too, had suffered from the king’s reckless ambition and from an economic policy which followed the most glaring errors of the Middle Ages. Every other consideration had been sacrificed to the accumulation of specie, with the result that prices were forced up to an abnormal height, while the wealth of the country bore no proportion to the currency. The nobles were carefully excluded from all political affairs and ceased to take the slightest interest in the administration. When this exclusion came to an end after Philip II.’s death, they appear as mere courtiers, rivalling each other in the extravagance of their expenditure, but contributing nothing to the efficiency of the state. The government had been centralized by suc­cessive kings, but it was carried on without either wisdom or impartiality. The administration of justice was venal and incompetent. The people had been deprived of their liberties, but they failed to receive compensation in increased order and security. Spain had to pay dearly for its short period of glory. Its rapid decline in the 17th century was the inevitable penalty for the faults and errors of the 16th.

“ God,” said Philip IL, “ who has been gracious in giving me so many states, has not given me an heir capable of governing them.” His successor was the natural product of his father’s system : the exhaustion of Spain was inevitably accompanied by the degeneracy of its rulers. Philip III,, who was twenty-one years old at his accession, had been brought up among priests and women, and showed all the defects of his education. Spanish writers are never weary of dilating upon his piety and his devotion. The cares of government he left entirely to his favourite, the duke of Lerma, while he contented himself with the performance of religious duties and the ceremonies of a stately court. The change of rulers was significantly marked in a quarrel with the province of Biscay, which still retained its ancient privileges intact. An attempt was made in 1601 to impose new duties by a royal ordinance; the Biscayan deputies protested vigorously against this encroachment upon their liberties, and openly threatened to seek another ruler. Philip III. hastened to avert the storm by withdrawing the obnoxious ordinance. Thus the policy of centralization was abandoned, and the tendencies to division and isolation were confirmed.

The piety of Philip III., which was as disastrous to Spain as the more masculine bigotry of his predecessors, found characteristic expression in the persecution of the Moriscoes. Ever since the suppression of their first revolt in 1502,—a revolt which was provoked by the breach of the compact made on the fall of Granada,—the conquered Moors had been cruelly oppressed. Charles V. renewed the edict of 1502 in 1526, and the overt profession of Mohammedanism was extinguished in Spain. But in secret they continued to cherish the faith of their ancestors, and this was enough to exasperate a monarch who preferred to have no subjects at all rather than to rule over heretics. An edict of Philip II. in 1566 forbade them to speak or write in Arabic, and ordered them to renounce all their traditional habits and ceremonies. Futile remonstrances were followed by a desperate rising, which was quelled in 1570. The most obstinate of the rebels were exiled to Africa, but most of them sullenly submitted. Philip III. determined to prove his zeal for orthodoxy by completing the work which his father had left unfinished. In 1609 all the Moriscoes were ordered to depart from the Peninsula within three days, and the penalty of death was decreed against all who failed to obey, and against any Christians who should shelter the recalcitrant. The edict was obeyed, but it was the ruin of Spain. The Moriscoes were the backbone of the industrial population, not only in trade and manufactures, but also in agriculture. The haughty and indolent

Spaniards had willingly left what they considered degrad­ing employments to their inferiors. The Moors had intro­duced into Spain the cultivation of sugar, cotton, rice, and silk. They had established a system of irrigation which had given fertility to the soil. The province of Valencia in their hands had become a model of agricul­ture to the rest of Europe. In manufactures and com­merce they had shown equal superiority to the Christian inhabitants, and many of the products of Spain were eagerly sought for by other countries. All these advant­ages were sacrificed to an insane desire for religious unity.

The resources of Spain, already exhausted, never recovered from this terrible blow. Under these circum­stances it was an absolute necessity that the ambitious schemes of previous rulers should be abandoned ; and it was fortunate that Lerma was personally inclined to a policy of peace and that events occurred to favour its adoption. The accession of James I. in England gave a convenient opportunity for concluding the long war that had been carried on with Elizabeth. English mediation brought about a twelve years’ truce in 1609 with the United Provinces, which amounted to a practical recogni­tion of their independence. The death of Henry IV. and the regency of Mary de’ Medici enabled Lerma to arrange an alliance with France, which was cemented by a double marriage. Louis XIII. married the infanta Anne of Austria, and Elizabeth of France was betrothed to the son and heir of Philip III. For the moment Spain occupied a higher position in Europe than it had held since the defeat of the Armada. James I. was weakened by quarrels with his parliament and by the want of a definite policy. France under the regency had abandoned the attitude of Henry IV. and was distracted by internal squabbles. The empire was in the feeble hands of Mathias, and the Austrian Hapsburgs were still divided by the family jealousies that had arisen from the deposi­tion of Rudolph II. The Turks had declined since the days of Soliman the Magnificent with a rapidity char­acteristic of Oriental powers. In the midst of these states Spain, subject to an apparently absolute monarchy, enjoyed much the same prestige as in the best days of Philip II. With the consciousness of power the old ambitions revived. An arrangement was being discussed for the recognition of the archduke Ferdinand as the successor of Mathias in the Austrian territories. Philip III., however, advanced a claim to Hungary and Bohemia on the ground that his mother was a daughter of Maximilian II., whereas Ferdinand was only descended from that emperor’s brother. The claim was by no means indisputable, but it was inconvenient to Ferdinand to have to discuss it. He agreed therefore to purchase the support of Spain by ceding Alsace, and the vacant imperial fief of Finale in Italy (1617), and on these terms he succeeded in effecting his designs. Thus a prospect was opened to Spain of connecting its Italian possessions with the Netherlands and of forming a compact Spanish dominion in central Europe. At the same time the old policy of advancing Roman Catholicism was resumed, as the success of Ferdinand promised to secure a signal victory for the Counter-Reformation in Germany. But this forward policy was distasteful to Lerma, who found it necessary to retire in 1618. His withdrawal from affairs was not accompanied by any loss of the royal favour, and the offices which he had held were conferred upon his son, the duke of Uzeda.

The alliance between the two branches of the house of Hapsburg was not finally completed by the arrangement with Ferdinand. It was vigorously urged by Onate, the Spanish representative at Vienna, by Khevenhüller, the