his concern was that France under Louis XIV, who had fomented numerous imperial wars in Europe, would absorb Spain as a province, and pose an imperial threat to the peace of Europe that had been established by the 1648 Treaty of Westphalia at the end of the Thirty Years’ War. Leibniz argued that the will of Carlos II, which established the succession, violated the Treaty of the Pyrenees (1659), which had brought peace to Europe by ensuring that France and Spain would never be ruled jointly by the French crown.

This was certainly a legitimate concern on Leibniz’s part. Carlos II, who was demented, had indicated previously that he intended the Archduke of Austria to be his successor. However, before his death, a new will was presented to him by his advisers, naming the Duke of Anjou, grandson of France’s Louis XIV of the House of Bourbon, as successor, and arguing that the cause of concern expressed in the Treaty of the Pyrenees was no longer valid.

As a result, the Duke of Anjou became Philip V of Spain (r. 1700-1746), arriving in Spain on Jan. 28, 1701. He was soon challenged by a European Grand Alliance between the Hapsburg Emperor, the King of England, and the Estates-General of the Low Countries concluded at the Hague in September of that year. The statement of this Alliance argued that, “this union of France and Spain shall, before very long, make them so enormously powerful, that they shall be able, at will, to force the whole of Europe to bow down under the yoke of their wretched tyranny,” and it proclaimed the Hapsburg Archduke Carlos of Austria to be “Carlos III” of Spain. This precipitated what became known as the War of Spanish Succession, the struggle between the Bourbon and Hapsburg dynasties for control of Spain, until, in 1712, Philip V brought an end to the war by renouncing his claim to the French throne.

It is ironic that, despite Leibniz’s opposition, the Bourbon policies in Spain under Philip V, his son Fernando VI, and finally Carlos III, were more an expression of his commitment to the General Welfare, than the policies of England, whose first Hanoverian King, George I, had the opportunity to bring Leibniz into his government, but refused. Such are the ironies of history.

‘I Shall Devote My Attention To Improving the Welfare of My Subjects’

Carlos III was born on Jan. 20, 1716 in Madrid, following the War of Spanish Succession. For the first seven years of his life he was entrusted to the care of a Spanish governor. After that age, he was given his own apartments in the Escorial. He acquired a working knowledge of Latin, Italian, German, and French, as well as a certain amount of history both sacred and secular, under the direction of the Conde de San Esteban. He was also taught the basics of military tactics, naval science, geometry, and fortification. Later, he added an interest in mechanics.
Carlos was the son of a French father, Philip V, and an Italian mother, Isabel de Farnesio of Parma. At age 15, in October 1731, he left Spain to become Duke of Parma, which position he gained through his mother. Not only did he become the Duke of Parma and Piacenza, but also heir to the Grand Duchy of Tuscany, which included the great Renaissance city of Florence.

Two years later, in October 1733, the War of Polish Succession broke out when, at the death of the King of Poland, Stanislaus I sought to regain the Polish throne, supported by his son-in-law, Louis XV of France. The rival candidate was supported by the Hapsburg Holy Roman Emperor, and by Russia. Spain and Sardinia allied with France, the former with the intent of recovering Naples and Sicily, which it had ceded to Austria in the 1713 Treaty of Utrecht at the conclusion of the War of Spanish Succession.

It was in response to this conflict between Bourbon and Hapsburg that the first of three Family Compacts between Paris and Madrid was concluded. Although Spain would remain a sovereign nation under the Bourbon kings, for the remainder of the Eighteenth century, there was an alliance between the two sovereign nation-states.

On Jan. 20, 1734, his eighteenth birthday, Carlos emerged from his minority spent under the control of a Regency, and declared himself to be “free to rule and administer our States independently.” As the war raged, Carlos, encouraged by his mother to conquer the Two Sicilies (Naples and Sicily), on May 10 entered Naples, which had been ruled by the Hapsburgs since 1707. He was now not only the Duke of Parma, but also the King of the Two Sicilies.

Carlos surrounded himself with trusted ministers in Italy, who formed a nucleus of advisers throughout his career, including when he became King of Spain. He later added to this nucleus, and in the process succeeded in developing a qualified and unified leadership that shared his political outlook, and became an effective instrument for implementing the revolution he effected. Although he benefitted from the talented men who advised him, he was himself clearly the prime mover.

In Parma, Carlos’s chief adviser was at first his old tutor, the Conde de San Esteban (Santo Stefano in Italian). His Secretary of State was another Spaniard—the Marqués de Monte Alegre, who succeeded San Esteban. His Minister of Justice was Bernardo Tanucci, educated in law at the University of Pisa. Tanucci was first appointed legal adviser to Carlos as Duke of Parma, then marched south with the Bourbon army during the conquest of Naples, and then became Minister of Justice.

At the age of 23, five years after he became King of the Two Sicilies, Carlos took two decisive actions, which make clear his absolute rejection of the criminally racist policy of the Spanish Inquisition with regard to the Jews. In 1220, Friedrich II (Hohenstauffen), who ruled in Sicily and was the uncle of Alfonso X (the Wise) of Spain, had arranged for Jews to settle in Naples. This ecumenical policy was reversed in 1540, when Charles V, the first Hapsburg to rule Spain and the grandson of the Isabella and Ferdinand who had expelled the Jews from Spain in 1492, expelled them also from Naples. This ecumenical policy was reversed in 1540, when Charles V, the first Hapsburg to rule Spain and the grandson of the Isabella and Ferdinand who had expelled the Jews from Spain in 1492, expelled them also from Naples. Carlos, acting in the ecumenical tradition of Friedrich II and Alfonso the Wise, issued an edict on Feb. 13, 1739, opening Naples to Jewish habitation. He was denounced for this action as “Prince Carlos, King of the Jews,” by that anti-Christian faction of the Catholic Church allied with the Inquisition. The second, directly
related action which Carlos took, was to prevent the Inquisition from being established in Naples. These two acts, above all, provide insight into the moral intention of Carlos, and are a harbinger of the policies he was later to implement in Spain in respect to the Jesuits and the Spanish Inquisition.

Carlos’s father died on July 4, 1746. In keeping with his opposition to Hapsburg rule, Philip had given directions that he not be buried in the Escorial with the earlier Spanish monarchs, but at San Ildefonso. His son by his first marriage succeeded him as Fernando VI (r. 1746-1759).

With the death of his father, Carlos became his own man. He told the Sardinian ambassador: “I hope to make this kingdom flourish again and relieve it from taxes... Apart from which, I have revoked a tax, and shall devote all my attention to improving the welfare of my subjects, since I wish to save my soul and go to Heaven.” This commitment to the General Welfare of his subjects was the guiding principle of Carlos’s rule not only in Naples, but later in Spain. He used his reign in Naples to prepare for his eventual transformation of Spain, just as King Louis XI of France (1423-1483) had instituted reforms in the province of Dauphine before becoming monarch and turning France into the first modern nation-state. What typified Carlos’s entire philosophy of government was his favorite saying: “First Carlos, then king” (“Primero Carlos, luego rey”). In other words, he was a man first, and his duties as King flowed from his obligations, as a man, to his fellow man. One is reminded of the Marquis of Posa’s appeal to King Philip II in Schiller’s Don Carlos—“Thus become among a million kings, a king!”

In 1746, Carlos put Leopoldo di Gregorio (1700-1785), better known as the Marchese di Squillacci (or Esquilache in Castilian), a Sicilian born in Messina, in charge of customs. He was in due course promoted to become Minister of Finance. In 1755, Tanucci was put in charge of Foreign Affairs as well as of Justice and the Royal Household, and Squillacci was by now Secretary of Finance, War, and Marine.

When Carlos’s half-brother Fernando VI died in August 1759, Carlos was named his successor. Carlos appointed his son Fernando III of Sicily and IV of Naples. He appointed a Council of Regency, with Tanucci at its head, to administer the kingdom during his son’s minority, and embarked for Barcelona in October, becoming King of Spain and the Indies at the age of 43.

As King of Spain, Carlos III was determined to bring about the transformation of Spain begun by his predecessors, but which had been hampered by the combined power of the Inquisition and the emerging British Empire. He would accelerate the economic development in Spain and in Spanish America, but to do that required strengthening the sovereignty of Spain as a nation-state through the suppression of the Society of Jesus, and reduction of the power of the Inquisition. It also meant implementing an aggressive anti-British foreign policy. To accomplish this he would have to assemble around him in his government a group of ministers committed to his vision.

Initially, Carlos made few changes, retaining most of his brother’s ministers. Most significantly, he replaced the Minister of Finance, Valparaiso,
with the Italian Leopoldo de Gregorio (Esquilache), who had headed the financial administration of the Kingdom of Naples, consolidating the functions of both Minister of Finance and of War. He retained Ricardo Wall, an Irishman, as Minister of State, while assigning Gerónimo Grimaldi, an Italian originally from Genoa, to be his chief diplomatic representative.

Spain had avoided participation in the Seven Years’ War between Britain and France, which had begun in 1756 under Carlos’s predecessor Fernando VI. Fernando’s Minister of State, the Marqués de Ensenada (1700-1785), had maintained a policy of strict neutrality, arguing that “[i]t would be idle for Spain to hope to equal France on land or England on sea. France and England will always be enemies: no peace between them will last. Spain will be courted by both, for she can turn the scale; so the right policy for Spain is to trim judiciously, avoid war, and carry out actively internal reform.”10

Carlos’s Minister Ricardo Wall was specifically opposed to an alliance between Spain and France against Britain. Carlos circumvented Wall, by posting Grimaldi as Spanish ambassador to Paris in February 1761, to propose a treaty between France and Spain that would replace Fernando’s policy of neutrality with a policy of opposition to the emerging British Empire. France’s Minister of State Choiseul and Spain’s Grimaldi brought about two treaties, one the Third Family Compact, signed February 1761, and the other signed in secret six months earlier, stipulating that, in the case of hostilities with England, Spain would declare war if no peace was arranged by May 1, 1762. Ensenada remained an opponent of Carlos, and would play a role in efforts to overthrow him during the Jesuit-orchestrated riots of 1766. The Anglophile Wall resigned in 1763, after the Treaty of Paris concluded the Seven Years’ War, and Carlos replaced him with Grimaldi, who held the post until 1776, when he was replaced by Floridablanca.

In the aftermath of the Treaty of Paris, Britain succeeded in establishing a new global empire, run by the British East India Company. But Spain came out better than she was entitled to expect: Cuba and Manila were restored to her; and, although Florida was ceded to England, she received Louisiana from France in compensation, through a special treaty between the two Bourbon courts.

After 1763, the focus of opposition to the British Empire would center on the effort to establish a Leibnizian republic in North America. Louisiana, now under Spanish control, would become the base of Spanish operations in support of the American Revolution.

The Leibnizian Economic Policies of Carlos III

The Bourbon succession brought with it the impetus for reform of economic policy in Spain, based upon the policies of Jean Baptiste Colbert (1619-1683), minister of finance under King Louis XIV. When the Duke of Anjou arrived in Spain in January 1701 to become Philip V, he was accompanied by Cardinal Portocarrero. Portocarrero then asked Louis XIV for an economist capable of putting the Spanish finances in order, and Louis responded by sending Jean Orry (1652-1719), a disciple of Colbert.

Progress was slow in reforming the Spanish economy, owing to the entrenched power of the feudal nobility and Inquisition, and their Jesuit allies, and because of the ingrained habits of thought of an oppressed and uneducated population. However, under Philip’s son, Fernando VI, and finally under Carlos III, a revolution in political economy was accomplished, based on the dirigistic policies of Colbert and Leibniz, in opposition to both Hapsburg feudal policies, and the British policy of free trade. (Adam Smith’s Wealth of Nations, the “Bible” of British economic liberalism, did not even appear in a Spanish translation until 1794, six years after Carlos’s death.)

The implementation of Colbertian economic policies was done in direct opposition to the bestial policies which had wrecked Spain under the Hapsburgs. It was widely observed in Spain during the 1700’s, that the Hapsburg policies, beginning with the expulsion of the Jews and the Moors, had destroyed what Lyndon LaRouche has defined as the “relative potential population-density” of the nation. The Spanish population had fallen to its lowest-ever modern level between 1650 and 1680. In 1650, the population was less than 7.5 million,11 compared to France, with a population of 18 million, or Spain’s own population of 8.5 million at the turn of the Seventeenth century. Under the Bourbons, it surpassed 8.5 million by 1723, and by 1747 was approximately 9.5 million. In 1768, nine years after Carlos III came to power, it was 11 million; and in 1787, just before his death in 1788, it exceeded 11 million.

Leading political thinkers in Spain put the blame for its decline on the feudalistic policies of the Hapsburgs. Around 1764, a writer using the pseudonym Antonio Muñoz, attacked the policy of Philip III, which had brought about the decline in Spain’s population by expelling the Moors, who were good farmers and artisans. Nicolás de Arriquibar wrote a series of letters between 1764 and 1769 saying the country’s
prime need was to revive the industry that Philip II’s erroneous taxation policy had ruined. And Juan Pablo Forner asserted in 1787 that the revolutions of Charles V’s day were the “origin of our decadence.” He called for the writing of histories that would tell the truth about the period of Hapsburg rule, during which Philip II had furthered the decline by squandering Spain’s wealth throughout Europe, and the growth of the clergy had quickened the depopulation of the country. According to Forner, one had also to study the expulsion of the Jews and Moors. He asked: “Was the exile of four million Spaniards, in whose hands lay the nation’s commerce and agriculture, just and necessary, or senseless?”

Gerónimo de Uztariz’s Teorica y práctica de comercio y de marina (Theory and Practice of Commerce and Merchant Marine), published in 1724 and re-published under government auspices in 1742, was based on Colbert. Two other writers, Bernardo de Ulloa and Minister of Finance José del Campillo y Cossio, joined Uztariz about 1740 in urging the need to increase Spain’s manufactures, commerce, and population. Under their influence, Philip V ordered the translation of all of Colbert’s works into Spanish. Further reflecting this influence, in 1762 Miguel Antonio de la Gándara urged the government to encourage a growth in population and build factories.

Bernardo Ward, an Irishman, settled in Spain and became a royal official under Fernando VI. He was sent by this king on a tour of Europe and of Spain, to observe foreign economic progress and recommend domestic improvements, and was eventually made Minister of Commerce. He wrote down recommendations in 1762 in a work entitled Proyecto económico (Economic Plan), although he died before it was published in 1779. (The role of Bernardo Ward in promoting physical economy in Spain is especially interesting, given the role of two other Irishmen, Mathew Carey and his son, Henry C. Carey, in later promoting the American System of economy in the United States and internationally.)

Carlos III’s most famous ministers, Pedro Rodríguez de Campomanes (1723-1803) and José Moñino (later Conde de Floridablanca) (1728-1808), took up where Ward had left off. Campomanes often drew on Ward. In 1774, he wrote his Discurso sobre el fomento de la industria popular (Treatise on the Promotion of Public Industry). This treatise was sent with royal approval by the Council of Castile to all local governing officials and bodies of Spain, and to the bishops for distribution to the parish priests and religious orders.

This and another work which he wrote a year later in 1775, entitled Discurso sobre la educación popular de los artesanos y su fomento (Treatise on the Public Education of Artisans and Their Advancement), were crucial instruments in educating and mobilizing the population through Economic Societies, to implement a Leibnizian economic policy in Spain during the reign of Carlos III. Like the reports submitted in the 1790’s by U.S. Treasury Secretary Alexander Hamilton to the U.S. Congress on
the subjects of Manufactures, Public Credit, and National Banking, these treatises helped to promote the political-economic thinking among the elite, as well as the population as a whole, necessary to promote the General Welfare.

The following excerpts from Campomanes’ work clearly reflect his Leibnizian commitment to the General Welfare as a reflection of the Platonic-Christian concept of _agapé_, or love. They feature the commitment on the part of Carlos III’s regime to public education, scientific research, industrial development, population growth, and productive employment, as a radical replacement for the feudal policies which characterized over two centuries of Hapsburg rule:

**FOREWORD**

... This treatise is directed to the praiseworthy end, that the people and the Magistrates come together with patriotic fervor to promote, in accordance with their abilities, general utility in Spain, and to destroy the injurious and vulgar opinion by which, without justification, Spaniards are labeled lazy, providing them the means not to be so . . . .

Charity toward one’s fellow man, so commended in Christian morality, is surely the means by which to assist the state, whose true wealth resides in no one within the kingdom lacking a productive occupation, fitting his abilities, with which to support and raise his children . . . .

... It is impossible to love the public welfare, and praise the unruly passions of idleness. The activity of the common people is the true motor which can lead to prosperity, and toward that end this presentation is directed.

I.

Agriculture without the arts [skilled crafts] is feeble. . . .

What is to become of a large portion of the people, if the arts are ignored, and attention is placed only on agriculture and cattle-raising?

V.

The means by which to engender both basic and more developed industries are very simple, but require effort and instructors to educate the people, as well as offering them any assistance necessary. . . .

3. . . . The establishment of economic and agricultural Academies, to examine the means of promoting these industries, translating the best works written in this field outside of Spain, can make accessible the most important discoveries. . . .

8. Mathematics can facilitate the knowledge, invention, and perfection of machines, in order to use them in the arts or any employment. For the same reason, at least one Master or Professor of mathematics with a good salary should be assigned to the capital of the province, and there give classes to everyone wishing to learn, and resolve any doubts they might have in the application of the arts and its instruments, machines, and activities subject to calculation. These same methods, which have instructed much poorer and undeveloped nations, must necessarily produce important effects in Spain. . . .

VII.

... So long as there exists in any province, a tree, herb, fruit, mineral, or living product whose use is unknown, it should be admitted that its inhabitants are still deprived of the essential information demanded of well-established industry. It is a great error to bring from abroad that which can be produced in the country more cheaply, and without losses to the national accounts.

VIII.

... Where public industry is well established, parents don’t complain about having too many children, or that they lack daily employment and sustenance; rather, they rejoice in having a large number of children . . . .

If it is true that a nation’s strength consists in having a large number of common people, it is axiomatically certain that public industry is the real nerve center by which this power is sustained.

IX.

The quantity of manufactures is multiplied in proportion to the facility of producing them. . . .

[Such] comparisons and observations can only be done by patriotic corps modelled on the Basque Society of Friends of the Country (Sociedad Vascongada de los Amigos del País), analyzing through experiment and calculation all applications and savings. It is not possible for the common people to do such comparisons with guaranteed accuracy and certainty, without the attendance and aid of the distinguished and serious individuals of each province, united by association and correspondence, who summarize their observations in “Academic Memoranda,” and make them available to the public on a continuous basis.

Everyone desires, and with good reason, the promotion of industry, but if they are asked in what the industry consists, what its current status is in their province, what areas or crops are increasing or decreasing, what causes lead to their decline, and what aids are required to prevent this, we should have to confess that there is not a man who possesses, or is able to acquire, this practical knowledge.

Don Bernardo Ward, the Minister who left the Junta de Comercio (Board of Trade) and who was knowledgeable about Europe’s general situation in terms of trade and manufactures, felt that this lack of information was very harmful to the government, but could be obtained by designating individuals to visit the provinces, and inform themselves of the products, industry, and condition of the whole . . . .

The nobility of the provinces, which normally lives in idleness, would in the Economic Societies usefully occupy their time in experiments and research . . . . and, without incurring any state expense, the nobles would become the promoters of industry and a permanent support to their
compatriots. The kingdom would have a growing number of educated people to consult and employ according to their talents, and they would dispel the concerns and political errors which ignorance propagates, to the detriment of the nation. In this way, there would be no inhabitant of Spain who, according to his class, would not contribute to our national wealth.

XV.

Nothing is more detrimental to public industry than the establishment of guilds or special privileges, dividing the people into small groups, and exempting them in many cases from the laws. Should this practice be repeated, negative consequences are to be feared against the growth and benefit of manufactures.

Promotion of the arts is incompatible with the imperfect existence of guilds.

XVII.

As they are beneficial, those arts lacking in a nation must be introduced, and this is achieved either by sending citizens abroad to learn them and return, or by bringing skilled foreigners here to teach them in Spain. If either of these is done at public expense, these occupations will more easily be fully perfected. The difficulty sometimes arises from not having the means to defray these expenses, or in depriving people of the arts so beneficial to them, or not applying the policies needed to promote such industry.

If the sciences require well-endowed public schools in the absence of private institutions, then public industry is no less deserving of a free and adequate educational system.

XVIII.

The way that prisoners are treated is a great loss to industry. This is a point which deserves careful study and better regulations. Housing so many criminals in a prison, without employment, indirectly offers them new ways of learning how to break the law and they generally leave more incorrigible.

A sizeable population is the state’s greatest good, and the foundation of its true power. It is therefore not unimportant to consider making use of vagrants and criminals, commuting many harsh sentences found in our antiquated laws, which no longer reflect the customs and enlightened thinking of this century. This is not to criticize things of the past, but to present our reflections to our legitimate superiors, in the event that some might meet with their approval.

XX.

In order to be useful, the Economic Society should be made up of the country’s most educated nobility. They possess the most abundant and best lands, and have the greatest interest in promoting the people’s well-being, whose industry renders a return on their holdings.

1. The Society shall take care to promote the education of the nobility, love of the King, and of the nation. A nobility lacking education doesn’t display the honor which by birth it should. The Basque Society knows that this education is the basis for insuring the stability and usefulness of such political associations.

8. Agriculture, cattle-raising, fishing, factories, trade, navigation, and the scientific studies needed to promote these activities, should be the subject of examination by the Economic Societies, by translating those good works published abroad, with notes and reflections adapted to our country, and doing experiments and political calculations in these areas.

18. These Academies can be considered as a public school for the theory and practice of political economy in all of Spain’s provinces, entrusted to the nobility and well-to-do individuals, who are the only ones with the means to dedicate themselves to this kind of study.

What is not taught in the universities or in other schools, will be taught to the kingdom’s nobility in these Societies, and within a short time, shall be extended to the people, so they shall learn the means of enriching themselves, and serve the King and the nation, in whatever exigency. Then these projects would not be chimerical and based on privileges and oppression, as is now the case in those normally presented, whose authors do not have a vision of what is compatible or repugnant to the general welfare of the state, as they lack the necessary studies and books.

22. The use that any product might have for industry or trade should immediately arouse the curiosity and study of the Friends of the Country, in its conferences and academic treatises. Nor should they fail to read primary works that facilitate their perfect understanding, so as to be able to speak knowledgeably and appropriately to the groups or individuals, so deserving of our common respect.

We can conclude that, basing itself on the method of inspiring in these Societies the love of the common good, Spain will be able to gather unto itself the knowledge which has taken other nations centuries and immense expense to acquire, and through great effort on their part, eventually attaining the due state of perfection.

Cross-Fertilization of Ideas

This “love of the common good,” a uniquely Leibnizian conception later expressed in the Preamble to the U.S. Constitution, was what led the Bourbon kings of Spain, and especially Carlos III, to promote scientific research and education in collaboration with like-minded Leibnizian networks in other nations. This cross-fertilization of ideas occurred in respect not only to other European nations and to Spanish America, but also to the Leibnizian circles of Benjamin Franklin’s American Philosophical Society.

In 1751, a favorite student of Linnaeus was brought to Spain to improve its botanical studies. Three observatories were erected in Spain by Fernando VI and Carlos
III. A botanical garden was created in Madrid in 1755; later, four others were established in major provincial cities. The Royal Academy of Fine Arts and the Royal Academy of Language were both founded in 1752. A Museum of Natural History (Gabinete de Historia Natural) was instituted by Carlos. Carlos founded new schools of medicine, and began a campaign to make common in Spain the recently discovered inoculation against smallpox.

As pointed out by Carlos Cota in a speech given in 1982, Carlos III also launched a series of botanical expeditions in the Americas and the Philippines, the results of which were utilized by the later work of Alexander von Humboldt and Aimé Bonpland. (In fact, it was Carlos III’s minister Floridablanca who was responsible for obtaining permission from Carlos IV for Humboldt’s 1799 mission.) The first expedition was sent to Peru and Chile in 1777-1778. At the very end of his reign, Carlos III sent a botanical expedition to Mexico, which visited California, Mexico, Guatemala, and several islands in the Atlantic. Before his death, Carlos III initiated the exploration of the Philippines, and sent a botanical expedition to New Granada (present-day Venezuela, Colombia, Ecuador, and Panama).

There was extensive cooperation between Spain and the networks of Benjamin Franklin and his Philadelphia-based American Philosophical Society. In 1784, near the end of Carlos’s reign, the Spanish Academy of History (established 1738) honored Franklin with membership. Also, late in the reign of Carlos, Campomanes became a correspondent of the American Philosophical Society.

Periodicals promoting the sciences sprang up: One, the Espíritu de los mejores diarios literatos que se publican en Europa (Spirit of the Best Literary Publications Published in Europe), a private journal, was begun in July 1787. It published several letters by Benjamin Franklin on naval science and his smokeless stove, on July 9, Dec. 10, and Dec. 13, 1787.

Of Espíritu’s total subscribers in 1789, some 36% were in Madrid, 53 percent in the Spanish provinces, and the rest in North America. It even boasted readers in New York: “El Excmo. Sr. D. Juan Jay, expresidente del Congreso Americano,” and “El Dr. D. Benjamin Franklin.” Knowledge of Franklin was promoted: The Correo de Madrid gave a biography of Franklin in an article on natural science; on Jan. 12, 1789, the Espíritu translated the French epigram, “Franklin snatched lightning from the heavens, and the scepter from tyrants.”

Education was encouraged by every possible means.
The “Reales estudios de San Isidro” were established in what had been the Imperial College of the Jesuits, while the universities were improved by the reform of the “Colegios,” especially the six “Colegios mayores,” to include emphasis upon the sciences and economics. The library of the Jesuits at Madrid was turned into a public institution after their expulsion, and the city’s Royal Library was enlarged, receiving by right one copy of every book printed. Primary instruction was made obligatory in the new settlement of the Sierra Morena, schools for girls were founded in Madrid, and the education of the lower classes was encouraged.

The battle for these educational and scientific policies did not occur in a vacuum. Even though, for example, the Swiss jurist Emmerich de Vattel’s *Le droit des gens (Law of Nations)*—a book which influenced the thinking of Franklin, Hamilton, and other American Founding Fathers—was available in Spain under Carlos III, it was listed in the Inquisition on the Index of proscribed books. In 1774, the Council of Castile held a contest for the best philosophy text by a Spaniard that would include the theories of Leibniz, but also those of Descartes and Malebranche. And in 1781, when the General of the Spanish Discalced Carmelites urged all his teachers to read Plato, Leibniz, and Cicero, he also included Aristotel and the modern Aristoteleans, Bacon, Descartes, Newton, Locke, and Condillac.

Economic Reforms Under Carlos III

**Promotion of Manufacturing**

In 1679, the task of reviving Spain’s commerce had been assigned to the Junta de Comercio (Board of Trade). The Bourbon kings increased its authority to include mining, manufacturing, and minting. After 1730, it was renamed the Junta de Comercio y Moneda (Board of Trade and Currency).

The Bourbons implemented a Colbertian policy: A number of government-supported factories were created, each with a monopoly in its field to produce luxury goods then being imported from other European countries. In 1718, a factory was built in Guadalajara for fine woolens. Factories were established at Madrid for tapestries, elsewhere for mirrors and fine glass, and silks. When Carlos III came from Naples he brought Italian artisans to establish a porcelain factory. Other factories were created for paper, pottery, swords, and stockings.

Carlos III appointed Campomanes, the civil prosecutor of the Council of Castile, to the Board, and it was Campomanes who led the movement in Spain to encourage industry. In his *Industria Popular* quoted above, he wrote that it was necessary to repeal those laws which treated labor as dishonorable and industry as degrading, to found industrial and agricultural schools, and to get the village priests to exhort their parishioners to work. Under the *caballero*, no knight could exercise the trade of a tailor, skinner, carpenter, stone-cutter, smith, shearer, barber, or any other “base and vile” trade, without being dishonored—a situation held up to ridicule throughout Cervantes’ *Don Quixote*. Moreover, nearly half a million Spaniards claimed to be nobles, more than in France, which had more than double the population of Spain. In March 1783, a decree of Carlos III entirely removed the *caballero*, and all trades were declared to be “honest and honorable.”

Manufacturers, who had been restricted in every way, were allowed to work as many looms and produce as much as they pleased, and woollen and linen goods were freed from internal duties. Duties were taken off foreign flax and hemp, as well as off all machinery for Spanish factories, and native flax and hemp were exempted from the taxes known as “alcabala” and “cientos.”

At the same time as internal duties were removed, protective tariffs were erected. In 1775, the importation of foreign hardware was banned, in order to favor the growing Basque iron industry. Three years later, many small cloth articles, such as gloves, caps, and stockings, were kept out, so that domestic crafts employing women might prosper. Foreign furniture was also prohibited, and in 1788, all cloths and other products of linen, wool, and cotton. Export of raw materials produced in Spain was restricted, so that domestic manufacturers would not have to compete in the European market for their supplies.

The three regions that were centers of industrial activity were Valencia, Catalonia, and the Basque provinces. Industry grew during the 1700’s, encouraged by the royal ordinances, which permitted more and more direct trade with America. Spain’s trade with its colonies had been hampered by the system of monopolistic “flotas,” or fleets, which were supposed to sail every two years from Spain to the colonies. In 1778, the “flotas” were abolished, and trade began to expand between Spain and her colonies.

The woolen industry abandoned the feudalistic guild system in favor of wage work. The cotton industry was promoted by a royal decree of 1730 forbidding imports of all foreign cotton cloth, to protect those Spanish factories already in existence. In 1741, the government gave tax and tariff concessions to the factories of printed cottons and other cotton cloths.

In 1765, restrictions on the corn trade were removed, and two years later all interior trade was freed from any regulation. These measures destroyed the guild structure so admired by today’s Synarchists.
• Infrastructure Development

The essential effect of infrastructure development is to cheapen the cost of production throughout all phases of the national economy, thus expanding the free energy available for further progress in living standards and the rate of technological development.

Under Philip V, a system of wagon roads was begun, radiating out from Madrid to the Basque region, the Mediterranean ports, and Cadiz. Carlos III built highways during his reign in the Basque region and along the Mediterranean coast from Valencia to the French border. Stagecoaches were initiated, and a regular postal service was established.

For purposes of navigation, communication, and irrigation, Carlos’s councillors proposed a series of canals that would tie central Spain to the sea. One, which had already been conceived by Carlos V, was to run beside the

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Excerpts from Pedro Rodríguez de Campomanes, ‘Treatise on the Promotion of Public Industry’ (1774)

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—translated from the Spanish by Cynthia Rush
Ebro River, from Tudela to the Mediterranean Sea, and give new life to Navarre and Aragon. A second was planned from Segovia along the river beds of Old Castile, past Valladolid and Reynosa, to enter the Bay of Biscay near Santander. Late in Carlos’s reign, a French engineer proposed to build a third canal from Escorial and Madrid south to the Atlantic, crossing New Castile and La Mancha by the best river valleys, and entering the Guadalquivir River above Cordoba. All but the third canal were completed.

- National Banking
During the American Revolution, when an increase in taxes and loans from merchants and bishops failed to supply enough money to fund the war, Francisco Cabarrus, a French-born financier, was authorized to issue interest-bearing royal bonds, known as “vales reales,” which would circulate as legal tender. Repeated issues finally forced them off par, and in October 1782 they were being discounted at 22%. In part to meet this threat to royal credit, Cabarrus was authorized in June 1782, in response to a proposal by Floridablanca to the King to found the first national bank of Spain, the Banco de San Carlos, with the task of redeeming the vales. To ensure its financial strength, the bank was given a monopoly on contracts to supply the army and navy and on exporting specie, and was to receive a commission for services in both cases. After the signing of the Treaty of Paris in January 1783, the bank began to retire the vales. These not only recovered their value, but circulated at 1 to 2% above par in the years 1786 to 1792.

The bank encouraged industry, by providing an outlet for capital. It supplied funds for new bridges, roads, canals, and other improvements. It furthered industry by promoting the capacity of the government to borrow, and the readiness of the public to lend.

This bank, which was formed prior to the creation of the First National Bank of the United States by Alexander Hamilton in 1790, may very well have been an inspiration to that undertaking.

- Societies to Promote the Arts and Sciences
Reflecting the influence of Leibniz’s memorandum of 1671 “On the Establishment of a Society in Germany for the Promotion of the Arts and Sciences,” in 1765 a license was granted to form the “Sociedad Vascongada de Amigos del Pais” (Basque Society of Friends of the Country) to encourage agriculture, industry, commerce, and the arts and sciences. Three years later, Carlos III became its patron, and the society added “Real” (Royal) to its name. As reported above, Campomanes supported it in his *Discurso sobre el fomento de la industria popular.* In June 1775, a license was granted to found a similar society in Madrid—the “Real Sociedad Económica de Madrid” (Royal Economic Society of Madrid).

These societies largely followed the outlines drawn up by Campomanes in his *Industria Popular.* They encouraged industry, proposed reforms in taxation, commerce, agriculture, and looked after the poor. They offered prizes for the best essays on given subjects, founded free schools, and organized committees for the purpose of providing poor women with work.

The society in Segovia, for example, got the bishop to reduce the number of religious holidays, so that artisans could put in full weeks of work. The society in Madrid opened its doors to women in 1786.

Reactionary elements of the Church were hostile to the economic societies, while other clergy gave them their active support. Between 1770 and 1786, the Sociedad Vascongada had 96 ecclesiastical members, nine of whom were officers of the Inquisition. Five bishops and a monk were directors of societies in 1789.

- Land Reform in the Interest of the Public Good
In the 1760’s, a situation existed in Spain very similar to that which existed in Mexico prior to the Mexican Revolution of 1910. Fully one-sixth of the land of New and Old Castile and Leon were owned by various religious institutions. Clergy could sell their crops without paying the “alcabala,” a tax collected in Castile on most sales.

Contemporary economists lamented that the growth of feudal landholdings, both “mayorazgos” (private hereditary estates) and the “manos muertas” (mortmain: ecclesiastical property held in perpetuity), had taken too much land out of circulation.

Moreover, vast flocks of merino sheep, held by the nobles’ official monopoly called the Mesta, were allowed to overrun pasture land, destroying both local farm crops and livestock. This situation had been described by Cervantes two centuries earlier—and also by Sir Thomas More for England, in his *Utopia.*

Carlos III, as well as his two Bourbon predecessors, sided with the small farmers and tenants, and favored grain cultivation over the sheep-raising of the Mesta.

In 1760, Carlos decreed a special committee of the Council of Castile, known as the Contaduria General de Propios y Arbitrios (General Accounting Office of Property and Rates), to supervise municipal finances. In 1766, two new sets of officials were established in each municipal council, to be elected by all local taxpayers. They were known as “procuradores síndico personeros del público” (Prosecutors Representing the Public Interest) and “diputados del común” (Deputies of the People), and were to intervene in the supply of food for the cities and towns.
After the Jesuit-instigated riots in 1766 (see below), Carlos encouraged more wheat cultivation. The Council of Castile, now headed by the Conde de Aranda (1719-1798) and advised by Campomanes, ordered the distribution of land to local citizens at a low fixed rent.

In 1771, Campomanes and Moñino (Florida Blanca) proposed to distribute privately held pastureland, if necessary, in the interest of “the public good.” The objective of these reforms was to repopulate the vast tracts of pasture and wasteland with the laborers and tenants who were suffering exploitation under the system of feudal landholdings.

In 1779, Campomanes was appointed president of the Mesta, and during the remainder of Carlos’s reign, he used his authority to weaken the institution, gradually abolishing the ban on enclosure.

To reverse the horrendous depopulation achieved by the Hapsburgs, it was undertaken to repopulate uninhabited areas with foreign colonists. German states had used this method for a century, and a Prussian entrepreneur named Thurriegel proposed to the Council of Castile to bring German Catholics to Spain for this purpose. Campomanes commended the plan, and Thurriegel was commissioned to negotiate the affair. It was decided to settle the newcomers in the Sierra Morena, a range of mountains on the boundary line of La Mancha and Andalusia, completely deserted except for four inns. The government entrusted the new settlements to Don Pablo Olavide, a Peruvian. Over a few years, 44 villages and 11 flourishing towns of German and French immigrants spread over more than 1,000 square miles.

This settlement became a laboratory in which various reforms were tried, and then implemented elsewhere in Spain. For example, the freedom of election to municipal office, the right of enclosure, and educational reforms were first tried out in the Sierra Morena, before being extended to the whole nation in 1788.

• Tax Reform to Benefit Labor

Carlos III introduced reform of the tax structure, to shift the burden of taxation from the poor to the nobility.

There were three kinds of oppressive taxes in the kingdom: (1) national levies, consisting of the customs, the tax on trade with America, and various monopolies; (2) provincial levies, such as the “alcabala” and “cientos,” the “millones,” and the “tercios reales”; and (3) regional levies, such as the tax on mines, rights of chancery, fines, imposts on the clergy, and others.

The alcabala was a sales tax of 10%, to which was added the cientos, a tax of 4%, making 14% in all; it was imposed each time an article changed hands. The millones was an excise levied on various articles, such as wine, oil, vinegar, and soap. The tercios was nominally 3/9, in reality 2/9, of the ecclesiastical tithes, which went to the Crown. The provincial taxes were raised only in Castile and Leon. In Catalonia, they were replaced by the “cadastro,” a sales tax of 10%, similar to the alcabala; in Aragon, by the “equivalente”; and, in Majorca, by the “talla.” In addition to the tercios reales, the clergy contributed to the royal exchequer the “media annata,” or half a year’s income, on appointment to office, and in some cases the “mesada,” or income of one month.

Under Carlos III, the alcabala and cientos on meat, oil, wine, and vinegar were reduced by 5% in Castile and 8% in Andalusia, while the duty on fish, vegetables, and other articles consumed by the poor was fixed at 2%, and hens, eggs, pigeons, and so forth were free from any tax. Cattle dealers and farmers were allowed to sell their produce at 4%; manufacturers paid no tax, and their goods in retail were taxed at 2%.

These measures were implemented to alleviate the burden which weighed upon the working classes, for, as Carlos wrote in a confidential memorandum entitled “Instrucción Reservada” (see below): “As regards the tax of 5% on property, which is called a new impost, the reason for imposing it was the just and equitable one of relieving the poor consumers, laborers, farmers, artificers, and mechanics, on whom fell nearly all the burden of the taxes which I have reduced. It was an insufferable and crying injustice that the most powerful persons in the kingdom, living in luxury and abundance, should not pay taxes in proportion to their wealth.”

The Economic Legacy of Carlos III

Carlos III often would say: “I have not had time to do this, but it should be done in time.” When he died in 1788, it was his promotion and encouragement of economic development which was most highly praised in an eulogy written by the royal councillor Gaspar Melchor de Jovellanos:

It was reserved for Carlos III, to take advantage of the rays of light which these worthy citizens [the economists] had deposited in his works. The pleasure of disseminating them throughout his kingdom was reserved for him, and the glory of wholly committing his subjects to the study of economics. Yes, good King, see here the glory which shall most distinguish your name in posterity. The sanctuary of sciences is opened only to a small sector of citizens, dedicated to quietly investigating the mysteries of nature to then explain them to the nation. But yours is the job of assimilating your visionaries; yours that of communicating the light
of their investigations; yours of applying it to the benefit of your subjects. Economic science belongs to you exclusively, and to the repository of your authority.  

A year before his death, Carlos III issued the “Instrucción Reservada” (“Confidential Memorandum”) to the State Council. It had been drafted for him by Florida-blanca. The following sections dealt with economic policy:

*The “Confidential Memorandum” which the State Council, formally created by me, should observe in all its points and areas, for the purpose of their knowledge and examination, decreed by me this eighth day of July of 1787:*

12. **The primary harm done by mortmain** [“manos muertas”: feudal landholdings, often ecclesiastical, held in perpetuity]. The lesser disadvantage, although it is not a small one, is that such possessions remain exempt from taxes. But there are two greater ones, which are: imposing taxes on the remaining subjects, and letting the amortized [undeveloped] lands go to waste, deteriorate, and be lost, if the owners cannot take care of them, or if they are lazy or poor, as is the case, and as we so painfully see everywhere. There are no lands, houses, or real estate more abandoned and destroyed than those belonging to the benefits or permanent foundations, causing untold harm to the State.

51. **Asylums, hospitals and almshouses.** During my reign, I have as much as possible promoted good policies for the people, prosecuting the idle, vagabonds, and lazy; banning indigence; rescuing the poor, disabled, orphans, the abandoned and sick; establishing financing, and aiding the hospitals and almshouses, and other establishments of this kind. There is, and always will be, much more to be done in this area, and [this area] shall demand much care. It would primarily be appropriate to have a regulation for these very important areas of policy, separating out aid to the poor and prosecution of the idle from the government’s [work] of maintaining asylums, hospitals, and orphanages, such that one group of authorized people would be in charge of the first area, and a second group the other. I wish to state to the Council my ideas, which have already been put into practice in part, so they may be continued, improved, and perpetuated, creating from them a system to support and propose the relevant measures for these groups.

52. **Measures to eliminate idleness.** It is not possible to eliminate or reduce [the number of] idle and indolent, if at the same time jobs are not provided in which these and others can work. Nor is it sufficient for this purpose to establish and promote factories, protect the arts, agriculture, and trade, if all professions and means of sustaining man are not honored, banishing that old concern that there are some dishonorable professions, or that any mechanical or manual labor injures the nobility and its self-conception. I have taken steps, in consultation with the Council of Castile, to eliminate these wrongs. But it would be good to encourage this idea further. Men, and especially the Spaniards, love honor; and everyone wants to be, or appear to be, a nobleman.

53. **The Economic Societies promote the arts and seek to banish idleness.** The creation of the Economic Societies, and the care these have taken to promote the arts, can banish this concern in part; they have incorporated many noblemen, and should be encouraged in this. It would also be useful to use the example of my beloved children, the Prince and Infante, who spend many hours of the day in all kinds of exercises and work in the useful arts....

60. **Academies of Science.** The purpose of public instruction and the academies is to complement education, which is the solid instruction of my subjects in all [areas] of human knowledge. In this area, what is most lacking is the study of the exact sciences, such as mathematics, astronomy, experimental physics, chemistry, natural history, mineralogy, hydraulics, machinery, and other practical sciences. For the purpose of promoting among my subjects the study, application, and perfection of this knowledge, I have resolved to found an Academy of Science, and I particularly encharge the Council to cooperate in this, and to frequently and opportunely remember it.

72. **National Bank.** I have found it appropriate to similarly charge the Council with the protection of the National Bank, without which trade would be lacking one of its most important supports, and the Crown its greatest and most efficient resource. All of the complaints, rumors, and attacks against an establishment of this kind, which have cost me some sleepless nights, are nothing compared to the usefulness which the nation and the government have derived, and will derive, from it. The Council should take care to address any particular defect that might exist, and can be remedied, but not to confuse that with the Bank’s general and solid usefulness and its permanence. To that end, I order that all the concessions and benefits I have granted be protected, and that the necessary ones be increased.

73. **Communication in the kingdom’s interior.** General foreign trade and domestic traffic must also be very protected, so as to facilitate the progress of [trade] with the Indies, and the export of its products, to provide a variety of supplies to the people, the circulation of its manufactures and products, and the mutual aid of the provinces of my dominions.

74. **Canals for irrigation and navigation.** Roads and canals for irrigation and navigation are necessarily used to this end; without them, there can be no facility of, or savings in, transportation [time]. The Council must make every effort to aid the respective ministers responsible for these areas, invent and propose to me the most effective means, and without constraint hasten the complete execution of these projects.

161. **Employment of troops in public works.** One important way to maintain and improve the vigor and robustness of the troops, their customs, and discipline, is to
employ them in public works, as was begun under my reign. . . .

194. So that the Treasury may flourish, it is necessary to develop the kingdom; that is, its population, agriculture, arts, industry, and trade. I fear that more time and effort have always been spent in exacting or collecting taxes and rents, or in other areas of the royal Treasury, than in the cultivation of productive lands and the development of its inhabitants, who make this production possible. Today, we think differently, and this is my first charge to the Council, and to the minister in charge of my royal Treasury: that is, that more thought be given to cultivation than to enjoyment, by which means the end product will be greater and more secure.

Cultivation consists of developing the population, as well as agriculture, the arts, industry, and trade. I have indicated in another part of this memorandum the means by which to promote and develop these areas. I won’t repeat this to the Council, but trust my royal Treasury will do its part in covering the cost of its increase and improvement.

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Excerpts from Carlos III’s ‘Confidential Memorandum’
To the State Council (1787)

This memorandum was drafted by Carlos III’s Minister José Moñino, Conde de Floridablanca.

52. Measures to eliminate idleness. It is not possible to eliminate or reduce [the number of] idle and indolent, if at the same time jobs are not provided in which these and others can work. Nor is it sufficient for this purpose to establish and promote factories, protect the arts, agriculture, and trade, if all professions and means of sustaining man are not honored, banishing that old concern that there are some dishonorable professions, or that any mechanical or manual labor injures the nobility and its self-conception. . . .

60. Academies of Science. The purpose of public instruction and the academies is to complement education, which is the solid instruction of my subjects in all [areas] of human knowledge. In this area, what is most lacking is the study of the exact sciences, such as mathematics, astronomy, experimental physics, chemistry, natural history, mineralogy, hydraulics, machinery, and other practical sciences. For the purpose of promoting among my subjects the study, application, and perfection of this knowledge, I have resolved to found an Academy of Science, and I particularly encharge the Council to cooperate in this, and to frequently and opportunely remember it.

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Cultivation consists of developing the population, as well as agriculture, the arts, industry, and trade. . . .

205. Products made or produced in foreign kingdoms should be prohibited, because they harm our national industry. . . .

—translated from the Spanish by Cynthia Rush
205. Products made or produced in foreign kingdoms should be prohibited, because they harm our national industry. Especially included among the prohibited goods are those finished by hand, which our own industry has by no means ceased to produce; for example, all types of dresses, adornments, men and women’s shoes, furniture, carts and other vehicles, white clothing, shirts, pants, and other items of this nature; and to the list of prohibited items I have added various types of ribbon, ordinary thread, and other things which all poor people can produce, but have ceased to do so, living in poverty while foreign nations supplied us.17

Written shortly before his death, this memorandum left to Carlos’s successors the task of bringing to fruition his vast scheme for the uplifting of the Spanish nation and people, through the application of the principles of physical economy bequeathed him by Leibniz and Leibniz’s Colbertian followers.

The Expulsion of the Jesuits from Spain

The central issue involved in the expulsion of the Jesuits from Spain in 1767, as from the other Bourbon-ruled nations of Europe and Portugal, was national sovereignty versus the ultramontane, feudal policy and practice of the Jesuits. Spain had been destroyed under the Hapsburgs by the bestial policies of the Inquisition. With the Bourbon succession in 1700, the battle was joined in Spain, as elsewhere in Europe, to establish national sovereignty as the basis for reversing the economic devastation wrought under the reign of the Inquisition’s imperial, theocratic control, so aptly portrayed by Schiller in his play Don Carlos.

Without Carlos III’s expulsion of the Jesuits, the development of Spain and Spanish America would have been impossible. Synarchist apologists for the Inquisition, such as the Quijanohawks, argue immorally that the true history of the Inquisition shows it did not in fact kill as many people as claimed by the “Protestant promoters of the ‘Black Legend.’ ” (Ironically, it was the Protestant British, who worked with the Jesuits against those Spanish Catholics who, like Carlos III, fought against the Inquisition on behalf of human progress.) This argument is a criminal cover-up and justification for a philosophy which in practice killed not only by burning people at the stake, but by murdering freedom of thought, as Schiller’s Marquis of Posa expresses it in Don Carlos—“Give to us the liberty of thought!”

The menticide committed by the Inquisition and its defenders, epitomized by the racist expulsion of the Jews and Muslims who had been responsible for the flourishing of Andalusian Spain in earlier centuries, wreaked havoc on the economy of Spain and its possessions. Since the sole source of wealth is the human mind, any attempt to hamper the creativity of any human being, is to destroy the very basis for human progress and is therefore unjustifiable from any standpoint. Imagine the effect of such menticide on a whole nation!

In his essay, “The Legislation of Lycurgus and Solon” (1790), Schiller writes:

In general, we can establish a rule for judging political institutions, that they are only good and laudable, to the extent, that they bring all forces inherent in persons to flourish, to the extent, that they promote the progress of culture, or at least not hinder it. This rule applies to religious laws as well as to political ones: both are contemptible if they constrain a power of the human mind, if they impose upon the mind any sort of stagnation. A law, for example, by which a nation were forced to persist in a certain scheme of belief, which at a particular time appeared to it most fitting, such a law were an assault against mankind, and laudable intents of whatever kind were then incapable of justifying it. It were immediately directed against the highest Good, against the highest purpose of society. [Emphasis added]

The Jesuits were a supranational institution, which opposed the sovereignty of independent nation-states committed to the economic and educational development of their peoples. Their financial investments and privileges functioned as a brake on economic development, and their control over education functioned to control the population on behalf of the oligarchy. It was only natural, therefore, that they would form an alliance with the British and the Hapsburgs against the reforms of the Bourbon monarchs.

Carlos III’s first experience of the alliance of the British with pro-Hapsburg elements within the Catholic Church was while he was King of Naples, during the War of Austrian Succession, which broke out in December 1740. Carlos declared neutrality, but in December 1741 he was ordered by his father Philip V to send an army to join the Spanish force in Italy.

In August 1742, a British squadron approached the city of Naples and threatened the city with bombardment if Carlos did not halt his troops from acting in conjunction with those of Spain. According to one historian, “the insult to which he had been subjected rankled Carlos for the rest of his life, and influenced his attitude towards Great Britain when he succeeded to the Spanish throne.”18

The appearance of the British squadron not accidentally coincided with an insurrectionary attempt against Carlos by a Hapsburg “fifth-column” in the city, which was led by the clergy. More than 800 people were arrested; one of the ringleaders was an Augustinian monk...
operating in Calabria, another Austro-
phile priest was a certain Abate Gambari. The same author notes: “Here, again, the effect upon the King personally was considerable, for he did not forget the part played by the clergy in the movement against him, and it undoubtedly weighed with him when the time came to investigate the charges against the Jesuits.”

First Portugal and France
Carlos III was not the first Catholic monarch to expel the Jesuits: They had been expelled from Portugal in 1759, and from France in 1764. Even earlier, the Jesuits had come under attack from the Papacy itself. In 1741, Pope Benedict XIV issued a Bull in which he disowned the Jesuits as “disobedient, contumacious, captious, and reprobate persons.”

The Jesuits thus considered themselves to be above the authority of the Pope, like today’s sede vacante (empty seat) opponents of the post-Vatican II Papacy, in addition to owing no allegiance to sovereign nation-states. This mentality led the Jesuits to support regicide against those kings who opposed their oligarchical influence. Friedrich Schiller accurately portrayed this mentality in his play Mary Stuart, in respect to the numerous attempts on the life of England’s Queen Elizabeth. Nor was the justification of regicide limited to kings, as the Jesuits were also suspected of assassinating Popes.

In Portugal, following an attack and wounding of King Joseph in September 1758, the Jesuits were accused of regicidal principles and practices by the Minister of State, the Marqués de Pompal. After an inquiry of three months, all members of the prominent Tavaro and Aviero noble families were arrested. It was reported that their papers proved the complicity of the Jesuits in a plot to assassinate the Portuguese monarch.

Sentence was pronounced against the Society in January 1759. It declared “legitimate suspicions” against “the perverse regular clergy of the Society of Jesus.” Of these, the most important were: their ambitious intent to make themselves masters of the reins of government; their arrogance prior to the criminal attempt upon the King, combined with their despondency after its failure; and, their intimate connection with the chief defendant, one Mascaréñas. A certain Father Costa was even reported to have declared that any man who should murder the King, “would not be guilty of even a venial sin.”

Carlos was in Naples when these events took place.

In France, the fundamental issue was again that of national sovereignty. In an effort to rein in the Society, Louis XV of France appointed a commission, which ruled unanimously that the obedience owed according to the statutes of the Order to the General of the Jesuits, Lorenzo Ricci, who resided in Rome, was incompatible with the laws of France, and with the general obligations of subjects towards the sovereign. Louis proposed to Ricci that a Vicar be appointed for France, who would reside there, and be pledged to render obedience to its laws.

When, in 1762, Ricci refused, the French Parliament decreed that the Order should be excluded from the kingdom irrevocably and forever, citing its opposition to all authority, spiritual and temporal, ecclesiastical and civil; and, its having been designed with a view, first, to render it independent of such authority by any means, secret or open, direct or indirect, and, second, even to favor its usurpation of the government. The expulsion was widely supported by the Church in France.

The 1766 Riots in Spain
Carlos’s personal policy in Naples had been to limit the power of the Church to the sphere of religion. This policy was reflected in the Concordat of 1737 between Naples and the Holy See, which permitted the taxation of some ecclesiastical property and limited clerical jurisdiction and immunities, besides restricting the number of clergy in the kingdom. The clergy were restricted to spiritual duties; no priestly interference in the machinery of government was allowed; no bishop was entrusted with an
office of state; and all ecclesiastical censure on govern-
mental acts was severely punished. Since the power of the
clergy resided largely in their enormous wealth, measures
were undertaken to check this power, both from the
standpoint of national sovereignty, and also according to
economic principles.

Soon after Carlos became King of Spain in 1759, these
policies were tested by the head of the Inquisition, the
Inquisitor-General Quintano. In 1761, Carlos III ban-
ished Quintano from Madrid for having published, with-
out royal approval, a Papal Bull condemning the “Expo-
sition de la Doctrine Chrétienne” of the anti-Jesuit
French priest Mesenguy. From that time on, the Inquisi-
tion was forbidden to publish any Papal decrees without
the King’s permission.

The immediate events which led to the expulsion of
the Jesuits, however, occurred in 1766, when riots broke
out against Carlos’s Minister of Finance, the Italian
Esquilache (Squillacci). The Jesuits manipulated popular
discontent against Esquilache in a broad plot to replace
Carlos III himself with his brother Luis, possibly through
assassination. Esquilache had angered the Church by pre-
viously restricting the power of ecclesiastical judges, and
was now attempting to prohibit clergy from residing
in Madrid without certificates of residence—i.e.,
imposing further government control over the
Church institution. Most important, he had already
obliged them to pay taxes.

Esquilache had also alienated the populace, by
creating a monopoly in the sale of bread and oil,
and by raising the price of both. Drought had
caused crop failures for the previous two years, and
the King and Esquilache, at great expense, had
been importing corn from England, France,
Naples, and Sicily. In spite of their efforts, however,
the price of bread rose, and the hungry mobs were
easily manipulated.

The riots were sparked by an order of March 10-
11, 1766, drawn up by Esquilache, which forbade
the wearing of wide-brimmed hats and long capes,
which could be used to conceal the face, mandating
instead that short capes and three-cornered hats be
worn. This order was issued primarily to ensure
that criminals not disguise themselves to avoid
apprehension.

Immediately thereafter, on March 13, two civilians
ran into the Calle de la Paloma shouting “Esto no ha
de prohibirlo el marqués de Esquilache!” (“This
won’t be prohibited by the Marquis Esquilache!”).
Small riots followed on March 15 and 18, and from
March 20 to 22, larger groups milled about the
streets. There were more riots on March 23, Palm
Sunday. Rioters ran to the Calle de Atocha yelling, “Viva
el Rey! Viva España! Muera Esquilache!” (“Long live
the King! Long live Spain! Death to Esquilache!”).
They broke into Esquilache’s home and sacked it, burning
his furniture. They also broke the windows at
Grimaldi’s house (Grimaldi was also an Italian). On
March 24, several members of the royal Walloon Guard,
whose responsibility it was to guard the King, were
killed—thus underscoring the threat to the life of Carlos
himself.

It was widely suspected in official circles that the riot
was not spontaneous, but had been carefully prepared.
The dissatisfaction at the rise of food prices was merely
the pretext for an insurrection against the policies of
Carlos III. Some thought that the Marques de la Ense-
nada who, just freed from his exile at Medina del Cam-
po, was hoping to take Esquilache’s place, was behind
the riots. Ensenada hated the power of the Italians.
“And what could be more understandable than that the
Jesuits, so much beloved by Ensenada, had supported
him?”

How serious the threat was to Carlos III personally is
reflected in a report by the French Ambassador to Spain,
the Marquis de Ossun, of a conversation he had with the King:

The insurrection of 1766 had, however, opened his eyes, for he was certain that the Jesuits had fomented it, and had proofs that it was so, since several members of the Society had been arrested while distributing money to groups of rioters. They had been corrupting the bourgeoisie by calumnious insinuations against his government, and had only been waiting for a signal. The first opportunity had sufficed them, and they were content to concoct a pretext out of the most puerile trifles, the form of a hat here and a cloak there, the malversations of some superintendent, the knavery of some corregidor. Their enterprise had failed because the tumult broke out on Palm Sunday.

It was on Holy Thursday during the Stations that he was to have been surprised and surrounded at the foot of the Cross.21

Carlos suspected the Jesuits as a result of their increasing cooperation with the Inquisition against his reform policies. He further concluded that the Jesuits and the Inquisition wanted to replace him on the throne with his brother, Luis, a conclusion supported by a letter from Jesuit head Ricci to the Jesuit Rector of the Imperial College in Madrid, which was seized by police. It contained the slander that Carlos was not the son of Philip V, but of an adulterous connection between Isabel de Farnesio and Cardinal Guilio Alberoni, who was from Parma and became prime minister under Carlos’s father. If Carlos were illegitimate, then the rightful King was Luis.

One difference between Carlos III and the later Louis XVI in France was that the King of Spain, contrary to all his advisers, decided to face the mob and address their demands before leaving Madrid. Louis XVI, on the other hand, took no actions and fled without establishing control over the situation.

The demands of the rioters were presented to the King by a Father Cuenca, who allegedly persuaded them to put their demands in writing, and then personally waited upon the King with the petition demanding that: (1) Esquilache and his family be banished; (2) all foreign-born ministers be dismissed, and their places taken by Spaniards; (3) the Committee of Supplies (Junta de Abastos), which had a monopoly on supplying the city with provisions, be abolished; (4) the Walloons leave Madrid; (5) the people be at liberty to dress as they pleased; and (6) the price of provisions be lowered.

On March 24, Carlos promised to dismiss Esquilache. He appointed Don Miguel Múzquiz as Minister of Finance, and the Department of War was given to another Spaniard, Gregorio Muñíain. Carlos also promised to repeal the offending edict on dress; to reduce the price of bread, oil, soap, and bacon; to suppress the monopoly for supplying the city with provisions; and to pardon the insurgents. Then, that same night, Carlos, accompanied by the entire royal family, left Madrid for the country residence of Aranjuez, in order to ensure that he would not be held captive by the Jesuit-organized rioters in the capital.

At the same time he made these concessions, Carlos moved to gain control of the situation by appointing the Conde de Aranda, a confirmed enemy of the Jesuits, to head the Council of Castile, in place of Diego de Rojas, whose conduct had been very suspicious during the Madrid riots.

Aranda had been educated at Bologna and at the Military Academy of Parma, and had considerable experience in public life as Ambassador to Poland and as Minister of War. At the time of his appointment, he was Captain-General of Valencia. He was not only appointed President of the Council of Castile, but also Captain-General

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*Francisco Goya y Lucientes, dogmatic control of Church doctrine, from “Los Caprichos.”*  
**Left:** “Devota profesion” (“Devout profession”).  
**Right:** “Tragala perro” (“Swallow it, dog”).
of New Castile. Along with Aranda, another enemy of the Jesuits was Carlos's long-time Italian adviser Bernardo Tanucci, who repeatedly denounced them: “The Jesuits are always the same, everywhere seditious, enemies of sovereigns and nations, public thieves, full of vices, and generally atheists.”

**Augustinians vs. Jesuits**

The conflict that erupted in the 1700’s between the Bourbons and the Jesuits was, in fact, a struggle that dated back to the efforts of Cardinal Nicolaus of Cusa (1401-1464) to reform the Church, and to encourage the development of sovereign nation-states, by freeing the Church from the control of the Venetian feudal oligarchy. Cusa’s principal exposition of these ideas appears in his 1433 *Catholic Concordance*. Cusa exposed the so-called “Donation of Constantine,” which justified the Church’s ultramontane control over the affairs of civil states, as a fraud.

Later, during the 1545-1563 Council of Trent and the so-called “Counter-Reformation” which followed it, the Jesuits played a critical role in defending the ultramontane powers of the Church, in opposition to the emergence of sovereign nations, which had begun under Louis XI of France and Henry VII of England.

The philosophical divide in this conflict was between Plato, whose ideas were reflected by St. Augustine, and whose works were revived in Europe during the Golden Renaissance, and Aristotle, whose bestial views formed the basis of the ideology of the feudal oligarchy and their Jesuit agents. The fundamental issue was the conception of man and of society. Plato and St. Augustine viewed man as created in the living image of the Creator, and thus capable of cognition, or creative thinking. The Jesuits, in the tradition of Aristotle, denied that man was characterized by cognition, and insisted instead that he was only capable of “logic”—the deductive manipulation of concepts—derived ultimately from sense perception.

These two contrary views were of the utmost importance in the battle for economic development and for educational reform emphasizing scientific discovery and technological progress. Thus, when Cusa effectively launched modern science in the Renaissance with his 1449 *On Learned Ignorance*, his Aristotelean opponents mobilized almost immediately to suppress the influence of this work.

During the 1700’s, this fight was reflected in an ongoing battle for control over the direction of the Catholic Church, between the Augustinians and their Franciscan allies, on one side, and the Jesuits and their Benedictine allies on the other. The Franciscans had been philosophically Augustinian since St. Bonaventure became Minister General of the Order in 1257.

Throughout the century, the Jesuits fought the Augustinians over the writings of St. Augustine. In 1732, they attacked the works of the Augustinian Cardinal Enrique Noris (1631-1704), whom they accused of Jansenism. The Spanish Inquisition in 1732, and later in 1748, included on its Indexes various works which defended Noris, and in the latter year works by the Cardinal himself, despite Papal ordinances in his favor.

The conflict continued to rage within the Church hierarchy. In 1759, Pope Clement XIII, whom Carlos III considered to be controlled by the Jesuits, felt compelled to defend the Jesuits against alleged “libels in which glimpses are afforded of a plot to suppress the Society and to
foment disapproval of leave granted by the Bishops to the Jesuits to administer the holy Sacraments and to act as confessors. . . . [It is therefore the wish of His Holiness that any person who has been led to believe such falsehoods should now be undeceived, and should know that such an attitude is utterly foreign to the spirit of the Catholic Church. . . .]”

At the same time, Padre Francisco Xavier Vázquez, the General of the Augustinians based in Rome, was a declared opponent of the Jesuit Order. The Spaniard Manuel de Roda y Arrieta became a close friend of Vázquez, when he was stationed in Rome before his appointment as Carlos III’s Minister of Justice.

In Spain, all pre-university education was in the hands of the Jesuits, where they prevented the study of the physical sciences. They were powerful in America. This stranglehold would eventually be broken, with the Augustinians and their Franciscan allies playing a decisive role.

Carlos III himself loved the Franciscans, was a tertiary of the Order, and venerated the memory of Palafox y Mendoza (1600-1659), the Bishop of Puebla de los Angeles in Mexico, who had fought the Jesuits both in Spain and then later in Mexico.

Thus, although the immediate trigger for the expulsion of the Jesuits from Spain was the riots of 1766, the underlying issue was the philosophical question of the nature of man, and its implications for how human society should and must be organized.

Legal Proceedings Against the Jesuits

An Extraordinary Council was appointed, with Aranda as its head, to inquire into the cause of the riot. Aranda chose as his colleagues Miguel María de Nava and the civil prosecutor, Pedro Rodríguez Campomanes. They were later joined by Pedro Ric and Luis del Valle Salazar, and later still in October by the Conde de Villanueva, Andrés de Moraver y Vera and Bernardo Caballero. José Moñino (Floridablanca), the criminal prosecutor of the Council, was sent to Cuenca to investigate the causes of the riot there.

The first report, signed by Campomanes and his adviser Nava on June 8, 1766, condemned the Jesuits. Suspicions were laid at the door of Padre Isidro López, Procurator of the Society of Jesus in the Province of Castile, and proceedings were opened against Miguel Antonio de la Gándara, the Abbe Hermoso, and Benito Navarro. It was stated as almost a certainty that the Marqués de Valdeflores and Ensenada had participated in the events.

This report was confirmed at the meeting of the Council of Castile on September 11. Their report to the King on Jan. 29, 1767, advised expulsion. This report had
two parts: first, the motives for the necessity of expelling the Society of Jesus; second, the details of how this was to be done (the first part had vanished by 1815, some years after the 1808 Napoleonic invasion of Spain).

Another Committee examined the report, and on February 27 the royal decrees were signed by Carlos III.

The Council enumerated the charges against the Jesuits on April 30: despotic behavior of the new General Padre Aquaviva; its defense of probabilism, molinism, the doctrine of regicide; Malabar rites (adaptation to the practices of non-Christians, as in the case of missionaries in Malabar); its opposition to the reduction of its powers in Paraguay; its collaboration with the British (at the taking of Manila by the British, they had been in communication with Brigadier Draper); and even the constitution of the Society itself.

After the expulsion, the Inquisition made a feeble attempt to indict Aranda, Campomanes, Floridablanca, and the bishops who sat on the committee, as enemies of the Church. But it was easily silenced by a royal order to halt its proceedings. In 1770, the jurisdiction of the Inquisition was limited to cases of heresy and apostasy. It would be completely abolished only in 1813. Hence, it was the expulsion of the Jesuits which created the political conditions for the final containment of this bestial institution.

Five to six thousand Jesuits were expelled from Spain and Spanish America. A year later, in 1768, Carlos III decreed that the possessions of the Jesuits be confiscated.

In the night of March 31, 1767, all the Jesuit establishments in Spain were surrounded by the military. In the morning, when they were already a good way off, a decree was published forbidding any communication with them, or any comment either in speaking or writing upon the subject. The Pope refused to let them disembark at the Pontifical states, so they were taken to Corsica, and finally allowed to settle at Bologna and Ferrara.

As in France earlier, the decision to expel the Jesuits was supported by the vast majority of the hierarchy of the Catholic Church. Forty-six out of the 60 Spanish bishops approved of the expulsion.

The example of Spain was followed by Naples and Parma. In Naples, the moving spirit was Tanucci. Parma was governed by William du Tillot, a Frenchman, who had pressed for ecclesiastical reforms. A Papal Bull was published (“El Monitorio de Parma”—“The Monition of Parma”) nullifying du Tillot’s anti-ecclesiastical legislation, and excommunicating all those who had a share in it, or continued to obey it. In response, Naples occupied Benevento, France seized Avignon; the Jesuits were expelled from Parma; and negotiations were begun between the Bourbon Courts and Portugal, to arrange for a collective petition to Rome for the abolition of the Jesuits.

Spain, France, Portugal, and Naples presented memorials on the subject early in 1769. The death of Pope Clement XIII a few days later (February 2) cleared the way for a settlement, by the election of a new anti-Jesuit Pope. Clement XIV promised to concern himself with the question of the canonization of Palafox, the anti-Jesuit Bishop of Mexico, as advocated by Carlos III, and in November 1769, the Pope promised Carlos III he would disband the Jesuits.

On July 21, 1773, Clement published the Encyclical Dominus ac redemptor nostre, suppressing the Jesuits. Moñino had gone to Rome to pressure for this, and was repaid with the title of “Conde de Floridablanca.” Shortly thereafter, on Sept. 22, 1773, the Pope died, “not without suspicion of poison.”

Carlos III on Church-State Relations

Carlos III’s views on the respective roles of Church and State are most succinctly expressed in the “Confidential Memorandum” drafted for him by Floridablanca in 1787:

1. I charge [to you] the protection of the Catholic religion and good customs. Given that the first of my obligations, and that of all successors to my throne, is protecting the Catholic religion in all the dominions of this vast monarchy, it seemed appropriate for me to begin with this important issue, to manifest to you my strongest desires, that in all its deliberations, the Council have as its primary objective, the honor and glory of God, the preservation and propagation of our holy faith, and the change and improvement of customs.

2. Obedience to the Holy See in spiritual matters. The protection of our holy religion necessarily demands the faithful correspondence of Spain and its sovereigns with the Holy See; and thus the Council should contribute with all its efforts to sustain, affirm, and perpetuate this correspondence, such that, in no case, or by accident, would we cease to obey and venerate the resolutions affirmed canonically by the Pontiff, as the vicar that he is of Jesus Christ and pri-

3. Defense with prudence and decorum of the Crown’s right to appoint bishops, and of its royal prerogatives [jurisdiction over ecclesiastical matters]. But, as, in addition to the Pontifical decrees issued canonically for spiritual matters, others might be included or issued related to the decrees of patronato [appointment of bishops] and royal prerogatives, or to matters of external discipline in which, by the same ecclesiastical decisions, and by royal laws as well as by customs immemorial, I have certain powers which can not and
should not be abandoned, without slighting the most rigorous obligations of conscience and justice, it would behoove the Council, when it perceives some offense to those rights and prerogatives, to consult with me on the prudent and vigorous means of sustaining them, combining the due respect to the Holy See with the defense of royal preeminence and authority.

27. Instruction which should be promoted among the clergy. In the universities as well as in the seminaries, and among the regular orders, the study of the Holy Gospels and of the best-known Fathers of the Church should be promoted, as well as of the General Councils’ original sources, and of healthy morals. It would be equally appropriate for the secular [parish priest] and regular clergy [in Orders] to study and cultivate public law . . . known as political and economic, and the exact sciences, mathematics, astronomy, geometry, experimental physics, natural history, botany, and similar things.

30. The spirit the clergy should possess in the education of the people. The conduct of the people will in large part depend on that of the clergy; and thus it, and its prelates, will be move to banish superstition, and promote that solid and true piety consisting of love and charity toward God and one’s fellow man, combatting relaxed morals and the opinions which have caused it.

31. That the bishops, through their pastorals, mandates, and exhortations, take care to root out superstitious practices. Superstition and false devotions promote and maintain idleness, vices, and spending of money, and undermine true religion and aid of the poor. For this reason, the Council should find the means to encourage bishops, priests, and ordinary prelates to contribute to these ends with their pastoral mandates, frequent exhortations, and even with spiritual punishments, thus enforcing those resolutions approved to reduce or shut down the congregations or guilds not committed to the sole objective of the true worship of God and aiding his fellow man. [There is no need] for profane and perhaps sinful parties and distractions, spending money on food, drink, and various pomposities which are harmful to my subjects.

32. The Inquisition could also cooperate toward this same end. Although by their ministering, the bishops are the ones primarily charged with guarding against superstition and abuses of religion and piety, in these and other points, the tribunal of the Inquisition of these kingdoms might very well do the same thing, contributing not only to punish, but to also instruct people in the truth, so they will know how to separate the wheat from the chaff: that is, religion from superstition.

33. It is therefore worth favoring and protecting this tribunal. In this matter, the Council should agree to favor and protect this holy tribunal, as long as it does not deviate from its purpose, which is to prosecute heresy, apostasy, and superstition, and charitably illuminate the faithful on [these matters]. But, as abuses tend to accompany authority, because of human misery, in the largest and most useful actions, we should take great care that under the pretext of religion, [the Inquisition] does not usurp the jurisdiction and royal prerogatives of my Crown, or disturb public tranquility.

Thus, although Carlos III did not abolish the Inquisition, his defense of Spain’s sovereignty against its interference, his insistence upon the education of the clergy in economics and the sciences, and his enlistment of the clergy and the Inquisition itself in an educational rather than punitive campaign against superstition, effectively contained the Inquisition and set the stage for its eventual abolition.

Spain’s Role in the American Revolution

Although the role of Bourbon France in supporting the American Revolution is highly celebrated, the role of Spain under Carlos III is less known. As we have documented, Carlos III, Europe’s other Bourbon monarch, was firmly persuaded beginning with his experience in Naples, that Britain was his natural enemy, and that her defeat was absolutely necessary. In this, Carlos was not motivated by merely strategic designs, but rather by a commitment to promoting the General Welfare not only of the people of Spain and the Spanish possessions, but of the North American colonies as well. As was the case with France, Spain under Carlos was open to the republican reforms expressed by the movement led in North America by Benjamin Franklin.

In 1774, France’s Louis XV died. Louis XVI, his grandson, came to power, and with him the ministers Anne Robert Jacques Turgot and Charles Gravier, the Comte de Vergennes. When the American Revolution began, Vergennes strongly advocated that the revolution be secretly aided, whereas Turgot maintained that the true interest of France was to remain perfectly neutral.

Even before the arrival in Paris of the American representatives Silas Deane, Benjamin Franklin, and Arthur Lee, France had adopted Vergennes’ plan, and Turgot had been dismissed.

A month before the signing of the Declaration of
Independence on July 4, 1776, France and Spain had set about giving financial assistance to the revolutionaries. Grimaldi wrote a letter from Madrid on June 27, 1776 to Aranda in Paris, in which he told Aranda that he had informed Carlos III of “secret discussions with the Comte de Vergennes on the subject of the aid which His Crown proposes to make available to the rebels in the British colonies and the other assistance they plan to afford them in secret. . . . His Majesty applauds the actions of the French Court and deems them well suited to the common interests of Spain and of France. . . . His Majesty has accordingly instructed me to send Your Excellency the enclosed credit of one million ‘livres tournois’ to be used in this enterprise. . . . Your Excellency is hereby granted leave to discuss with the Comte de Vergennes the best method of utilizing this sum of money and how best to ensure that it reaches the rebel forces.”26

Silas Deane had come to Paris to see Vergennes. He was soon in communication with Aranda, the man who had expelled the Jesuits from Spain, and who had been appointed Spanish Ambassador to France by Carlos III in 1773.

Both Spain and France were, in principle, of like mind to aid the American Revolution against the British. France sent Beaumarchais to London and de Bonvouloir to North America. Spain’s Minister of the Navy, José de Gálvez, ordered the Governor of Havana to send agents to Pensacola, Florida and to Jamaica.

Dispatches between Vergennes and Grimaldi discussed the conquest of Portugal, Minorca, and Gibraltar, all strategic assets of the British. Aranda considered an attack on Ireland.

In 1776, there was a ministerial upheaval in Spain. Florida Blanca was recalled from his embassy at Rome to replace Grimaldi, who had resigned in November 1776. Grimaldi became ambassador to Rome.

Beaumarchais headed the Roderique Hortales et cie., founded to aid the American revolutionaries. Spain and France contributed one million livres each to form this company.

The American George Gibson visited the Governor of Louisiana, Luis de Unzaga y Amezaga, to request a commercial treaty. By December 1776, Unzaga had received arms, munitions, clothing, and quinine, with orders to send them to support the Revolution. Powder and guns were also sent to them from Havana and Mexico.

On Oct. 26, 1776, Benjamin Franklin arrived in France. Arthur Lee, who was in London, joined him in Paris. Deane, Franklin, and Lee met with Aranda on Dec. 29, 1776, and then later on Jan. 4, 1777. They proposed an alliance among the American revolutionaries, France, and Spain. Aranda was in favor of a direct alliance.
Franklin was ready to go to Spain to make a treaty of alliance, as authorized by the American Congress, but Aranda dissuaded him from going at that time, knowing that Spain was not yet ready for a formal treaty.

Franklin, nonetheless, asked Aranda to communicate the following proposal to Carlos III, based on a resolution of the Congress (Dec. 30, 1776):

Should His Catholic majesty wish to make an alliance with the United States and wage war on Great Britain, the United States shall undertake to support any attack He may make on the port and city of Pensacola, always provided that the United States shall continue to be permitted to sail freely up and down the Mississippi and to make use of the port of Pensacola. The United States shall declare war on the King of Portugal (assuming that it prove true that the said King of Portugal has indeed provoked the United States by banning all her shipping from his ports and confiscating some of her vessels), always with the proviso that such an enterprise does not incur the displeasure of the French and Spanish Courts and that they are in a position to support it.27

Franklin continued to Aranda:

On the assumption that the two nations be closely united in this common enterprise, and that they both deem it tactically sound to mount an attack on the British Isles in the Caribbean, Congress, in addition to what is set out above, proposes to provide supplies to the value of two million dollars and to furnish six frigates, each of at least twenty-four guns, fully equipped and ready to go into service in the joint fleet, and also to take all other measures at its disposal, as befits a true ally, to ensure the success of the said attack, and to do all this without being motivated by any desire whatever to occupy the said isles in her own name.28

The ministers in Spain refused an immediate alliance as proposed by Franklin, but proposed to aid the Americans secretly. Arthur Lee left Paris for Spain in February 1777, returning after being told he would get help directly from Spain or from New Orleans, principally by the Gardoqui banking house, whose principal, Diego de Gardoqui, was a Spanish merchant who was to play a critical diplomatic role.

Gardoqui received from the Spanish Treasury first 70,000 pesos, and then another 50,000 pesos, to be sent to the Americans. Drafts in the amount of 50,000 pesos were also sent to Lee, and Gardoqui himself sent merchandise worth 946,906 reales, including 215 bronze cannon, 30,000 muskets, 30,000 bayonets, 512,314 musket balls, 300,000 pounds of powder, 12,868 grenades, 30,000 uniforms, and 4,000 field tents.

Diplomatic contact between Carlos and the American revolutionaries was ongoing. Juan Miralles was sent by Spain to the North American Congress, and John Jay and his secretary, Carmichael, went to Madrid to petition for continuing financial aid. When Miralles died at the end of 1780, Diego de Gardoqui was nominated to take his place.

The capitulation of Gen. Burgoyne at Saratoga in October 1777 had a major effect, both on the combatants, and on France and Spain. The American victory at the battle was the result of the supplies in arms, ammunition, uniforms, etc., sent by France and Spain to the newly formed Continental Army. Winning this battle was a turning point, both for the Continental Army and for Britain. The former was remoralized by its victory over the “greatest army” in Europe, while the latter was demoralized by its defeat.

In the case of Carlos III, the victory at Saratoga went a long way towards convincing him that Britain’s days of greatness were at an end. Spain was not yet ready to declare war against Britain, however. Burgoyne’s surrender, on the other hand, did convince the Court of France to declare openly against Britain, and in February 1778, France recognized the independence of Britain’s North American colonies, concluding treaties of alliance and commerce with them. Communication of this to England was met by a declaration of war. France officially entered the war on June 17, 1778.

While secretly supporting the American Revolution, in 1778 Spain offered to intervene, with Carlos III playing the role of mediator between Britain and the colonists. France agreed, and the Spanish embassy bargained with Britain for Gibraltar as the price of mediation. Britain refused, both because it refused to surrender Gibraltar, and because mediation would have given de facto recognition to the independence of the colonies.

When the British frigate Arethusa fired on the French Belle-Poule, Vergennes advised Floridablanca to put the Family Compact into action. Spain addressed a list of grievances to Britain, which were rejected in an answer written by none other than British Empire historian Edward Gibbon.

Spain Declares War on Britain

Spain finally declared war on Britain on June 21, 1779, at the same time recognizing the independence of the thirteen colonies.

Spain then undertook military activity against Britain, both in Europe and in the Americas. At Spain’s insistence, as a condition for entering the war in alliance with France, a plan was launched for a joint French-Spanish invasion of Britain. The initial plan was to capture the
Isle of Wight and Portsmouth, thus establishing French-Spanish control over the English Channel, while severely damaging Britain’s shipbuilding capacity, which was centered at Portsmouth. Even though the joint fleet sailed, the invasion, which was scheduled to take place soon after the Spanish declaration of war in the summer of 1779, was called off after a number of delays.

Nonetheless, the deployment of this French-Spanish fleet did have the effect of tying up British forces. The very threat of such an invasion prevented the British from deploying more heavily in the war against the colonies. Spain also decided on a blockade of Gibraltar, which was announced in June 1779. The blockade was ultimately unsuccessful, but again forced the diversion of British forces from North America.

The most important Spanish military actions took place in the Americas, however, where José de Gálvez, Minister of the Indies, whose nephew, Bernardo, was Governor of Louisiana, wanted to fight the British. He had been sent to Spanish America by Carlos III in 1765, had therefore supervised the expulsion of the Jesuits in 1767, and had thereafter implemented educational reforms to promote economic development. Gálvez reported that, had Carlos not expelled the Jesuits, “America would have been lost” to Spain.29

On May 18, 1779, prior to the official declaration of war, the Spanish court sent notification to her colonial officials that war had been declared against Britain. The news reached Havana on July 17, at which point an order, reflecting Benjamin Franklin’s early military proposal to Carlos III, was sent to Bernardo de Gálvez in Louisiana “to drive the British forces out of Pensacola, Mobile, and the other posts they occupy on the Mississippi.”

A subsequent royal order was more precise: “The King has determined that the principal object of his forces in America during the war against the English shall be to expel them from the Gulf of Mexico and the banks of the Mississippi, where their establishments are so prejudicial to our commerce, and also to the security of our more valuable possessions.”

Hostilities between Spain and Britain began in 1779, when Roberto de Rivas Betancourt, Governor of Campeche in Mexico, sent two detachments against the British forces in the area. One detachment, under José Rosado, took Cayo Cocina; the other, under Colonel Francisco Piñeiro, destroyed the factories of Rio Hondo, and drove the British out of the Campeche region.

In August 1779, Bernardo de Gálvez mobilized a force of 2,000 men in Louisiana to capture the cities of Manchak, Baton Rouge, and Natchez from the British. The Choctaw Indians, with their 17 chiefs and 480 leading warriors, made a pact with Gálvez, promising 4,000 men. In the opening months of 1780, Gálvez, with 1,200 men, marched on Mobile and besieged it, and in March of the following year, Colonel Dunford surrendered with his garrison.

On March 9, 1782, Gálvez anchored his 74-gun flagship, the San Ramon, in Pensacola Bay. He had 1,315 troops from Cuba. Another 2,253 men came from
Mobile and New Orleans. On April 19, another detachment of some 1,300 Spaniards arrived. On May 7, Pensacola surrendered to Gálvez. General Campbell and Admiral Chester were taken prisoner, together with 1,400 soldiers.

Another member of the Gálvez family, Bernardo’s father, Matías Gálvez, President of the Audiencia (High Court) of Guatemala, captured the fortress of San Fernando de Ornoa, held by the British, on Nov. 28, 1779. This led to a general attack on the British settlements on the Gulf of Honduras and the Mosquito Coast. The British temporarily took San Juan de Nicaragua, but Gálvez organized to retake it, making Masaya his headquarters and ordering Tomás López de Corral to keep watch on enemy movements in Costa Rica. López kept watch, and also captured the British settlements of Tortuguero and Bocas de Toro, while early in 1781 Matías Gálvez clinched the campaign with the capture of San Juan de Nicaragua.

On other fronts, Floridablanca was instrumental in procuring the declaration of Armed Neutrality from the Empress of Russia and the formation of the Northern League.

The Independence of the Nations of Ibero-America

The support given to the American Revolution by Spain and its colonies, including Mexico and Cuba, laid the basis for the later recognition by the United States of the independence of the sovereign nation-states of Ibero-America. The death of Carlos III’s favorite son Gabriel in October 1788 presaged his own death shortly thereafter, on Dec. 14, 1788. He had said: “Gabriel is dead, I shall soon follow him.” Unfortunately, Carlos was succeeded by a weak son, Carlos IV, who was not capable of providing the leadership necessary to continue his father’s vision.

Clearly, the British wished revenge against the Bourbons. In France, the British, using the same methods employed in 1766 against Carlos III, orchestrated the French Revolution to prevent an American-style constitutional republic from being established in Europe. After the Jacobin terror and the coming to power of Napoleon Bonaparte, Spain was targeted next. Lacking Carlos III’s leadership, and weakened by the destruction of its Bourbon ally France, Spain was invaded in 1808 by Napoleon, who imposed his brother Joseph on the Spanish throne.

Napoleon’s invasion of Spain served as a model for what Hitler did during the 1930’s. Spain was the key not only to the control of Ibero-America, but was also the means to attempt destroying the United States from the south. In the 1930’s, the Nazis put the fascist General Francisco Franco in power in Spain, and then used the fascist Falange as the instrument to organize a Synarchist apparatus in Ibero-America, with special emphasis on Mexico, in an effort to gain a flank against the United States. This was precisely what Napoleon attempted in the early 1800’s.

This plan did not succeed under Napoleon any better than it did later under the Nazis, primarily because of the legacy of Carlos III in Ibero-America, and because of the community of principle which had developed between the sovereign nations of the Americas.

Any treatment of Carlos III must take into account the continuing impact of his contribution in the Americas, as expressed in the Monroe Doctrine of President James Monroe and his Secretary of State, John Quincy Adams.

During his reign, Carlos had developed the conception of forming a commonwealth of Spain and the Spanish colonies. Moreover, his efforts in Spanish America, including most emphatically the expulsion of the Jesuits, were focussed on bringing about the scientific, educational, and economic development of the peoples of Spanish America.

When he became Carlos’s minister of the Indies in 1776, Jose de Gálvez ordered the abolition of the “repartimiento” system, a form of de facto slavery of the Indians, and began the task of reorganizing New Spain’s banking and financial institutions along Colbertian lines, to increase trade and state revenues, and promote and protect industry. Gálvez was committed to the principle that “Indians and other castes [i.e., mestizos] must be permitted to enjoy the rights which human and divine law grants to all men”—a principle denied by the Jesuits, whose expulsion from Spanish America Gálvez had overseen in 1767. Father Hidalgo y Costilla, later leader of Mexico’s independence movement, was an administrator in the new intendency system which replaced the repartimiento.

During the 1780’s, Leibnizian “Economic Societies of Friends of the Country,” like those in Spain, were set up by Carlos’s envoys in all the major Ibero-American capitals. These served as centers of intellectual debate and dissemination of republican ideas, and in most cases they were in direct contact with the American Philosophical Society in the United States, and knew and admired the work of Franklin.

Thus, even though the spread of the American Revolution into Europe was thwarted by the British-orchestrated French Revolution, the international conspiracy
involving the Leibnizian networks of Benjamin Franklin and his European allies established the institutions that brought the vision of Carlos III to fruition in Spanish America in the early decades of the 1800’s.

The first nation to declare its independence after the Napoleonic invasion of Spain, was Mexico. Father Miguel Hidalgo y Costilla was elected Captain-General and Lord Protector of the Nation on Sept. 15, 1810, and issued a statement, as he wrote, amounting to “a proclamation of Independence and natural freedom.” Then, on July 5, 1811, the Congress of Venezuela declared its independence: “We, therefore, the representatives of the United Provinces of Venezuela, with the Supreme Being as a witness of the justice of our proceeding ... in the name and with the support of the virtuous people of Venezuela, solemnly declare to the world that our provinces are and shall be from this day forward de facto and de jure free, sovereign, and independent nations, owing allegiance to no one, and independent of the Spanish crown and of all who claim either now or at any time in the future to be her proxy or her representative.” In Venezuela, Juan German Roscio translated Tom Paine’s *Rights of Man* in 1811, and then wrote the Constitution of Venezuela modelled on the U.S. Constitution.

Other nations followed, although it would not be for another decade that the independence of several Ibero-American nations was consolidated, and the United States of America was in a political position to give recognition to its natural allies, who had been inspired by its own fight for freedom. The reason for this was straightforward.

After the French Revolution and the Napoleonic “counter-revolution,” the republican United States of America was politically and militarily isolated internationally. Britain was still its primary adversary, as evidenced by the invasion and War of 1812. The Holy Alliance, established by the Hapsburg and British Empires at the 1815 Congress of Vienna to contain the spread of “American” ideas and prevent the overthrow of the oligarchic system, dominated Europe. As a result, the policy of the United States was one of support for liberty, while at the same time, not openly embracing the cause of liberty abroad. Its poli-
cy, therefore, was based upon principle, but required a neutral position until the United States had the necessary political and military power to stand up to the European powers—something possible only after Lincoln’s defeat of the British- and Hapsburg-supported Confederacy in the U.S. Civil War.

Growing Ties Between the U.S. And Ibero-America

Napoleon’s invasion of Spain shook the tree of liberty in the American colonies of Spain and Portugal, and set the stage for the beginnings of a movement for independence. However, even before that, the weakened condition of Spain and France had led to increased ties between the United States and the Spanish colonies. A royal order dated Nov. 18, 1796, opened the Spanish colonies to “neutral trade,” of which the United States was chief beneficiary. The British victory at Trafalgar in 1805 reduced the navies of France and her Spanish ally to insignificance, further opening the door to collaboration in the Americas.

Trade between U.S. merchants and Spanish America increased during the 1790s. The Philadelphia merchant Stephen Girard, who was heavily interested in the trade with St. Domingue (Haiti) in the 1790’s, engaged in large-scale trade with continental Spanish America. Later, Girard was among the first five government directors of the Hamiltonian Second Bank of the United States, appointed by President Madison in 1816.

American agents established ties to republican circles throughout Spanish South America. William Shaler and Richard Cleve-land, for example, travelled to Montevideo and Buenos Aires in 1799. In 1802, they sailed by way of the Canary Islands and Rio de Janeiro to Valparaiso, Chile, where they circulated a copy of the U.S. Constitution and a Spanish translation of the Declaration of Independence. When they continued on to San Blas, Mexico, they repeated their organizing there. Shaler later served as an agent of the United States government in revolutionary Spanish America. Condy Raguet, who was later to serve the government in Brazil, visited Haiti in 1804, and in 1809 published his *Memoirs of Haiti*.

Presidents Thomas Jefferson (1801-1809), James Mon-roe (1817-1825), and many other Americans, knew Spanish. Monroe learned the Spanish language when in Spain on a special mission in 1805.

After the 1808 Napoleonic invasion of Spain, President Jefferson authorized agents of the United States to say officially to influential persons in Cuba and Mexico:

Should you choose to declare your independence, we can not now commit ourselves by saying we would make common cause with you, but must reserve ourselves to act according to the then existing circumstances; but, in our proceedings, we shall be influenced by friendship to you, by a firm feeling that our interests are intimately connected, and by the strongest repugnance to see you under subordi-

nation to either France or England, either politically or commercially.31
At the same time, Jefferson instructed Governor Claiborne of the recently acquired Louisiana Territory:

If [the Spanish patriots] succeed [in their resistance to Napoleon], we shall be well satisfied to see Cuba and Mexico remain in their present dependence [on Spain], but very unwilling to see them in that of France or England, politically or commercially. We consider their interests and ours as the same, and that the object of both must be to exclude all European influence from this hemisphere.32

The first agents of the United States to the governments of Spanish America were sent while Robert Smith was Secretary of State under President James Madison (1809-1817); Smith’s brother Samuel was a Baltimore merchant engaged in trade with Ibero-America. Thomas Sumter, Jr., for example, was commissioned to Rio de Janeiro, where the Portuguese court had relocated in 1809, after fleeing Napoleon’s invasion of Portugal.

The year 1810 saw the appointment of three agents to Ibero-America: William Shaler to Havana and Vera Cruz, Mexico; Robert K. Lowry to La Guaira, Venezuela; and Joel Robert Poinsett to Buenos Aires, Chile, and Peru. Shaler and Poinsett were instructed, in light of the possibility that Spanish America might “dissolve altogether its colonial relations to Europe,” to “diffuse the impression that the United States cherish the sincerest good will towards the people of Spanish America as neighbors,” and that it would “coincide with the sentiments and policy of the United States to promote the most friendly relations, and the most liberal intercourse, between the inhabitants of this hemisphere.”33

President Madison also permitted revolutionary agents from Spanish America to reside in the United States, and did not prevent them from purchasing munitions in this country. From Buenos Aires came Diego de Saavedra and Juan Pedro de Aguirre; from Venezuela, Teléforo de Orea and Juan Vicente Bolivar, the brother of Simón Bolivar, who was in England at the same time and who was as a result influenced more by the British than by the patriots of the United States; from Mexico, José Bernardo Gutierrez de Lara; from Cuba, José Álvarez de Toledo; and from Cartagena (in what is now Colombia), Manuel Palacio Fajardo.

The mission of the Buenos Aires agents was to obtain military supplies. They first contacted Manuel Torres, a Spaniard with Colombian connections who had been living in Philadelphia since 1796, and then the merchant Stephen Girard and the Venezuelan agent Teléforo de Orea.

A “Committee on the Spanish American Colonies” was formed in the U.S. Congress in November 1811 with Samuel Latham Mitchill as its Chairman, to inform the Congress on developments in Ibero-America, in the context of the growing independence movement and expanding relations with the United States.

Preparation for Recognition

Critical to preparing for the recognition of the independence of the nations of Ibero-America by the United States, was the effort to educate the public and policymakers about Ibero-America. Alexander von Humboldt’s Essay on New Spain was an important contribution. Another
important contribution was Washington Irving’s translation of François R.J. Depons’ *Voyage à la partie orientale de la Terre-Ferme (A Voyage to the Eastern Part of Terra Firma, or the Spanish Main in South America, During the Years 1801, 1802, 1803, and 1804)*, which was published in New York in 1806, with a foreword by the same Samuel Latham Mitchill.

President Jefferson wrote Humboldt in December 1813: “I think it most fortunate that your travels in those countries [of Spanish America] were so timed as to make them known to the world in the moment they were about to become actors on its stage . . . [I]n truth, we have little knowledge of them to be depended on, but through you.”

Humboldt’s report, so much appreciated by Jefferson, was of course the continuation and fruition of the work launched by Carlos III’s botanical expeditions.

In his *Essay on New Spain*, Humboldt wrote that “no European government sacrificed greater sums” than the Bourbon kings, to advance scientific knowledge in the New World, and that, when he arrived in Mexico at the end of the Eighteenth century, he found that,

[n]o city of the new continent, without even excepting those of the United States, can display such great and solid scientific establishments as the capital of Mexico. I shall content myself here with naming the School of Mines, directed by the learned Elhuyar . . ., the Botanical Garden, and the Academy of Painting and Sculpture. This Academy bears the title of Academia de los Nobles Artes de Mexico. It owes its existence to the patriotism of the minister Gálvez. The government assigned it a spacious building, in which there is a much finer and more complete collection of casts than is to be found in any part of Germany.35

The three men perhaps most responsible for the eventual recognition of the nations of Ibero-America were President Monroe, John Quincy Adams, and Henry Clay. Only Monroe, as indicated above, had a good reading and speaking knowledge of Spanish. In 1824, Henry Clay acknowledged his indebtedness to, and reliance upon Joel Poinsett, for his own leading role in advocating recognition.

Joel Poinsett served successively at Buenos Aires, Valparaiso, and Mexico City. He was a native of South Carolina, a member of the American Philosophical Society, and subsequently, a member of Congress and Secretary of War. In 1825, Poinsett wrote his own *Notes on Mexico*.

Condy Raguet, who served at Rio de Janeiro for several years, was also a member of the American Philosophical Society. John Murray Forbes, special agent and chargé d’affaires in Buenos Aires, was a classmate of John Quincy Adams at Harvard University, and had served as consul in Hamburg and Copenhagen before being sent to South America. William Tudor, special agent and consul at Lima, had been a founder and the first editor of the *North American Review*, and one of the leading literary lights of Boston, before his diplomatic posting.

Several agents of Ibero-American governments and the exiled Argentine patriots operated in the United States. Among the latter was Vicente Pazos, author of the well-known *Letters on the United Provinces of South America*, addressed to Henry Clay, written in Spanish and published in English translation in 1819.

Two of the propagandists on behalf of Spanish America deserve particular notice: One of these was a foreigner,
the above-cited Manuel Torres; the other, an American citizen and U.S. naval officer, Captain David Porter. Torres published two books: *An Exposition of the Commerce of Spanish America* (1816) and *An Exposition of South America, With Some Observations upon Its Importance to the United States* (1819). Captain Porter waged his propaganda campaign on behalf of Spanish American independence while he was a member of the Navy Board in Washington, D.C. Porter later served in the West Indies, and then entered into the naval service of Mexico.

Friends of Spanish American independence were active in several cities, such as William Duane (editor of the Philadelphia newspaper *The Aurora*, and an Irish immigrant) and Torres in Philadelphia; and Porter, H.M. Brackenridge, and U.S. Postmaster General Joseph S. Skinner in Washington, D.C. and Baltimore.

In 1817, a commission was appointed to help prepare the United States population for recognition of the independence of the nations of Ibero-America. The three commissioners appointed were: Caesar A. Rodney of Wilmington, Delaware, a former member of Congress and Attorney General of the United States; Judge Theodorick Bland of Baltimore, father-in-law of Postmaster General J.S. Skinner and friend of David Porter; and John Graham, former secretary of legation and chargé d'affaires in Madrid. The pamphleteer H.M. Brackenridge accompanied them as secretary on a mission to Ibero-America.

This then was the close-knit network of patriots of the United States and of Ibero-America, who played the critical role in preparing the way for the recognition of the independence of the first several Ibero-American nations by the government of the United States of America in the early 1820’s, a recognition based upon a community of principle among a family of sovereign nation-states as formulated in the Monroe Doctrine.

Every Human Being a King

Today, the only possible way to finally dismantle the British Empire that has ruled the globe since 1763, and to defeat the Synarchist international deployed on its behalf, is to support the leading Leibnizian thinker of the day, Lyndon H. LaRouche, Jr., and to thus revive the Leibnizian legacy which both inspired the work of Carlos III, and gave birth to the United States of America.

We are fighting a war between two diametrically opposed ideas of government, as expressed by Friedrich Schiller in the contrast between the legislation of Solon of Athens and Lycurgus of Sparta, based, as LaRouche has emphasized repeatedly, on the difference between Man as *imago viva dei* (created in the living image of God), and the beasts.

It is a war now being fought politically throughout the world between, on the one hand, Democratic pre-candidate for the U.S. Presidency, Lyndon LaRouche, and, on the other, the Beast-man Synarchist, Vice President Dick Cheney and his Synarchist neo-conservative circles, including his Quijanohack assets in the Spanish-speaking world.

Carlos III was a patriot and a citizen of the world, as Schiller stipulated a true patriot must be. He was educated to be a true Christian prince, and as such, would have made Nicolaus of Cusa, the Brothers of the Common Life, Erasmus of Rotterdam, and Friedrich Schiller proud.

In his “Letters on Don Carlos,” Schiller wrote:

Recall, dear friend, a certain discussion, about a favorite subject of our decade—about spreading of a purer, gentler humanity, about the highest possible freedom of the *individual* within the state’s highest blossom; in short, about the most perfect condition of man, as it in his nature and his powers lies given as achievable—among us our fantasy became lively and enchanted in one of the loveliest dreams, in which the heart revels so pleasantly. We concluded at that time with the fanciful wish, that chance, which indeed hath already achieved greater wonders, might be pleased in the next Julian cycle, to awaken once again our sequence of thoughts, our dreams and convictions, fertilized with the same vitality and just so much good will, in the firstborn son of a future ruler of this or another hemisphere. . .

Our conversation had long been forgotten, as I in the meantime made the acquaintance of the Prince of Spain; and soon I took note of this inspired youth, that he indeed might be that one, with whom we could bring our design to realization. Thought, done! Everything found I, as through a ministering spirit, thereby played into my hands: the sense of freedom in struggle with despotism; the fetters of stupidity broken asunder; thousand-year-long prejudices shaken; a nation which reclaims its human rights; republican virtues brought into practice; brighter ideas into circulation; the minds in ferment; the hearts elevated by an inspired interest—and now, to complete the happy constellation, a beautifully organized young soul at the throne, come forth under oppression and suffering in solitary unhindered bloom. Unhappy—so we decided—must the king’s son be, in whom we wished to bring our ideal to fulfillment. “Be you a man upon King Philip’s throne!”36

For Schiller, Don Carlos and the Marquis of Posa form “an enthusiastic design to bring forth the happiest condition which is achievable to human society.”

Is it any wonder that the Quijanohacks hate the very memory of Carlos III, a man who was dedicated to making every human being a king?
NOTES

9. Quoted in Petrie, King Charles of Spain, p. 56.
10. Quoted in Addison, Charles the Third of Spain, p. 38.
13. Translated from the Spanish by Cynthia Rush.
15. Quoted in Addison, op. cit., p. 121.
16. Translated from the Spanish by Cynthia Rush.
17. Translated from the Spanish by Cynthia Rush.
19. Quoted in ibid., p. 51.
22. Quoted in Addison, op. cit., p. 67.
23. Quoted in Hargreaves-Mawdsley, Spain under the Bourbons, p. 121.
24. Quoted in Hargreaves-Mawdsley, Eighteenth-Century, p. 120.
25. Translated from the Spanish by Cynthia Rush.
27. Quoted in Hargreaves-Mawdsley, ibid., p. 156.
28. Quoted in ibid., p. 156.
29. Quoted in Rush, “Real Cultural History of Latin America.”
30. Quoted in ibid.
31. Quoted in Arthur Preston Whitaker, United States and the Independence of Latin America, p. 42.
32. Quoted in ibid., p. 43.
33. Quoted in ibid., p. 65.
34. Quoted in ibid., p. 142.
35. Quoted in Rush, op. cit.

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