
Public Loans and Austrian Policy in the Second Half of the Seventeenth Century

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The Habsburgs, more perhaps than any other sovereigns, were faced with inextricable financial difficulty due both to a lack of ready currency and to the limited income which was scantily allotted to them by the Assemblies of their patrimonial land.¹ At the time all European governments had the same double problem: difficulties with the Treasury and scarcity of income from taxation. After Richelieu, if the King of France could enforce taxes, he could not escape the dreaded problem of the Treasury, while the King of Spain was essentially dependent on his fleet's return from the Indies. However, the political situation was entirely independent of such considerations and the lack of money paralyzed enterprising initiative. Without going into details of the military activities which had to be interrupted for lack of sufficient money to pay troops or to raise new ones, the history of the 16th and 17th centuries abounds in examples of monarchs who were obliged to cancel a project at the last moment due to insufficient funds.

On the other hand, the help of public loans could be decisive: it was to a public loan that Charles V owed his election in 1519, thanks to the Augsburg banker Jacob Fugger who had previously granted a loan to Charles V's grandfather, Maximilian I. The young prince needed to buy the votes of the Prince Electors and the sum of 852,000 rhenish florins (a considerable amount in those days) was loaned to him by the banker² who, in turn, was granted the monopoly for copper mining in the Tyrol and in Hungary. But if this story is relatively well known (at least to central European historians), it is

¹ See « *Information Historique* » 1971. Presented in our work: *Finances et absolutisme autrichien dans la seconde moitié du XVII^e siècle*, to be published shortly by the Presses Universitaires de France. A brief account can be found in the correspondence of the Venetian Ambassadors, in particular that of Giustinian of 1682. *Fiedler Relationen der Botschafter Venedigs über Deutschland*, in « *Fontes Rerum Austriacarum* », II/57.

² LÉON SCHICK, *Un grand homme d'affaires au début du XVI^e siècle: Jacob Fugger*, vol. I, 323 pages, Paris, Sevpén, 1957, pp. 161-184.

interesting to note the role a public loan played in a matter of serious consequence for the political development of eastern and central Europe — the Emperor's purchase of the Silesian dukedoms of Opole and Raciborz which the Polish King, in 1665, planned to enfeoff to a French prince, the Duc d'Enghien.³ Had the plan succeeded, the young prince had every hope of becoming King of Poland and of bringing the country under French control, so furnishing Louis XIV with an eastern alliance against the House of Austria.⁴ Once again, it was a matter of general policy, and if the Emperor did not take prompt action, regardless of the costs, the entire balance of eastern European power would have been at stake. The Emperor was aware of the danger inherent in the transfer of the dukedoms, but in order to use his right of pre-emption,⁵ he had to quickly find approximately one million rhenish florins, a sum which represented about 20% of the entire budget for the year 1665.⁶

It is interesting to note how the Emperor was able to raise such a sum in only a few months. As his ancestor had done in 1519, he appealed to the financiers who exploited the copperworks of Hungary, and in particular, to a banker of Italian origin, Andreas Joanelli.

We have emphasized this example as it is the major medium-term loan transacted in the first half of Leopold I's reign (1657-1705), prior to the Turkish War. The Treasury archives (*Hofkammer*) which we consulted for the period 1650-1700 make no mention of any such contract. An extremely large sum had to be found at a time when the Emperor's credit was on the wane and when the Viennese banks seemed unable to furnish the monies.

At the outset of the affair of the dukedoms, a mortgage had been granted to Emperor Ferdinand III by the King of Poland, Ladislas IV, on May 10, 1645.⁷ The transaction was negotiated by two officers of the Chamber of

³ The son of the Grand Condé, victor at Rocroi and head of the youngest branch of the House of Bourbon.

⁴ On the importance of this matter, see J. BÉRENGER, *La Hongrie et la politique polonaise de Mazarin dans «Nouvelles Études Hongroises»*, Budapest 1971, pp. 208-215. Letter from Gremonville, Louis XIV's minister in Vienna, dated March 26, 1665. Archives of Foreign Affairs, Paris. *Austrian political correspondence*, vol. 19, F 41/50. Jacques Bretel de Grémonville belonged to a family of Norman magistrates (Rouen Parliament). Commander of the Order of Malta, he campaigned in the king's army, then with the Venitians in Candia. From 1664 to 1673, he was resident Minister of France at the Emperor's Court.

⁵ GALEAZZO GUALDO PRIORATO, *Istoria di Leopoldo Cesare*, V/2. Bibliothèque Nationale, Paris, G 36/4. A major official story published at request of the imperial government.

⁶ The taxes voted by the Diets and the product of regal rights (customs, domains, etc.) reached, according to our estimation, 3,598,140 rhenish florins in 1665. We include in this sum the ordinary revenues (Cameralia) paid to the Court exchequer (*Hofzahlamt*) and the product of contributions paid by Lower Austria, Bohemia, Moravia and Silesia.

⁷ G. GUALDO PRIORATO, *op. cit.*, loc. cit., *Hipoteca et obligacione fatta dall'Imperatore Ferdinando III delli Ducati e Principati d'Oppel e Ratibor a Vladislas IV, Rè di Polonia*.

Bohemia, H. Putz and H. Walderode von Eckhausen,⁸ the latter then being the imperial resident at the Polish Court. Ferdinand III received a loan of 500,000 Reichsthaler (at 60 Kreuzer) added to 200,000 Hungarian florins, payable to the King of Poland in two instalments, half at the end of May 1645, and half at the end of June the same year. But let us remember that, at the time, the Emperor faced a coalition between Holland, France, Sweden, and from Hungary, the Prince of Transylvania, Georges I Rákóczi. While laying siege to Brno in Moravia, the general in chief of the Swedish troops, Torstenson, ordered his cavalry to ravage the area around Vienna and attempted to join the Hungarians of Georges I Rákóczi. This situation prevented the Emperor from negotiating in the best conditions and the greater part of the loan was used to pay the dowries of the Arch-duchesses who had married the Kings of Poland, Anna and Constantia, Ferdinand II's sisters, and Cecilia Renate, Ferdinand III's sister, as well as to repay various debts of Ferdinand II. Thus, the Austro-Polish alliance was reinforced which, in the 17th century, was one of the goals of the Viennese and Spanish diplomats.

Faced with a hostile Sweden, an unstable Muscovy and an uncertain Elector of Brandenburg, the Alliance of Catholic Poland appeared to provide an important support in Northern Europe in that it could, if necessary, furnish aid against the Turks and the Hungarians. The price was the surrender by the King of Poland of the two Silesian dukedoms, with all their dependencies, jurisdictions and domains to the Emperor. Indeed, Silesia was made up of principalities over which the King of Bohemia, as a Duke, exercised only nominal sovereignty. However, if some dukedoms had been alienated, others still belonged to the Habsburgs as Kings of Bohemia. The disguised surrender of a country which included a strong Polish minority nevertheless had a saving grace: it prevented the Polish king, in turn from mortgaging the principalities without the Emperor's consent, and the Emperor retained a right of pre-emption if either Ladislas IV or his heirs decided to alienate Opole or Raciborz to a foreigner, which, in fact, was what happened twenty years later. The Queen of Poland, a princess of French origin,⁹ had married one of her nieces to the Duc d'Enghien and endowed her with the two Silesian principalities. Opole and Raciborz belonged to her since they had been given to her by her husband, King Casimir. The Queen hoped, in this way, to strengthen the French influence in Warsaw and to encourage the election of her niece's husband. The stakes were high. Had the plan succeeded, Poland would have passed permanently into French hands, but it was not easy, for the

⁸ HANS PUTZ, HANS VALDERODE VON ECKHAUSEN, later Councillors of the Imperial Treasury.

⁹ On the role played by Louise-Marie de Gonzague and her attempt to reform the Polish Republic, see the works of ZOFIA LIBISZOWSKA in particular. On some aspects of the relations between France and Poland in XVIIth century see « Bulletin de l'Académie polonaise des Sciences », fascicule 53, Varsaw 1965, p. 34.

French party was not a majority and the Polish aristocracy had great reservations against France and the absolutist regime it represented. Grémonville, the French representative in Vienna, nevertheless went ahead and requested the investiture of the two dukedoms to Emperor Leopold, since the Silesian principalities were subject to feudal law and a new vassal had to obtain the investiture from his lord, in this case, the King of Bohemia.¹⁰ It was this request, made in January 1665, which left the Emperor and his government no choice: either he granted the investiture to the Duc d'Enghien with all the implied long-term risks for the Habsburgs, or he used his right of pre-emption.

The Emperor did not have the means to do this. One might say that his income had been badly diminished by the 30 Years' War but it was especially the foreign policy of the last 10 years which had been costly.

In 1665 Ferdinand III rearmed to support Poland in the war in the north. In 1661, his son, Leopold, became involved too hastily in Transylvania to be able to seize this principality which was the key to the political system in Eastern Europe. The Prince of Transylvania, Georges II Rákóczi, was also engaged in the war in the north, on the side of Charles X of Sweden. His action displeased the Porte which declared him disgraced. Leopold I sent an army to Transylvania in 1661 in order to support a candidate favoured by Austria, Jean Kemény. The Porte was angry with such meddling in what it considered to be a vassal principality and reacted vigorously. The war in Hungary was disastrous for the Imperial Army. In September 1663, the fall of Nové Zamky opened the way to Vienna to the Turks and for the next campaign it was necessary to call on German and French troops who crushed the Grand Vizir's army at the Battle of Saint Gotthard on the Styrian border. The Emperor preferred making a hasty settlement in Vasvár and granted the Turks advantageous conditions in order to demobilize an army he could no longer afford, for victory had been possible only due to considerable Spanish and papal subsidies.

The matter of the dukedoms thus came up just at the time when the Emperor's finances needed a respite. It was impossible to resort to taxation to finance this extraordinary business. Moreover, no document relating to the negotiations with the Austrian and Bohemian Diets makes any mention of this. The only solution was to borrow, and the possible sources at the time were:

- the Viennes merchant-bankers;
- Italian or German bankers;
- the aristocracy, individually or as a whole, through the Diets;
- the Treasury officers, associated with the Emperor's affairs.

¹⁰ As is known the patrimonial estates of the Habsburgs at this time included Austria, Styria, Tyrol and the realm of Bohemia. In Hungary, the king was still elected by the Diet. In public law, in these different countries, only the arch-duke, the king, etc. were recognized, but he was always given (except in Hungary) the title of Emperor (in German, Kaiser), by courtesy, since he was also elected Emperor.

1. As in all the other countries at the time, a loan from an individual to a sovereign was possible only if the latter supplied parts of his domain as a guarantee (customs rights, for example). For 50 years, the Emperor had so often had recourse to loans that considerable funds were already tied up and the peace aimed at all costs to purge the Emperor's finances by disencumbering as far as possible the parts of the domain (*Cameralia*) already tied up at the time. Matters looked bleak indeed, for the President of the Treasury (*Hofkammer President*) declared to Grémonville, in the autumn of 1665, that the *Emperor's revenue was not worth the income from Paris alone*.¹¹

The Viennese merchant bankers who had usually granted loans to the Emperor since 1650, quite simply refused in February. *The merchants' trade association, which had been called on to determine whether a million florins could be borrowed on valid securities, replied that it was impossible to find 50 thousand écus in all of Vienna*.¹² This first possibility was thus ruled out.

2. Prince Portia, the Emperor's Prime Minister, who took over the matter,¹³ called first on Genoese Bankers. The role they played in the politics of the Habsburgs of Spain, to whom they were devoted, is well known. At the end of May, a reply was still awaited both from the Genoese and the Hamburg bankers, whom the President of the Treasury had also contacted, but apparently on a more minor matter.¹⁴ In fact, the Genoese delayed and finally refused.¹⁵ At the time, Genoa had not lost its financial power but avoided involving its capital in risky state loans. Research at the State Archives in Genoa confirms this impression. Once Hamburg and Genoa had backed down, it was necessary to resort to the Austrian aristocracy.

3. The Emperor could call on wealthy nobles, the members of his private counsel, who had great estates.¹⁶ According to the always well

¹¹ Letter of September 19, 1665. A. E. Paris, C. P. Austria, t. 22, f° 100.

¹² Letter from Grémonville to the king, Feb. 19, 1665. A. E. Paris, C. P. Austria, t. 20, f° 236.

¹³ Ferdinand Prince Portia had been Archduke Leopold's preceptor, then in 1657, the Emperor's Minister. He died in 1665, during the negotiation, but it does not appear that the sovereign lost a man of any great value.

¹⁴ *The secretary of the President assured me... that we were still waiting for a reply from Genoa and Hamburg, but that for Hamburg, as it is a sum requested on the pawning of some jewels, it is destined for the expenses of the marriage (i. e. of the Emperor with the Infante of Spain, Marguerite-Therese).* Letter from Grémonville, May 28, 1665. A. E. Paris, C. P. Austria, t. 21, f° 164.

¹⁵ Letter from Grémonville to the king, Aug. 20, 1665. A. E. Paris, C. P. Austria, t. 22, f° 35.

¹⁶ *The Emperor will not be able to find the money without help from private individuals. Count Schwartzberg and the President of Finance are, alone, able to furnish it, the former privately and the latter on the credit of his friends... one and the other could accept... but the President of Finance does not want to do it... to avoid jeopardizing the property he has acquired by manipulating the finances. But he has sufficient credit, that when he wants to use it, he will find the sum at 3 per cent.*

informed Grémonville, Count Schwarzenberg, President of the Imperial Court, could lend the Emperor the needed funds. His fortune was immense, for he had come into possession of that of the Ellenbergs, the largest landowners in Bohemia, whose only heiress he had married. Moreover, he had inherited part of the property of the Archduke Leopold-Guillaume, the Emperor's uncle. Later on, and particularly after 1680, Schwarzenberg loaned important sums to Léopold I. The other lender would have been the President of the Treasury, Count Sinzendorf, a member of an old Austrian family but who nevertheless for 25 years had held positions in the Treasury. President of the Treasury (i.e. Minister of Finance) since 1656, he was widely accused of embezzlement and after several attempts, his enemies obtained his disgrace in 1680 and he was sentenced, the following year, to reimburse more than a million florins. In Vienna, everyone accused him of becoming rich at the expense of his master and his subjects. Rumour had it that the best way to get a thin horse fat was to name him President of the Treasury. In truth, Sinzendorf was also the only Treasury officer sufficiently wealthy to lend the money to his Emperor if the need arose. Almost all the Treasury personnel were recruited from this class of society so that any control was a matter of chance.

4. In fact, the solution was to come from the wealthy nobles since the Patrimonial States' Diets were not even asked for a loan, as was often the case.

A consortium backed by the Hungarian financiers Joanelli and the salt tax collector, Gariboldo, supplied the majority of the indemnity which was paid to the Duc d'Enghien¹⁷ by the Emperor while the widow of one of the wealthiest men in Hungary and Transylvania, Georges II Rákóczi, offered to buy the two dukedoms. Princess Bathory belonged to one of the most powerful families of Transylvania; a Bathory had been Prince of Transylvania and King of Poland, and her husband, Georges II Rákóczi, had hundreds of thousands of acres in both Royal Hungary and Transylvania.¹⁸ Sophie Bathory, a devout Catholic, was loyal to the Habsburgs and able to furnish a candidate acceptable both to the Queen of Poland and to the Emperor. It was thus a richly endowed member of the Order of the Magnates who backed Leopold I in this delicate matter. This attitude was surprising at a time when the Hungarian nobility, who reproved the Emperor for signing the disadvantageous Vasvár treaty, was preparing to foment revolt against him,¹⁹ but an

¹⁷ We have been negotiating the purchase of the two dukedoms in Silesia for four days with the Princess Batory, widow of Prince Ragotski. She agreed with pleasure to the proposition I made her through her agent... We ask for *the Duc d'Enghien an indemnity of two million florins*. Letter from Grémonville, May 14, 1665. A. E. Paris, C. P. Austria, t. 21, f° 137.

¹⁸ On the importance of the 'Magnates' in the society and economic life of Hungary: see J. BÉRENGER, *Les doléances de la Diète hongroise au XVII^e siècle*, Publication of the Sorbonne Paris, P.U.F., 1973, pp. 28-41.

¹⁹ The best study remains that of GYULIA VON PAULER, *Wesselenyi Ferenc Nador... összejelkévese*, vol. I, Budapest 1873 (in hungarian).

attitude that can be explained by Sophie Bothory's attachment to the Habsburgs and to the Catholic Church.

The real problem was not to find an acceptable buyer, for in the patrimonial States the aristocracy was wealthy and powerful enough to buy even the Silesian dukedoms — it was thus that Prince Lobkowitz became the Duke of Sagan and Prince Auersperg Duke of Münsterberg. The real difficulty was to find people able to pay the indemnity demanded by the Duc d'Enghien within a reasonable amount of time. At the end of May, the President of the Treasury had found only 360,000 florins at 5%.²⁰ The Emperor now had two choices:

a) draw out the negotiation until the next Diet in Poland and thus prejudice the Duc d'Enghien. Such was the advice of the majority of the Privy Council, but not that of the young sovereign, nor of his uncle, the Prince of Gonzague, President of the War Office (*Hofkriegsrat*), nor of Prince Lobkowitz, head of the Privy Council.²¹

b) raise, at all costs, the necessary 1,200,000 rhenish florins, which had been furnished by the contractors of the Hungarian copper mines, Joanelli. The negotiations lasted through the summer, presided by Count Sinzendorf, President of the Treasury, and Count Kinsky, vice-chancellor of Bohemia. In mid-September the negotiations were going well²² and a compromise was reached on September 26, 1665.²³ The Emperor would pay the Duc d'Enghien an indemnity of 1,100,000 rhenish florins, 2,200,000 french pounds; the payment would be made over 3 years:

- 600,000 florins immediately;
- 250,000 in 1666;
- 250,000 in 1667.

In fact, it was Joanelli who promised to pay these sums to Grémonville, the Duc d'Enghien's *Fondé de Pouvoir*.

The same Treasury report specifies Joanelli's intentions: annual interest of 5% for the 600,000 florins and 6% a year for the remaining 500,000, or, a

²⁰ Letter from Grémonville to the king, May 28, *op. cit.*, *loc. cit.*

²¹ Letter from Grémonville, June 30, 1665. A. E. Paris, C. P. Austria, t. 21, f° 226.

²² Seeing that they wanted the propositions that they made me in writing, as a result of the conference, I decided to make a break, so that they could not say that the matter was *resolved*. Grémonville to the king. Vienna, 19 Sept., 1666. A. E. Paris, C. P. Austria, t. 22, f° 100. Vienna, Archives of the state of Austria (Österreichisches Staatsarchiv), Archives of the Treasury (Hofkammerarchiv). Gedenkbücher 347. *Antwort an Herrn Hoffcammer Directorn, Herrn von Radolt*, 22 Sept 1665. See also the opinion of the resident of the Republic of Strasbourg, Municipal Archives Strasbourg, A A 1225, f° 82. Letter of December 9, 1665.

²³ State Central Archives in Prague - Treasury Funds - Česky dvore Kamara 1665/V liasse octobre 1665. *Antwort an H. von Radolt in Oppeln und Ratisborischer Relutionssache*.

total of 60,000 florins to be paid each year. The vice-president of the Treasury, Baron von Radolt, was designated to draw up the final conditions with Joanelli. Finally, Joanelli obtained the help of another Treasury officer who had grown wealthy in banking, Gariboldo, the salt farmer of lower Austria. He advanced 20,000 florins to Joanelli for the first term.

From the perspective of economic history, this is an interesting point: that a financier was able to raise rapidly such a sum and that he had sufficient securities to deal in such an important matter in relation to the volume of financial transactions in Vienna at the time. Although the center of business was in Slovakia, Joanelli in fact belonged to the circle of Italian bankers in Vienna. We do not know the origin of the family (Venetian? Milanese?) for the information we have both from the archives and from published sources sheds no light on this matter. In any case, Vincenzo and Benedetto Joanelli in 1641 contracted out the Hungarian copper mines.²⁴ They agreed to pay 8,000 rhenish florins per month, regardless of the quantity sold. They took responsibility for the debts of the former manager, Bernhart, since they believed they could liquidate the debts in 3 years by selling 6,000 quintals of copper per year.²⁵ Contracts were renewed up to 1653 but in 1649 the Joanelli's forced their conditions on the Treasury: they would retain 2 Reichsthaler per quintal for liquidation of the debts and pay the remaining two-thirds in black money of Polish origin.²⁶ They took in hand the working and sale of Hungarian copper, their official title being that of Consignee (*Verleger*). They agreed to pay a fixed price of 15 1/6 Reichsthaler for superior quality copper and 6 Reichsthaler for mediocre quality. Their profit came from the difference between the fixed price and the market price. But, since the start of the century, the difference was slight due to increasing competition from Swedish copper on the traditional markets of Northern Europe, Gdansk and Hamburg, from whence Hungarian copper was re-exported to Russia, Denmark and Spain. In 1631, the conquests of Adolphe closed the German market to Hungarian copper and considerable stocks of unsold copper remained in Augsburg, Frankfurt and Nuremberg. Only the patrimonial estates assured a modest opening and in Vienna it was a questioned whether it would not be better to close the mine at Banska-Bystrica (German: Neusohl).

This mine represented one of Hungary's greatest riches in terms of the royal revenue. Worked from the 14th century, the copper, silver and gold mines of present-day Slovakia were the property of Hungarian kings and as such, after 1526, came to the Habsburgs who even succeeded in preserving them from the control of the Hungarian Treasury in Bratislava, despite repeated protest from the Diet during the 16th century.

²⁴ Vienna, Hofkammerarchiv, Original contract A 200, 28 Nov., 1641.

²⁵ Viennese quintal (*Wiener Zentner*) of 56 kg.

²⁶ The *Polturacken*, SRBIK, *Der Statliche Exporthandel Österreichs von Leopold I. bis Maria-Theresia*, vol. I, Vienna 1907, pp. 42-49.

Formerly, mining rights were conceded to numerous little artisan enterprises which joined together to dig pits and galleries and to drain the water by a system of pumps. In fact, technology progressed constantly but the costs of production were high, being about 100,000 rhenish florins per year in 1600, since the mineral was subject to many treatments before it finally became copper.²⁷ These mines, moreover, were always a source of amazement to visitors, even though the mining techniques were considered State secrets and jealously guarded. The most famous work on this is the *De Re Metallica* by Georges Agricola. The English physician, Sir Edward Brown, a member of the Royal Society of London, made a thorough visit, which he reported in these terms: « *At Newsol... the greatest copperworks in Hungary, the body of the copper being very strongly united to its stone bed, or Ore, the separation of it is affected with great labour and difficulty: for the copper ore taken out of the mine is burned and melted fourteen times before that it becomes fit for use... Afterwards it is melted again in the melting furnace and at two furnaces more at Mismills, and twice at the Hammer...* »²⁸

After having visited the workshops, Sir Edward spent a day at the mine of Herrn Grundt, *a little Town Seated very high between two hills, upon a part of land of the same name, an Hungarian mile distant from Newsol...*

The veins of this mine are very large, many of them, such as are termed cumutatae, and the ore is very rich, in an hundred pounds of Ore they ordinarily find twenty pounds of copper, sometimes thirty, forty, half copper and even to sixty in the hundred...

*He (the administrator of Herren Grundt) showed me a map of that mine wherein we had spent most part of that day; and the delineations of all those places we have been at, with a scale measure the length and distances of all passages and places in the mine.*²⁹

The copper produced here had several destinations. The Emperor reserved for himself 500 quintals for canons or bells, 200 quintals were sold at reduced price to Hungarian nobles on condition that they use it themselves and not resell it.³⁰ But the greatest portion was exported and it was this commercial operation which created the greatest problem. To resolve it, the Emperor's Treasury (Ministry of Finance) had hesitated between direct administration and contracting out.

Until 1546, the Treasury retained the Fugger-Thurzó contract which had been so productive since the end of the 15th century, the first contract having

²⁷ *Ibid.*, p. 37.

²⁸ SIR EDWARD BROWN, *A brief account of some travels in Hungaria... and also some observations on the gold, silver, copper, quicksilver mines, Baths and mineral water in those parts*, London 1673, vol. I, pp. 27-38, LÉON SCHICK, *Jacob Fugger*, *op. cit.*

²⁹ E. BROWN, *op. cit.*, *loc. cit.*

³⁰ HEINRICH VON SRBIK, *op. cit.*, p. 38.

been between Jean Thurzó, Jacob Fugger and the Bishop of Pécs, Treasurer of the King of Hungary.³¹ Even after 1526 the profits continued to accumulate and the Fuggers took windfall gains from the copper mines.³² When the easily exploitable veins were exhausted, the company abandoned the copper mines and they came under direct management for a short time, (1546-1459). From 1555 to 1603 the sale of copper was assisted by Augsburg financiers, notably by the Manlichs, then the Pallers and later by Lazare Henckel von Donnersmarck.³³ However, there was a serious crisis in the copper mines in the 17th century due to trouble in Hungary and the difficulties of the international economic situation. The mines were in fact occupied three times by the Hungarian rebels, in 1604 by Bocksay, in 1619-1620 by G. Bethlen and in 1644-45 by George I Rákóczi, the latter alone having cost Joanelli 176,758 florins. But, in particular, fixed rates were imposed on production and it was estimated at the start of the century that only an annual production of 6-8,000 quintals could make the business profitable. In the beginning, the Joanellis as we have noted, hoped for the sale of 6,000 quintals; in fact, until 1650, they sold little more than 4,000.³⁴

But Andreas Joanelli did not give up. The debts of Neusohl did not prevent other capitalists from dealing with the Treasury, which was only too glad to have the Joanelli company renew the contract. At best, the presence of a German company, composed of two Ratisbonne merchants (Erdingen and Koeklatsch) and Breslau merchant (Rical), enabled the Treasury to obtain an increase in the price paid (i.e. 16½ Reichsthaler instead of 16 1/6 and 7 instead of 6). After 1650, the Joanellis regained their traditional markets in eastern Europe and by reselling at 21-22 Reichsthaler the copper for which they had paid 16½ they respected the terms of the contract, even if the Treasury seemed to lose important sums. According to Srbik, the average profit of Joanelli in 1650 was 10 rhenish florins per quintal.³⁵

After 1660, Andreas Joanelli profited from a favorable international situation, exactly opposite to that during the 30 Years' War; the Swedish-

³¹ LÉON SCHICK, *Jacob Fugger, op. cit.*, pp. 47-55.

³² Below is a table of profits in rhenish florins:

1495 - 1504	119,000
1504 - 1507	238,474
1507 - 1510	142,609
1510 - 1519	179,170
1526 - 1539	1,297,192
1539 - 1546	1,258,744

cited by SRBIK, *op. cit.*, p. 34; also LÉON SCHICK, *op. cit.*, p. 116.

³³ On the banker of Emperor Rodolf II, see article by JOSEPH KALLBRUNNER LAZARUS HENCKEL VON DONNERSMARCK in « Vierteljahrschrift für Sozial und Wirtschaftsgeschichte » 24, 1931.

³⁴ SRBIK, *op. cit.*, pp. 37-41.

³⁵ SRBIK, *op. cit.*, pp. 59.

Danish War having closed off the Sund to Swedish copper, the Neusohl copper had no competition in Hamburg and the Turkish War considerably increased the demand. It was necessary to deliver great quantities to the Emperor's arsenal to make campaign and siege guns: 500 quintals in the autumn of 1663, 136 on 14 September 1664 and 300 quintals on 15 January 1665.³⁶ Finally, the Anglo-Dutch War closed Amsterdam to Japanese copper and the price of the quintal reached 23 Reichsthaler.

It was thus a successful businessman who launched out into the great State loan of 1665. The price of copper was rising, as was demand for it, so he did not hesitate to renew the lease in 1665, 1660, 1662 and 1666. In 1671, the lease expired and was not renewed by the Treasury, since Joanelli had enemies there, notably the German financier Triangl, who accused him of embezzlement in 1668, in particular of making too great a profit at the expense of the Treasury; of exporting too much copper and of flooding Hungary with black money. Thanks to the support of Count Sinzendorf, President of the Treasury, Joanelli won his case and was acquitted.³⁷

Triangl was not alone. He was backed by the powerful Eastern Commercial Company which was attempting to regain a foothold in the Ottoman Empire, helped by the peace of Vasvár. The company finally obtained the monopoly of the trade in beef in return for guaranteeing the price of beef on Viennese markets, as is known.³⁸ It was not surprising then that Triangl tried to gain control of the other important Hungarian resource, its mines. To this struggle for influence, was added the fact that the theoreticians of mercantilism were growing in power among those closely associated with the Emperor, who had welcomed the German economist, J. J. Becher in 1665. Moreover, the Emperor and his advisors were endeavouring to clear up the finances by slowly regaining control of the different parts of the *Cameralia*. It was thus natural for the Neusohl copperworks to come under direct management.

The execution of the contract seems to have raised few problems. The money was paid on time,³⁹ although negotiations stalled until the end of

³⁶ *Kayserlicher Befelch an die Ober beamte zu Grembnitz* (today, Kremnica in Slovakia) dem Herrn Johann Andree Joanelli umb die ins Wienerische Zeughaus zu Guesung Stuckhes gelieferte 300 Centen Kupfer die pro jeden Centen dergleichen 30 fl zusammen 9 m. fl; aus aldaigen Gefölle abstatten zu lassen. Vienna, Hofkammerarchiv, Gedenbücher 427, 15 Jan 1665. *SRBIK, op. cit.*, p. 48.

³⁷ Vienna, Hofkammerarchiv, dossier UMB 15.286, 26 June 1668, cited by *SRBIK, op. cit.*, p. 58.

³⁸ HERBERT HASSINGER, *Die erste Wiener orientalische Handels-Kompagnie 1667-1683*, in « Vierteljahrschrift für Sozial und Wirtschaftsgeschichte » 35, 1942.

³⁹ *Mylord president of Finance having proposed to me in the Emperor's anti-chamber to count the money of the first term for the reimbursement of the two dukedoms, while waiting for the parties to arrive from Hungary.* Letter from Grémonville, May 6, 1666. A. E. Paris, C. P. Austria, t. 24, f° 180.

December due to the Jesuit's desire to recover 3,000,000 florins which Ladislas IV had left to them.⁴⁰ In 1670, Joanelli received a transfer of funds corresponding to the balance due to him from Treasury.⁴¹

Joanelli's social position, that of his official associate, Gariboldo, and their supposed associate, Sinzendorf is important. All three were capitalists who also held major Treasury posts. Joanelli was simultaneously a financier, an important merchant and a Treasury officer; he was named General Treasurer of Hungarian mines at the death of Baron von Chaos in 1663 which, according to the historian Srbik, really caused trouble.⁴² In 1668, despite Triangl's accusations, he was given the duties of War Paymaster (*Hofkriegszahlmeister*), which gave him full control over the « extraordinary war expenditure », the central pay department being divided between a general pay department and a war pay department.⁴³ Nevertheless, he never became a Treasury Counsel — perhaps in order to spare time for more lucrative activity, which remains obscure, for the general war treasurer often had to advance the necessary funds to pay troops and supplies. Some official sources say he was a Baron, which signified a specific social position.

The 1665 problem could not have been solved without Sinzendorf's help, and one wonders whether Joanelli was not, to some degree, a man of straw. At his trial in 1681, Sinzendorf⁴⁴ was reproached for the affair. In any event, he could not have joined forces with just anybody: he needed the support of a major company which had already proved itself (as witnessed by the copperworks contract) and was able to make substantial profits.

⁴⁰ This matter was the subject of many deliberations of the Privy Council. See also the letter from the Venetian Ambassador G. SAGREDO of Dec. 27, 1665: *Incontro però lo stesso Gramonville grande difficoltà ad ottenere gli esborse del danaro per la recupera delli duci Ducati in Silesia, opponendo li Gesuiti un credito di 300 milla fiorini conteso dal Re di Polonia, ni vogliono lipartiti propositi da Francesi a superare l'autorità di Gesuiti*. Venice, Archivio di Stato, Senato, Dispacci di Germania, filza 128.

⁴¹ *Denen Ober beambten bey der Cammer Cremnitz... die restirende 13.266 fl. 46 kr. Ihm Herrn Joanelli abstatten lassen sollen*. Vienna, Hofkammerarchiv, Gedenkücher 201, Mar. 12, 1670.

⁴² *Es war doch den Bock zum Gärtner machen*. SRBIK, *op. cit.*, p. 36. This is the view of a man of the 19th century, used to separating public and private finance. Conrad von Richthausen, Baron de Chaos was, himself, a financier, who had made Joanelli a partner in his trade in Hungarian cattle. He had been since 1649 counsel at the Treasury (*Hofkammerath*) and studied alchemy.

⁴³ For this subtle playing on the two departments, see our work: *Finances et absolutisme autrichien dans la seconde moitié du XVII^e siècle*, to be published in the Publication de l'Université de Paris in 1974.

⁴⁴ Point VII of the act of accusation against the President in 1681: he received considerable pecuniary gratification from Grémonville and betrayed the secret of the negotiations. *Theatrum Europaeum*, vol. XII, p. 161. Sinzendorf was declared guilty of this accusation by the Extraordinary Court which judged him.

* * *

Thus, at the start of his reign, Emperor Leopold's credit depended largely on his own treasury officers' financial solvency and good will. He did not yet have a truly modern credit system. Neither the Viennese bankers nor the major foreign banks helped him, partly because the funds which served as securities were already heavily taxed. Jewish merchants' in Vienna were, at the time, unable to play such a role and could only lend small sums.⁴⁵ The Diets were not yet involved in major loan operations and in the end, it was an Italian financier from Vienna who helped the Emperor at a difficult time, as Jacob Fugger had helped his ancestor in even more decisive circumstances. In both cases, it was the Hungarian copperworks which enabled a banker to risk such an important loan. Joaneli took advantage of a good contract, as Jacob Fugger had done, and also of a very favourable general situation. Since he earned an average of 10 rhenish florins per quintal, it was enough that he sell 11-12,000 quintals (i.e. 2 years' production) to indemnify himself and he was assured of recovering his initial loan in 2 years. Joaneli's risks were all the less dangerous since he did not become the Emperor's official lender. The transaction, as an isolated business, was fruitful.

On the other hand, this particular case is typical of this period, despite the volume of the transaction, and it illustrates that the Emperor's financial situation was not so desperate as is generally assumed, and as the Emperor himself liked to declare. It also shows that a skillful family of financiers could benefit from Austrian economic resources, as did the Genoese Balbi family who greatly exploited the Idria mercury mines.⁴⁶

Finally, contrary to what is often said, Hungary's economic situation was not so disastrous, since certain sectors could produce what was required for export. However (and here Hungarian historians are right), these were always raw materials — copper, silver, cattle — and Hungary already had a semi-colonial status in the Austrian economic system.

But, when the Emperor so desired he could gather together considerable resources for his general policy; and so, with the help of an Italian financier in Upper Hungary, Leopold prevented a French prince from settling in Silesia and eventually the French take-over of the Polish Republic.

⁴⁵ J. BÉRENGER, *Les Juifs et l'antisémitisme en Autriche au XVII^e siècle*, in « *Etudes Européennes* », Mélanges Tapie, Paris 1973, pp. 181-192.

⁴⁶ SRBIK, *op. cit.*

