
NOTES

Mercantilist projects to promote Transylvania's Foreign Trade at the beginning of the Hapsburg domination

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After a period of economic prosperity, of cultural flourishing and of increasing international prestige during the reign of Gabriel Bethlen and the two Rákóczi, the beginning of the second half of the XVIIth century was a period of decline in the Principality, due to the anarchical and decentralizing tendencies of the noble oligarchy, in the domestic field, and the absolute Turkish suzerainty, in the foreign. After Ákos Barcsay's and John Kemény's short reigns, the Turks appointed Michael Apafi I (1661-1690) as leader of the Transylvanian Principality. He was a weak figure, dominated by the high nobility, headed by the strong chancellor Michael Teleki who was the effective ruler of the State. But during the last decades of the XVIIth century, the decisive struggle between the Austrians and Turks took place, putting an end to the Ottoman domination in the provinces beyond the Carpathians, and so transferring them to the Hapsburg state complex. In fact, in that period a process of growth was experienced by the Empire in the centre of Europe, which, finding its expansionist policies in the West checked by the absolutist politics of Louis XIV of France, looked rather for compensations in the East. With regard to the Ottoman Empire, — a much weakened adversary whose social-economic bases were undermined by a series of irreconcilable contradictions, and which was therefore in decline economically and institutionally immobilized — Austrian policies represented a direct encroachment on Turkish power animated by a desire for self-assertion, not only political and military, but also economic.

The theorist Johann Joachim Becker effected a system of State centralization in the Hapsburg monarchy, and derived from chrysohedonism his own policy, which he tried to promote both by means of Colbertian mercantilism

— the encouraging of manufactures and industry through customs protection — and on the pattern of the English-Dutch commercial system, attempting to gain control of such regions as were rich in raw materials, and through the monopolization of markets.¹ Becker's ideas — which the Austrian ruling circles adopted — found expression in the establishment of the first Oriental Trade Company (1667) and the textile manufacture of Linz (1672), with a labour force of 4000 workers, and in the apparent desire to gain control over Hungary and Transylvania, both in possession of important natural resources. Austria's first attempts to found during the 1680's its own trade on the Danube from Komorn to Rusciuk, from whence its manufactured goods were carried as far as Constantinople, as well as the project of guaranteeing simultaneously a constant import of cattle into Wallachia and Moldavia, resulted in failure, due not only to the considerable rivalry of the French, Venetian, Dutch and English traders more versed in the Levantine trade, but also due to the manifest ill-will of the Turks.² For this reason Austria's first trading company in the East ceased its activity in 1683, the year of the siege of Vienna and of the new out-break of hostilities with the Turks. The catastrophic defeats suffered by the Turks, after the loss of Buda (1686) and their collapse in Hungary, brought the Austrians close to Transylvanian territory. The Hapsburgs did not delay in instituting their protectorate over that province, by the treaties of Vienna (June 28, 1686) and of Blaj (October 27, 1687), which virtually subjected the Principality to the Hapsburg Empire. To incorporate definitively Transylvania within the Austrian monarchy, on December 4, 1691, Leopold I put his signature to the diploma (later named the Leopoldine Diploma) which defined the status of the Principality. By that document — which represented Transylvania's authentic constitution until the XIXth century — the principles were established by which the country was to be ruled within the framework of the Hapsburg multi-national state. The terms for ruling the country and its administrative organization were laid down, as well as the economic and financial organization of the province. The treaty of peace concluded at Karlowitz in 1699 added nothing but *de jure* recognition as the Turks, defeated in the war against the Austrian - Polish - Venetian-Russian coalition, were constrained to acknowledge Transylvania's annexation to the Hapsburg Empire.

¹ WILHELM ROSCHER, *Geschichte der Nationalökonomik in Deutschland*, München, 1874, pp. 214-243.

² FR. M. MAYER, *Die Anfänge des Handels und Industrie in Oesterreich und die Orientalische Compagnie*, Innsbruck, 1882, p. 15 and following; HERBERT HASSINGER, *Die erste Wiener orientalische Handelskompagnie 1667-1683*, in « Vierteljahrschrift für Sozial- und Wirtschaftsgeschichte », Stuttgart, XXV (1942), nr. 4, pp. 1-53; I. MOGA, *Politica economică austriacă și comerțul Transilvaniei în veacul XVIII* (Austrian Economic Policy and Transylvanian Trade in the XVIIIth century), in « Anuarul Institutului de istorie națională » (The Year-Book of the Institute of National History), Cluj, VII (1936-1938), p. 86.

Although wishing to subordinate the economy of the Principality as far as possible, on the tenets of the mercantilist principles by which her policy was directed, the Austrian authorities were however obliged to demonstrate, at the start, considerable flexibility in their economic policy toward the province, and to adapt to existing peculiarities, particularly in the field of trading activity.

The important branch of foreign trade had been gradually monopolized during the preceding three decades of the XVIIth century by the Greek trading companies of Sibiu and Braşov, which possessed private capital and specialized experience in the traffic of Levantine goods.³ The large-scale enterprises of the Balkan traders (Greeks, Bulgarians, Serbians or Macedonian-Romanians) which were then established in Sibiu and Braşov, were to the detriment of the Saxon merchants, who were then ousted by and large from the commercial relationships of this south-east European province. The Saxons' attempts to recover their position by creating rival companies such as the *Societas mercatoria Cibiniensis*, — founded on January 2, 1710 but which never functioned⁴ — met with the indifference of the Hapsburg authorities, who hoped to profit from the prospering operations of the Balkanian traders in Transylvania; the latter spread also to other parts of the province, to Alba-Iulia, Cluj, Arad and Hunedoara. In fact, the officials of the « *Aerarium Regium* » * were content not only with the income the traders were providing for the fisc, through the tax that had been established on their business correspondence, but also because their active trade realized part of the intention of the mercantilist policy anticipated by the ruling circles in Vienna, namely that of having at their disposal certain centres in the East which could supply them with raw materials, and at the same time ensure a market for the products manufactured by the Empire. That is why the privileges of the Oriental company of Sibiu were consolidated by the Emperor Leopold I, on September 12, 1701. These were set forth in seven articles, i. e. that the rights and duties of the associates, who were

³ *Ibid.*, p. 104; N. CAMARIANO, *L'organisation et l'activité culturelle de la Compagnie des marchands grecs de Sibiu*, in « *Balcenia* », VI (1943), p. 210; LIDIA A. DEMÉNY, *Le commerce de la Transylvanie avec les régions du sud du Danube effectué par la douane de Turnu Roşu en 1685*, in « *Revue roumaine d'histoire* », VII (1968), nr. 5, pp. 761-777.

⁴ O. F. ICKELI, *Der Handel der Siebenbürger Sachsen in seiner geschichtlichen Entwicklung*, in « *Archiv des Vereines für Siebenbürgische Landeskunde* », Neue Folge, XXXIX (1913), I Heft, pp. 95-96; I. MOGA, *op. cit.*, pp. 107-108. In this latest work (pp. 104-105, n. 4) the erroneous information — published in some older studies — of an alleged Transylvanian trade company, existing in 1672 is corrected; it was due to the erroneous interpretation of the decision taken in the Transylvanian Diet, on October 10, 1672, which, in fact, referred to the well-known Austrian company in the East, on the Danube, which was initiated by Becker.

* A fiscal institution.

free to trade « Turkish goods » (res turcales), wholesale but not « in detail », were subject to an annual duty of 1000 Rhenish Florins to the « Aerarium », but were exempted from other currency contributions, such as the contribution for the army, the billet, etc.⁵

As a reaction to the monopoly set up by the Southern Danubian companies in the trade with the Levant, an initial project for promoting the Oriental trade of the province was formed by the well-known geographer, amateur archaeologist and diplomatist of Bologna, Count Luigi Ferdinando Marsigli, who had taken service in Austria. After 1699, he made a number of recommendations in this respect to the Hapsburg ruling circles, that looked to the nationalization of Transylvania's foreign trade which was to be organized on the initiative of the Austrian authorities and not on that of the private merchants of Sibiu and Braşov. Thus, in his *Introduzione della linea geografica e di commercio fra l'Asia e l'Europa per l'Ungheria*, the Italian scholar, after pointing out that Transylvania was connected with Hungary and with the Danubian region by numerous rivers, such as the Tisa, the Mures, the Somes, the Olt, etc., recommended these rivercommunications be used in order to compete with the maritime routes used by the French, the English and the Dutch, whose ports in the Levant, such as Smyrna and Iskenderun, represented the most intense concentrations of trade.⁶ In his memoir, Marsigli referred at the same time to the conditions of navigation on the Danube, to the land borne trade along the river and along the Rhine and the Elba, to various means of ensuring a regular traffic on the Danube and the Black Sea, to Trapezunt in Asia Minor, and back along the same river-way up to Regensburg in Germany.⁷ In brief Marsigli was trying to convince the Hapsburg authorities to resume the activity of the former Austrian Oriental Company — which had been abolished in 1683 — on a new basis, making use also of the control over Transylvania, which was to become the active centre of a rich transit trade. By utilizing the Danube and the Black Sea as far as the Anatolian sea-ports, to that end, an active trade with Persia might have been initiated, which would have competed seriously with that of the English, the Dutch and the French, all of whom would thus have been compelled to make use of longer and more complicated routes.⁸ Although the authorities of Vienna were

⁵ HURMUZAKI, *Documente privitoare la istoria românilor* (Documents concerning the History of Romanians), editor N. Iorga, Bucharest, 1913, vol. XV, pp. 1487-1489, document MMDCCCXX; I. MOGA, *op. cit.*, pp. 105-106.

⁶ MARIA E. AMALDI, *La Transilvania attraverso i documenti del conte Luigi Ferdinando Marsili*, in « L'Europa Orientale », Rome, IX (1929), p. 53.

⁷ *Ibid.*, p. 54.

⁸ See also *Trattative tra il Marsili con Re Augusto II di Polonia per ristabilire il commercio negli Stati di S. M. Caesarea* (Arch. St. Bologna, ms. 79, fasc. 2, ap. Amaldi, *ibidem*).

tempted by this project and attempted to put it into practice, Marsigli's proposals remained unfulfilled, due to the initial instability of Austrian control in Transylvania, and in particular to the Kuruczes' uprising which paralyzed for a some time contacts between the rebellious province, Hungary and the Empire.

A second project, which was both broader and easier to carry out was that of the Transylvanian chancellor Nicolas Bethlen, a supporter of the mercantilist outlook and an admirer of the principles proposed a few decades earlier in Vienna by Becker.⁹

Developing the ideas of the older project, drawn up as far back as 1670 and then modified in 1689,¹⁰ Bethlen made contact with the enterprising Italian business man Giuseppe Maria Vecelli,¹¹ in Vienna, in 1702, who later became a chamber counsellor and a director of the commercial affairs of the Empire, and who possessed a wide knowledge of Oriental trade. Bethlen also made contact with the Armenian merchant Zacharias Sedgevics, who was under the protection of the English Embassy in Constantinople, and had obtained a privilege from Emperor Leopold I to transport cloth from England to Persia, for ten years, and to bring silk from Persia, being however obliged to use the river route Hamburg-Prague-Linz-Vienna-Buda, and, from there, the land route, through Szeged, Sibiu, Wallachia, to the Levant and back.¹²

Relying on the experience of these traders and on the economic informa-

⁹ Dr. TAKÁTS SÁNDOR, *Külkereskedelmi mozgalmak hazánkban I. Lipót alatt* (Foreign Trade in Our Country under Leopold I), in « Magyar Gazdaságtörténelmi Szemle », VI (1899), pp. 441-443; Dr. LUKINICH IMRE, *Egy Erdélyi kereskedelmi társaság terve 1703-ból* (The Project of a Transylvanian Trade Society), in « Századok », XLVIII (1914), pp. 464-476; I. LUPAS, *Un proiect de organizare comercială modernă în Transilvania la anul 1703* (A Project of a Modern Trade Organization in Transylvania, in 1703), in « Libertatea », I (1933), nr. 9 (May, 5th), pp. 129-130; AL. DOBOSI, *Considerațiuni asupra istoriei comerțului ardelean în veacul al 18-lea* (Considerations on the History of the Transylvanian Trade, in the XVIIIth century), Bucharest, 1936, pp. 6-7; I. MOGA, *Politica economică austriacă...*, pp. 96-102.

¹⁰ *Ibid.*, p. 97: an extract in Latin, of a project modified in 1689 and entitled *Majoris Projecti veteris de Com[mercii] Transylvanicis* is kept in the form of a transcription, in the State Archives of Sibiu, *Brukenthal Funds*, A. 1-5, nr. 139, f. 1-4 v. (*Bethlen M. Projekt zur Verbesserung des Commerz Wesens in Siebenbürgen*).

¹¹ Vecelli was a firm supporter of the projects for activating Austrian foreign trade on mercantilist bases; he militated for the setting up of a « Collegium mercantile » in Vienna and helped the efforts to channel the prosperous international trade of the Levant by land (these efforts had been seconded by chancellor Bethlen of Transylvania himself), by means of the transit of goods from Persia and the Ottoman Empire, from the Danube and the Black Sea up to England and Holland. In this respect, Vecelli obtained also the approval of the English ambassador in Vienna, Sir Robert Sutton, who agreed with his project, in 1701. For all these, see particularly TAKÁTS SÁNDOR, *op. cit.*, pp. 439-455.

¹² TAKÁTS, *op. cit.*, p. 361; I. MOGA, *ibid.*

tion which he had at his disposal, the chancellor Bethlen championed — at the Imperial Court of Vienna — the idea of creating a Transylvanian trading company, along the lines of the Dutch East Indies Company.¹³ From the lead given by the company in the rational exploitation of gold, silver, iron, tin, copper and salt, as well as in encouraging the increase of livestock, Transylvania would have been guaranteed numerous items for export. In order to facilitate transport, certain efforts would have been needed to turn the Tisa, the Mureş, the Someş and the Olt into navigable rivers. At the same time, owing to its favourable geographic position, the country would have profited by participating in a vast transit trade in the goods being circulated from the West to the East and in reverse.¹⁴

Also, in order to eliminate the imports of western goods in Poland, Bethlen anticipated that Vienna should take the place of the town Jaroslav, thus becoming a « locus permutationis talium mercium ».¹⁵ Jaroslav was the only commercial centre in the kingdom that maintained a high level of activity — the other centres had been ruined by the anarchy and ravaged by the wars. Here the Greek merchants bought goods from England, Holland, Germany and other countries, to sell them afterwards in Transylvania and Turkey, bringing in exchange products from the Levant. The Transylvanian chancellor proposed that the western goods — which came by ship to Gdańsk and had to cross some 200 miles to reach Transylvania — should take another much shorter route (some 100 miles), through Germany (Frankfurt, Ulm or Regensburg) to Vienna, and from there, on the Danube, to Hungary and Transylvania; instead, the Transylvanian commercial company

¹³ The 9th article of the project of 1689: « Una aliqua Compagnia negotiatorum est erigenda cum omnibus personis, mediis, privilegiis, legibus et requisitis, necessariis, quod ne pluribus illustrem exemptis, sufficit Belgica Orientalis Indica Societas, quae per pauca primum fundamentum fecit, sed jam est basis illius Reipublicae, vel potentissimis cum Regibus cernantibus, Tales dantur Venetiis, Genuae et aliis in locis, cum ineffabili proventu, hic majori, hic minori, in mensura pro benedictione Dei » (Arch. St. Sibiu, *Brukenthal Funds*, A. 1-5, nr. 139, f. 1; see also I. MOGA, *op. cit.*, p. 99).

¹⁴ LUKINICH, *op. cit.*, pp. 471-474; LUPAS, *ibid.*; I. MOGA, *op. cit.*, pp. 99-100.

¹⁵ Art. 31, from the project of 1689; « Ecce quod ad pannos laneos et sericeos, aromata et quid quid denique Graeci ex Polonia advehunt id omne ex Hollandia, Anglia, Italia, Germania ac Moscovia provenit, parum valde est ex illis, quod ipsa Polonia faciat, sed ex praefatis Regnis Lipsienses, Dantiscani et Vratislaviensis Mercatores devehunt ad mundinas Iaroslavienses, quas inde advehunt Graeci in Transylvaniam et quod villius ex illis est nobis vendunt, meliora in Transylvania ne exponunt quidem sed transvehunt in Turciam. Similiter merces orientales transvehunt Iaroslaviam, et illi itidem Lipsiensibus, Dantiscanis et Vratislaviensibus et Polonis Mercatoribus vendunt, per illos porro ulterius distrahendas. Nunquam gratis Viennae nuntium accideret, quam si res eo deduci posset, ut magna illa vena derivetur Viennam, et ut ipsa loco Iaroslaviae, sit locus permutationis talium mercium » (State Archives, Sibiu, *Brukenthal*, A. 5, nr. 139, f. 3).

that was about to be founded, had to take their Levantine goods to the Principality, as far as Buda and Vienna, through Szeged.¹⁶

Although Bethlen's project was welcomed in Vienna, the Transylvanian Diet rejected it, considering it unsuitable and impractical, since the sums of money required in forming the investment funds of the future company exceeded the capital the Saxon bourgeoisie had at their disposal (about 200.000 Rhenish Florins).¹⁷ Moreover, the Diet conveyed doubt concerning the Saxon merchants' ability to participate in the Eastern trade, considering them insufficiently acquainted with it, that they risked getting the worse of their Western rivals, who were more expert in the business field, and who constituted a difficult problem when threatened by rivalry, none more so than the English. In the Transylvanian deputies' opinion, the English merchants preferred to sell their products in their own country « and if we want to buy them, they should sell them to us at the same price as they do in Vienna, and if we do not want to buy them, they should carry them where they want to, and we should only insist upon their paying the custom duty at the Transylvanian customs and not somewhere else.¹⁸

The fact that Bethlen's project was rejected does not however mean that it would have been insufficient. The influential Armenian merchant Zacharias Sedgevics, being in English service, had successfully travelled the route several times: Danube - Black Sea - Trapezunt - Persia, and back;¹⁹ Lord Paget, the British ambassador in Constantinople, followed — also successfully — the same track when returning to England, as had the English merchants of Aleppo and Smyrna who had accompanied Prince Constantin Brâncoveanu when coming back from Adrianople to Wallachia, in 1703.²⁰

Other Armenian merchants also attempted Sedgevics' proposal²¹ some

¹⁶ Art. 32: «...merces anglicanae et hollandicae ex quibus constant Aromata et panni, nunc quidem mari vehuntur Dantiscum, sed postea inde vel per terram, vel adverso flumine, per totum Poloniae longitudinem, fere per 200 milliaria vehuntur usque in Transylvaniam. Hae etiam ad famosas Francofurtenses nundinas, et inde Ulmam, vel Ratisbonam circiter 100 milliaria Terra vel partim adverso Rheno possent vehi, et mox per Danubium Viennam, et consequenter in Transylvaniam, sed de his melior potest informati accipi Viennae. Uti etiam de eo, quomodo possimus nos merces orientales per Transylvaniam transponere Szegedinum, Budam et consequenter Viennam.. (*Ibid.*, f. 3 v. - 4).

¹⁷ LUKINICH, *op. cit.*, pp. 475-476; LUPAS, *ibid.*; I. MOGA, *op. cit.*, p. 101.

¹⁸ *Ibid.*

¹⁹ TAKÁTS, *op. cit.*, p. 361; I. MOGA, *op. cit.*, p. 97.

²⁰ PAUL CERNOVODEANU, *Relațiile economice ale Angliei cu țările române în perioada 1660-1714* (The Economic Relationships between England and the Romanian Principalities, in the Period 1660-1714), in « Studii », 21 (1968), nr. 2, p. 268.

²¹ Within the conclusion of the project of 1703, chancellor Bethlen clearly stated (point 2): « Per consequens quantum ex Anglia vel Hollandia, itineris et temporibus impendendum est usque in Transylvaniam, nempe mari Amsterdamum vel Hamburgum, et inde terra Ratisbonam, inde per Danubium usque Tetel secundo flumine et a Tetel usque Albam Juliam adverso Tibisco et Marusio, sive usque ad Budam Danubio, et inde

of them under English protection, such as André Vaulierd and Joannes Christofor Hazzi or Joannes Ivan Alexi,²² who proved to be as active in their trade with the East as the Greek companies of Sibiu and Braşov.²³

Austrian efforts — as those of her supporters in Transylvania during the first years after the instauration of the Hapsburgs' authority — to found lasting trade companies in the spirit of Anglo-Dutch mercantilism failed in the specific social and economic conditions existing in that province at the time. The ruling authorities of Transylvania could not dispense with using Balkanian and Armenian intermediaries in the framework of the Levantine trade, and after the failure of the first Austrian Eastern company — abolished in 1683 — other direct exchanges between Austria and the Ottoman Empire did not take place until 1718, on the occasion of the peace of Passarowitz. In fact, it was only after the victorious conclusion of the new conflict with the Turks that the Hapsburg Empire succeeded to some extent in achieving the

per Currus Salinarios, Szegedinum vacuos redire solitos, usque Szegedinum, et inde sive adverso Marusio, per naves salinarias vacuas redire solitas, sive per terram usque Albam vel Cibinium in Transilvania, totidem diebus potest Cibinio siquis vult in Persiam ire, per Valachiam et Silestriam usque Varnam, inde per Mare Nigrum ad Trapensuntium et inde in Persiam, ita ut vel cum gravissimis mercibus possit quis, per duos ad sum[m]um menses, in Transilvaniam et inde per duos iterum menses ire in ipsam Persiam, id quod honestus mercator Zacharias Sedgevicus Suae Majestatis privilegio ad certos annos donatus, et Natione Anglus expertus est, et quod, ad distantiam inter Constantinopolim et Viennam expertus est ipsimet Excell[entiss]imus D[omi]nus Milord Paget experietur in brevi alius etiam mercatur honestus Andreas Vaulierd Suae Ma[jes]t[at]is Passibus instructus » (Arch. St. Sibiu, *Bruckenthal*, A 1-5, nr. 139, f. 18 v. - 19).

²² A few Armenian merchants, under Hazzi's leadership and Sedgevicus' encouragement, decided to change their usual route for transporting Persian silk to England through Russia and Holland (see, on this matter, Dr. K. HEERINGA, *Bronnen tot de Geschiedenis van den Levantschen Handel*, vol. II, S'Gravenhage, 1910, pp. 28-29), and to travel, instead, on the Black Sea, on the Danube and finally through Transylvania, Hungary, Austria and Germany; in 1703, they also obtained the privilege they needed, from Emperor Leopold I, in order to travel through the Empire, being obliged to pay the transit duty when reaching Vienna. The Eastern trade of the Armenian merchants was however subject to certain troubles, as a result of the hostilities which had broken out between the Kuruczes and the Austrians, which resulted in Transylvania being isolated for a while from the rest of the Empire, and the traffic of goods being interrupted; in fact, the orders of the Austrian authorities as regards customs were not obeyed by the Hungarian administrators to that the Armenian merchants' initiative met with the difficulties created by independent local bodies; see Ivan Alexi's case (1704) or that of the merchants being stopped by the custom-officers of Bratislava in 1705, — according to TAKÁTS, *op. cit.*, pp. 406-407, and I. MOGA, *op. cit.*, pp. 102-103. Concerning the trade of the Transylvanian Armenians with other neighbour countries, see also HURMUZAKI, *Documente...*, XV₂, p. 1470, nr. MMDCCLXIX, a. s. o.

²³ The Armenians had enjoyed commercial privileges in Transylvania, as far back as 1672, and in 1703 they organized a Company, — according to N. IORGA, *Studii și documente cu privire la istoria românilor* (Studies and documents concerning the History of Romanians), vol. XII, Bucharest, 1906, pp. 11-12, nr. XVIII; I. MOGA, *op. cit.*, p. 106.

aspirations embodied in the mercantilist projects of 1699 and 1703, namely that of promoting Transylvania's foreign trade. The Empire did not however lose the considerable income acquired by the «Aerarium», as a result of the Sibiu and Braşov companies' prosperous activity. The promotion of foreign trade was achieved by the commercial treaty with the Sublime Porte, on July 27, 1718, and by the founding in addition of the second Austrian Trade Company in the East, on June 27, 1719, which benefitted from a river — trade monopoly with the Ottoman Empire.²⁴

²⁴ J. DULLINGER, *Die Handelskompagnien Österreichs nach dem Oriente und nach Ostindien in der ersten Hälfte des XVIII Jahrhunderts*, in «Zeitschrift für Sozial- und Wirtschaftsgeschichte», VII (1900), pp. 47-51; E. PAVLESCU, *Meşteşug şi negoţ la românii din Sudul Transilvaniei (sec. XVII-XIX)* (Craftsmanship and Trade with the Romanians of Southern Transylvania XVII-XIX Centuries), Bucharest, 1970, p. 48.