

SPAIN'S MONOPOLY SYSTEM

The Spanish government believed that the wealth of its empire in the Americas existed solely to increase the power of Spain. This meant a monopoly of trade with her colonies and close control over buying and selling by colonists. All goods produced in the New World had to be exported to Spain and to no other country. Everything the colonists bought had to be imported from Spain itself and be carried in Spanish ships.

Challenging the monopoly

Sixteenth-century Europe

Other European nations were not prepared to accept Spain's claim to all the wealth from the New World. After the discovery of trade routes to the New World and to the Indies, European power struggles were no longer fought out just in Europe. Each country wanted to weaken its rivals by capturing their overseas bases and interrupting the flow of trading goods, silver and gold. In this way they could damage the rival's power in Europe. In the first half of the sixteenth century France and Spain fought each other for the leading position in Western Europe and the wars spilt over into the Caribbean.

The Reformation

In the second half of the century, Spain's main commercial rivals were the English and the Dutch. Their quarrels with the Spanish had an additional cause. Both became Protestant while Spain (like France) remained Roman Catholic. The background to this change lay in the movement we call the 'Reformation'. It began in Germany in the early sixteenth century when a priest, Martin Luther, protested at some of the practices of the Roman Catholic Church of his day. The new ideas about the Christian faith spread among people in Germany, Switzerland and the Netherlands.



QUEEN ELIZABETH I

The English Queen, Elizabeth I, who reigned from 1558 to 1603, made herself the champion of the Protestant countries and the arch-enemy of

Spain, the leading Catholic power. One of the causes she supported was the struggle of the Protestant Dutch people to free themselves from Spanish rule.

PRIVATEERS AND TRADERS

In the sixteenth century, European countries other than Spain had only small fighting navies. When war broke out, the governments would take over, or commandeer, merchant ships and fit them out with guns. They would also issue letters of marque to captains of merchant vessels. The letter gave authority to attack enemy ports and ships. Captains had to hand over part of any booty to their government but they could sell the rest. The advantage of the letter of marque was that it gave the sailors the right to be treated as warriors not as pirates. If their ship was captured they would be made prisoners rather than hanged as outlaws.