

PETR VOREL (PARDUBICE)

Consequences of the Schmalkaldic War (1546–1547) for the modification of the tax system in the 16th century Kingdom of Bohemia*

Słowa kluczowe: król Czech, majątki, arystokracja, miasta, wojna, 1546–1547, system podatkowy, bankructwo, 1615

Keywords: king of Bohemia, estates, aristocracy, cities, war, 1546–1547, tax system, bankruptcy, 1615

Abstract: The article deals with the consequences of a political agreement between King Ferdinand I and a part of the Bohemian opposition nobility, concluded in 1547 in order to restore stability following the Schmalkaldic War (1546–1547). The change in the tax system put Bohemian royal cities and owners of large estates at a considerable disadvantage while profits from manor farming and financial services remained virtually untaxed. This tax structure, applied for several decades, resulted in a rapid increase of debts and the ultimate collapse of the entire tax system in 1615. The resulting financial crisis was resolved by the Bohemian Landtag in 1615 by declaring bankruptcy of the treasury and taking over tax collection.

The development of Central Europe was significantly influenced by the 1546–1555 power conflict in the Roman-German Empire between the Habsburgs and the Protestant opposition, which for the subsequent seven decades defined the basic framework of the religio-political, economic and cultural development that took place.

The first period of this conflict, known as the Schmalkaldic War (1546–1547), also influenced the development of the tax system in the Kingdom of Bohemia

(western part of the Czech Republic of this day). This involved both immediate consequences caused by the sanctions that were implemented against part of the Czech Estates Society in 1547 and, in addition, a change in the strategy of the royal fiscal policy that had already been in effect during the reign of King Ferdinand I of Habsburg (1526–1564), had continued under his successors and was to lead to the collapse of the tax system in 1615.

In order to correctly interpret this development, however, it is necessary to clarify the basic constitutional context; without understanding this it is not possible to logically explain the position adopted by the Czech side at the time of the Schmalkaldic War¹. In the current professional historical literature (i.e. almost anywhere that the reader searches) the constitutional relationship between the Kingdom of Bohemia and the Roman-German Empire in the 16th Century, in my opinion, is misinterpreted.

The Holy Roman Empire, as defined by the Golden Bull of Emperor Charles IV in 1356², had already ceased to exist by the mid-15th Century, despite which most of today's historical reconstruction atlases absurdly confuse the political division of Europe that took place in the mid-14th Century with the period of the reign of Charles V in the mid-16th Century (as if historical evolution had stood still for 200 years)³.

* This article is a spinoff of a paper presented during the 17th World Economic History Congress (Japan, Kyoto, 3–7 August 2015), Section 16: “War and Economy – the consequences of wartime taxation, public debts and expenditure in the late medieval and early modern period“ (organised by Marjolein't Hart and Rafael Torres Sanchez), see <http://www.wehc2015.org/pdf/allprogramme.pdf>.

¹ P. Vorel, *The War of the Princes: The Bohemian Lands and the Holy Roman Empire 1546–1555*, Helena History Press LLC, Santa Helena – California (USA) 2015.

² H. Grundmann, *Die Goldene Bulle von 1356*, [in:] *Handbuch der Deutschen Geschichte*, ed. B. Gebhardt, Bd. 1: *Frühzeit und Mittelalter*, Stuttgart 1960, § 179, p. 462–465.

³ For example: H. Rössler, *Geschichte des europäischen Staatensystems von Maximilian I. bis zum Ende des Dreißigjährigen Krieges*, [in:] *Historia Mundi – Ein Handbuch der Weltgeschichte in zehn Bänden*, Bd. VII. (Übergang zur Moderne), Bern 1957, p. 161–227, here Map „Europa am Ende des 15. Jahrhunderts“, p. 173; *Grosser historischer Weltatlas*, III. Teil: Neuzeit, ed. J. Engel, München 1962, here Maps „Deutschland zur Zeit Karls V. 1519–1556“, „Die Kreisteilung des Reiches seit dem 16. Jh.“ and „Europa im 16. Jh.“, p. 110–111; H. Lutz, *Das Ringen um deutsche Einheit und kirchliche Erneuerung (Von Maximilian I. bis zum Westfälischen Frieden 1490 bis 1648)*, Propyläen Geschichte Deutschlands IV, Berlin 1983, Map „Das Reich – Habsburg – Europa 1500 – 1540“, p. 16–17; M. Scheuch, *Historischer Atlas Österreich*, Wien 1994 (5th Edition), Map „Reformation in Österreich um 1540“, p. 63; B. Simms, *Europe: The Struggle for Supremacy 1453 to Present*, London 2013; translated into German see: idem, *Kampf um Vorherrschaft (Eine deutsche Geschichte Europas 1453 bis Heute)*, München 2014, Karte 1: „Europa um 1500“.

The long-term internal crisis of the Empire should have been resolved by a reform coupled with the election of Maximilian I King of the Romans (1486) and the subsequent establishment of the Imperial Diet (1495)⁴. This early-modern Roman-German Empire no longer included (until beginning of the 18th Century) the Kingdom of Bohemia nor its „auxiliary lands” as they were called.

The direct impetus for the separation of the Czech lands from the Empire did not come from the Czech side; it was based on a unilateral decision by the Rhineland Electors that was enforced during negotiations about implementing a pan-imperial tax for financing an army to oppose Matthias Corvinus at the cusp of 1485 and 1486⁵. The Kingdom of Bohemia had not been represented in the newly established Imperial Diet and from the late 15th Century it no longer considered itself as part of the Roman-German Empire, nor did Maximilian I consider the Kingdom of Bohemia as a part of the Empire that he ruled as an Emperor. For the Czech King there remained only the formal title of an Elector and the right to vote for the Roman King; nevertheless, from the very beginning of the existence of the Imperial Diet (1495), the Czech King was not a member of the College of Electors (as a special curia of the Imperial Diet, with only 6 members) nor did he even have any right to participate in the discussions concerning the electoral capitulation of the future ruler of the Empire⁶. In this way, the conflict between the wording of the basic imperial law of 1356 and the real political situation was resolved, based on the agreement concluded in 1489 between the Czech Estates and Vladislav Jagiello and with imperial representation⁷.

⁴ H. Angermeier, *Der Wormser Reichstag 1495 – ein europäisches Ereignis*, Historische Zeitschrift 261 (1995), p. 739–768; S. Wefers, *Der Wormser Tag von 1495 und die ältere Staatswerdung*, [in:] *Reich, Regionen und Europa im Mittelalter und Neuzeit* (Festschrift für Peter Moraw), ed. P.-J. Heinig, S. Jahns, H.-J. Schmidt, R.Ch. Schwinges, S. Wefers, Historische Forschungen 67, Berlin 2000, p. 287–304. See too: *Deutsche Reichstagsakten unter Maximilian I.*, Bd. 5: *Reichstag zu Worms*, Deutsche Reichstagsakten – Mittlere Reihe, ed. H. Angermeier, Göttingen 1981.

⁵ P. Vorel, *Český velmocenský komplex pozdního středověku*, [in:] J. Pánek, J. Pešek, P. Vorel, *Velmocenské ambice v dějinách*, Acta Societatis Scientiarum Bohemicae 1, Praha 2015, p. 15–57.

⁶ J. Pánek, *Der böhmische Staat und das Reich in den Frühen Neuzeit*, [in:] *Alternativen zur Reichsverfassung in den Frühen Neuzeit*, ed. V. Press, München 1995, p. 169–178; P. Vorel, *Die Länder der böhmischen Krone und das Heilige Römische Reich in der Frühen Neuzeit*, [in:] *Neue tschechische Interpretationen der Fragen des tschechisch-deutschen Zusammenlebens* (47. Deutscher Historikertag, Dresden 2008 – Die Vortragende der tschechischen Gastsection), ed. J. Pešek, P. Vorel, Magdeburg 2011, p. 21–32.

⁷ P. Vorel, *Státoprávní vyčlenění českých zemí ze Svaté říše římské (Důsledky říšské reformy Maxmiliána I.)*, Český časopis historický 111 (2013), p. 743–804.

Additionally, from the 15th Century no imperial taxes were paid from the Czech lands⁸ and the newly established Imperial Diet (1495) did not even count on anything like that⁹. Indeed, due to the internal political situation in the Czech lands at that time¹⁰, any requirement for the transfer of taxes outside the Czech territory would have been meaningless. During the period of the Jagiellonian Dynasty (1471–1526) the Czech tax system was entirely under the control of the Czech Estates Society, consisting of three politically defined estates, represented in three separate curiae of the Bohemian Land Diet (the higher nobility = lords; the lower nobility = knights and the politically autonomous Royal Towns)¹¹.

As a result of the repeated long periods of a power vacuum or a weak royal power that the Kingdom of Bohemia experienced during the 15th Century, at the end of the first quarter of the 16th Century the Czech King found himself with virtually no permanent income¹². He did not have access to any extensive chamber estate (medieval royal tenure – *dominium speciale* – had ceased), he could not use the churches' assets to pay his debts (in Bohemia the church assets had already been secularised during the Hussite revolution)¹³, nor was he the lord of the Czech Royal Towns (which were independent of the King as were the contemporary Imperial Towns in relation

⁸ R. Heydenreuter, *Der Steuerbetrug und seine Bestrafung in den deutschen Territorien der frühen Neuzeit*, [in:] *Staatsfinanzen – Staatsverschuldung – Staatsbankrotte in der europäischen Staaten – und Rechtsgeschichte*, ed. G. Lingelbach, Köln–Weimar–Wien 2000, p. 167–183; M. North, *Finances and power in the German state system*, [in:] *The Rise of Fiscal States: A Global History 1500–1914*, ed. B. Yun-Casalilla, P.K. O'Brien, F.C. Comín, Cambridge 2012, p. 145–163.

⁹ A. Wrede, *Reichsmatrikel von 1521*, [in:] *Deutsche Reichstagsakten unter Kaiser Karl V.*, Bd. 2, Göttingen 1962; P. Schmidt, *Der Gemeine Pfennig von 1495*, Göttingen 1989; Ch. Roll, *Das zweite Reichsregiment 1521–1530*, *Forschungen zur deutschen Rechtsgeschichte*, Bd. 15, Köln–Weimar–Wien 1996, p. 112.

¹⁰ P. Vorel, *Nationality and confession in the political life under the Jagiellonian dynasty (Contribution by Vilém of Pernštejn to the formation of a new societal model)*, [in:] *Confession and Nation in the Era of Reformations (Central Europe in comparative Perspective)*, ed. E. Doležalová, J. Pánek, Prague 2011, p. 113–122.

¹¹ J. Petrůň, *Stavovské království a jeho kultura v Čechách (1471–1526)*, [in:] *Pozdně gotické umění v Čechách (1471–1526)*, Praha 1984, p. 14–72; J. Macek, *Jagellonský věk v českých zemích (1471–1526)*, sv. 3: *Města*, Praha 1998, p. 323–376.

¹² Č. Klier, *Bernictví království Českého po válkách husitských do konce věku jagellonského*, *Časopis Musea Království českého* 79 (1905), p. 230–233.

¹³ P. Vorel, *Conditions for Integration of Central Europe at the End of the Middle Ages (1356–1495)*, *Comenius – Journal of Euro-American Civilization* 4 (2017).

to the Emperor)¹⁴ and he could not even make decisions concerning tax collection since any taxation was subject to the consent of the Land Diet.

The Royal Mint in Kutná Hora represented the only significant source of permanent income, which, thanks to the then significant mining of domestic silver, regularly supplied quality silver coins for the market. Therefore King Vladislav II and also his son Ludwig were able to use the proceeds from the Kutná Hora Mint as collateral for direct cash loans, at that time obtained specifically from domestic noble magnates. The Royal Treasury was not helped even by the discovery of rich sources of silver in the border mountains at the end of the second decade of the 16th Century (in the area in which the current town of Jáchymov/Joachimsthal is located). Any income from the mining and monetisation of extremely large amounts of silver that belonged to the King disappeared for the payment of debts to rich domestic magnates and to cover both the investment and the profit expected by the Saxon miners and the South German bankers, who operated the mining business in the Ore Mountains¹⁵. The Jáchymov coinage of that time, exported from Bohemia in large quantities to the European market in precious metals and called „tolary” (*thalers*), gave a permanent name to silver trade coins of this type¹⁶.

After the death of the childless King Ludwig in 1526 the Czech Estates Society refused to grant rights of inheritance to the Habsburgs, imposed on the basis of the Vienna Treaties of 1515. Although at that time Ferdinand of Habsburg was the only generally accepted contender for the Czech throne in Bohemia, this was with the proviso that he would be willing to undergo a formal election and accept electoral capitulation whereby he undertook to respect all the previous rights of the estates and to pay the debts of his predecessors¹⁷.

This also included the tax system, which the King could not change unilaterally, whereby, for any amendment, he had to obtain the approval of the Land Diet¹⁸. The

¹⁴ J. Pešek, B. Zilynskyj, *Městský stav v boji se šlechtou na počátku 16. století*, Folia Historica Bohemica 6 (1984), p. 137–161.

¹⁵ P. Vorel, *The political context of the origin and the exportation of thaler-coins from Jáchymov (Joachimsthal) in the first half of the sixteenth century*, [in:] *Proceedings of the XIVth International Numismatic Congress Glasgow 2009*, II, ed. N. Holmes, Glasgow 2011, p. 1778–1782.

¹⁶ P. Vorel, *From the Silver Czech Tolar to a Worldwide Dollar (The Birth of the Dollar and its Journey of Monetary Circulation in Europe and the World from the 16th to the 20th Century)*, Columbia University Press, New York 2013, p. 27–52.

¹⁷ P. Vorel, *Velké dějiny země Koruny české*, sv. VII.: 1526–1618, Praha 2005, p. 29–42.

¹⁸ V. Pešák, *Dějiny královské české komory od roku 1527*. I. *Začátky organizace české komory za Ferdi-*

Czech Land Diet was willing to contribute financially to their King, but only for the defence of the nation. This was understood primarily as defence against the Ottoman Empire, which, while it did not directly threaten the territory of the Czech lands, the Czech taxes were used for funding both the defence of Vienna in 1529 and for the subsequent wars in Hungary. In this manner, on the basis of the consent of the Land Diet, direct military expenditure was utilising all the tax revenue that King Ferdinand had obtained from Bohemia¹⁹.

The oldest aggregate tax registers of the Kingdom of Bohemia from this period are preserved²⁰. The Land Diet approved the total amount of tax that should be collected; this amount was then proportionally divided between the individual taxpayers, based on the assessed value of their landed property. The value of the property was declared by the actual holder in the form of an affidavit that was difficult to verify²¹. However, the amounts awarded are proportionate to the distribution of the land ownership between the individual owners. The creation of large-scale and consolidated estates of wealthy magnates was already taking place and at that time, for many years, the Royal Towns (as legal entities), which were also major landlords, were systematically purchasing individual villages and also entire noble estates located in their immediate vicinity. A considerable proportion of the landed property was at that time still in the possession of the gentry, however. In the vast majority of cases these were free assets (direct holdings, either independent or owned on the basis of a long-term mortgage).

nanda L, *Sborník Archívu Ministerstva Vnitřní republiky československé* 3 (1930); M. Wolf, *Královský důchod a úvěr v XVI. století*, *Český časopis historický* 48–49 (1947–1948), p. 110–171.

¹⁹ J. Pánek, *Podíl předbělohorského českého státu na obraně střední Evropy proti osmanské expanzi*, *Československý časopis historický* 36 (1988), p. 856–872; 37 (1989), p. 71–84.

²⁰ J. Heřman, *Zemské berní rejstříky z let 1523 a 1529*, *Československý časopis historický* 10 (1962), p. 248–257; V. Pešák, *Berně v Čechách roku 1527*, *Sborník Archívu Ministerstva vnitřní republiky československé* 8 (1935), p. 69–144; idem, *Berní rejstříky z roku 1544 a 1620*, Praha 1953; O. Placht, *Odhad majetku stavů Království českého z roku 1557*, [in:] *Věstník Královské české společnosti nauk* 1947, Praha 1950, p. 49–155; J. Kollmann, *Berní rejstříky a berně z roku 1567*, *Sborník archivních prací* 13 (1963), p. 169–226; F. Marat, *Soupis poplatnictva 14 krajův království Českého z r. 1603*, [in:] *Věstník Královské české společnosti nauk na rok 1898*, Praha 1899, p. 1–130; A. Sedláček, *Rozvržení sbírek a berní roku 1615 dle uzavření sněmu generálního nejvyššími berníky učiněné*, [in:] *Abhandlungen der Königl. Böhmisches Gesellschaft der Wissenschaften v. J. 1869*, VI. Folge, III.B, Praha 1870.

²¹ A. Gindely, *Geschichte der böhmischen Finanzen von 1526 bis 1618*, Wien 1868; A. Müller, *Geschichte des Grundsteuerwesens des Königreichs Böhmen seit der Urzeit bis zur Gegenwart*, Prag 1880.

The system of a dependent fief or of landed property of the Church was practically non-existent in Bohemia (except for its insignificant remnants). In this manner the assets structure of Bohemia, developed as a result of fundamental changes occurring in the course of the 15th Century, differed from all its neighbouring countries. Also, due to the division of the nobility into just two origin-defined categories either lords or knights (Imperial Prince or Count titles were not recognised in Bohemia; the rural gentry was excluded from the political system of the kingdom at the end of the 15th century), this system was highly resistant to any direct intervention by the King. Although he could easily influence individual members of the nobility, he was not able to influence the entire group meeting in the Land Diet, where the majority's decision was implemented²². Prague, which, as a very strong political element of the Czech power structure represented the interests of the majority of the Royal Towns²³, regardless of their denominational determination, was de facto making decisions in the Land Diet on behalf of these towns (of which there were forty in Bohemia)²⁴.

During the early years of his reign King Ferdinand did not have any chance to change this system. Shortly after his election, however, he did already try to ensure himself of a steady income, regardless of whether it would be income from taxes or from other sources. In parallel with the existing Estates Institutions (the Land Government, the Land Diet, the Land Court, etc.) he started to establish independent royal authorities, through whom the sovereign's influence on the financial system of the country would be strengthened. The Czech section of the Court Chamber also succeeded in becoming operational (in 1528), which kept the accounts of the Royal

²² K.J. Dillon, *King and Estates in the Bohemian Lands*, Bruxelles 1976; W. Eberhard, *Monarchie und Widerstand. Zur ständischen Oppositionsbildung im Herrschaftssystem Ferdinands I. in Böhmen*, München 1985; J. Pánek, *Das Politische System des böhmischen Staates im ersten Jahrhundert des habsburgischen Herrschaft (1526–1620)*, Mitteilungen des Instituts für österreichische Geschichtsforschung 98 (1989), p. 53–82; J. Bahlcke, *Regionalismus und Staatsintegration im Widerstreit. Die Länder der Böhmisches Krone im ersten Jahrhundert der Habsburgerherrschaft (1526–1619)*, München 1994; Vorel, *Velké dějiny*, sv. VII., p. 88–118.

²³ J. Pešek, *Prag auf dem Weg zur kaiserlichen Residenz (1483–1583)*, [in:] *Metropolen im Wandel. Zentralität in Ostmitteleuropa an der Wende vom Mittelalter zur Neuzeit*, ed. E. Engel, K. Lambrecht, H. Nogosek, Berlin 1995, p. 213–223.

²⁴ J. Janáček, *Die Städte in den böhmischen Ländern im 16. Jahrhundert*, [in:] *Die Stadt an der Schwelle zur Neuzeit*, ed. W. Rausch, Linz 1980, p. 293–309; J. Pánek, *Města v politickém systému předbělohorského českého státu*, [in:] *Česká města v 16.–18. století* (Opera Institutu Historici Pragae, Miscellanea C-5), ed. J. Pánek, Praha 1991, p. 15–39.

income and expenditure, and also examined the extent to which older debt claims raised by creditors of the King were legitimate.

After averting imminent danger from the Ottoman Empire (in 1529–1532) that was threatening the southeastern part of the Austrian hereditary lands and Vienna itself, Ferdinand I tried to implement his first reforms directed towards stabilising his financial situation in the Czech lands and to bringing in new revenues. One of his first steps was an attempt to restore the direct landed property of the King (*dominium speciale*). The Czech nobility refused to contribute to this activity, however, because most of the original medieval Royal Manors from the period of the reign of Luxemburg (like the medieval church estates) were owned by influential magnates. King Ferdinand declared, as the main reason for the reform of the tax system, his efforts to recover Kladsko/Glatz County and several principalities in Silesia in the direct possession of the Czech king²⁵. This manner of extending direct royal tenure did not threaten the property interests of the Czech nobility and therefore the proposal for a new system of direct sales taxes was adopted. The system known from the Spanish possessions of the Habsburgs as „alkabala” was adopted in the Czech environment, in a slightly modified form, in 1534²⁶. The leading Nobles assumed that this manner of taxation would mainly affect the weekly and the annual markets and that in this manner the tax burden would be transferred primarily to the Royal Towns.

The first experience of collecting this regular sales tax (which comprised various tax brackets, but included virtually all goods) showed, however, that in this manner the officers appointed by the King who supervised the collection of tax, would obtain extraordinary influence, including in regard to the aristocratic estates. The new tax was therefore collected only for a brief period; following the combined resistance of the nobility and the towns the King had to scrap „alkabala”. As the only remaining significant form of directly levied excise tax, derived from production volume, was the tax on beer production, which, at that time, was one of the most profitable areas of business in which both nobles and towns were competing with each other.

Initially the war against the main representatives of the Lutheran opposition that Emperor Charles V initiated with his military campaign in 1546, did not affect the

²⁵ P. Vorel, *Hrabstwo kłodzkie i polityka finansowa króla Ferdynanda I od lat trzydziestych do sześćdziesiątych XVI wieku*, *Zeszyty Muzeum Ziemi Kłodzkiej* 8–9 (2007), p. 96–106.

²⁶ M. Wolf, *Královský důchod a úvěr v XVI. století*, *Český časopis historický* 48–49 (1947–1948), p. 110–171; J. Janáček, *České dějiny. Doba předbělohorská. 1526–1547*, Díl I/I, Praha 1971, p. 94–105.

Czech lands at all (it was viewed as an internal war in a foreign country). By late 1546, however, it was already clear that the result of the Habsburg struggle against opposition in the Empire would also significantly affect the power situation in Bohemia. Both the belligerents counted in some manner on receiving support from the Czech side and that the direct involvement of the Czech economic potential, which had already not been affected by any wars for three generations (since 1477), could significantly influence this armed conflict.

Sympathy with the Lutheran opposition in the Empire (which was associated with their religious proximity to the neo-Utraquists and the Unity of the Brethren) prevailed in Bohemia in general, but in a contemporary context it was totally unrealistic to imagine that the Czech Estates Society would decide to directly enter into a military conflict in the Empire on the side of the Schmalkaldic Unity. This hope was supported at the Saxon Court, particularly by those active individuals whose lives were linked to the expected defeat of the Habsburgs. Prevalent in Bohemia in general, however, was a fundamental reluctance to interfere in any manner in any military conflicts taking place in the empire; all the more so in a situation in which a part of the Protestant Estates is also on the side of the Habsburgs. The Czech politicians had therefore, in every way and for as long as it was possible, resisted any formal involvement of their country in a dangerous military conflict²⁷.

In the given situation the Czech Estates did not seek a conflict with their King; at the same time, however, they were unwilling to meet his insistence regarding full-fledged military assistance in association with a war in the Empire. It was all about the money, because in regard to the manner in which wars were being waged in the 16th Century, the economic resources needed to finance mercenary army forces, in particular, had already represented the decisive element. Should King Ferdinand in early 1547 had enough of his own money to pay the troops for a war in the Empire, the conflict with the opposing Estates would probably not have arisen in Bohemia. Indeed, the war in the Empire had already fed many Czech military specialists in the service of the Habsburgs (regardless of their denominational orientation) during the year 1546.

A problem arose only when King Ferdinand, in January 1547, issued a royal decree (without discussing the matter in the Land Diet), in which he ordered, under the threat of severe punishment, a military campaign by the Czech army (which was supposed to be paid for by the domestic nobility and the Royal Towns) to help

²⁷ P. Vorel, *The War of the Princes*, p. 127–156.

the Habsburgs in Saxony. In that moment he violated the basic land law, in accordance with which the internal financial resources of a country could be used for military purposes only for the purpose of defending its own territory and not for campaigns abroad. This rule was not a manifestation of any kind of Czech pacifism in the late Middle Ages. Czech noblemen, together with their knights and squires happily marched with their King to conquer foreign countries or to defend the foreign interests of their sovereign, but the King had to pay them well for that.

The Royal Mandate of January 1547 sparked widespread and well-organised protests, which were espoused by a substantial majority of the Estates Society. Since March 1547 the rebel committee had already had its own army available, ready to defend the country if the military forces of Charles V operating in neighbouring Saxony tried to enter Bohemia. The rebels were negotiating about cooperating with the Elector of Saxony, though they did not directly support him militarily. They did not prevent the Saxon Army from seizing the Jáchymov mining area, however, where significant reserves of newly mined silver were present²⁸.

Most of the Czech Estates did not link the future of their country with the development of the military situation in the Empire, but during March 1547 (when the Habsburgs were losing in the war) the Estates' proposal for fundamental reforms was prepared, based on the adoption of which at the forthcoming Land Diet in April the rebel camp conditioned its acceptance of the continuance of King Ferdinand on the Czech throne.

After the defeat of the Estates opposition in the Empire (at the Battle of Müh- lberg on the 24th of April 1547) King Ferdinand, on the contrary, was in a better position and began to threaten a military invasion of Bohemia by Habsburg troops, should the Czech Estates opposition renounce their demands. At the same time he also did not want to risk another military conflict with an uncertain outcome, nor he did want to let the country, which was not war-torn and then represented Ferdinand's only operatively usable immediate source of income, be plundered and robbed by the Italian and Spanish mercenaries of his brother Charles V.

In order to avoid a military conflict in Bohemia, the King offered a compromise solution to a group of noble leaders, which, after long consideration, was adopted. In order to maintain their Estates privileges and property the noble leaders left their temporary allies from the Royal Towns without assistance; they had also agreed

²⁸ P. Vorel, *European merchant trading firms and the export of the precious metals from the Kingdom of Bohemia during the 16th century*, [in:] *Mercantilism, Account Keeping and the Periphery-Core Relationship*, ed. Ch. McWatters, London–New York 2019, p. 49–60.

to apply sanctions against the Unity of the Brethren, whose members formed the nucleus of the rebel committee. The King, on the contrary, accepted certain demands of the Czech nobility, e.g. an adjustment of the monetary conditions, the election of his son Maximilian, who was known for his attachment to the Lutheran faith, as the new King of Bohemia (King Ferdinand counteracted the weight of this election however by ordering that Archduke Maximilian was not to be allowed to enter Czech territory during the lifetime of his father), but also requirements of an economic nature. Based on their implementation, the noble members of the Estates Society resolved their long-standing disputes with the towns, related to the operation of the markets, the production of handicrafts and other economic activities that, during the late Middle Ages were still restricted solely to towns. The agreement on the “reconciliation” of King Ferdinand with the noble part of the Czech Estates Society influenced the development of the tax system in the country over the long-term.

The Estates opposition alliance was abolished at a meeting of the Land Diet in May and during August 1547 the sovereign launched a series of lawsuits, the goal of which was primarily to obtain direct financial resources in the form of fines or through the confiscation of landed property²⁹. The strategic intent, which changed the political structure of the country, was to subject the Royal Towns (which until then were completely autonomous) to Royal authority and to control their economic resources. The King chose the form of high cash fines, the confiscation of all landed property and the loss of all the privileges that Royal Towns in Bohemia had before 1547. In a broader context, these were manifestations of the same anti-town government policy that the Habsburgs had applied in their hereditary lands (Vienna), the Netherlands (Gent) or in Spain³⁰. The noble faction of the opposing Estates was only slightly affected, as compared with the Royal Towns. The King confiscated all the property of the Estates leaders who emigrated from the country in 1547. In regard to those who stayed and who in 1547 were involved in the Estates Committee he conducted only partial confiscation and in regard to the rest of property he made a change from free to fief assets as the ownership category.

During the year 1547 King Ferdinand succeeded (mainly based on the economic potential of the Czech Royal Towns) to obtain operating funds (usually in cash) of

²⁹ A. Rezek, *Statky zkonfiskované r.1547 a jejich rozprodávání*, Památky archeologické a místopisné 10 (1874–1877), p. 451–482; 12 (1882–1884), p. 165–172.

³⁰ P. Vorel, *Sankce vůči českým královským městům roku 1547 v kontextu habsburské politiky první poloviny 16. století („Gentský ortel“ v politické propagandě stavovského odboje)*, *Theatrum Historiae* 16 (2015), p. 41–60.

in excess of 1 million Rhine florins, i.e. roughly twice the amount spent from the resources for waging the Schmalkaldic War. In addition, he acquired landed property, significantly expanding the complex of directly owned Royal Property (and thereby also the amount of money flowing out of its proceeds into the Royal Treasury). The remaining portion of the confiscated items he was selling off gradually at their full market value. After 1547 he was also fully in control of the extraction and the distribution of Jáchymov silver, which, until the mid-forties had de facto been controlled by foreign investors and their domestic partners (almost all from the Lutheran environment). After 1547 the sources of Royal revenues were also significantly expanded by the newly introduced export and import duties, levied at the borders of the country, and also by the only significant excise tax, paid by the producers of beer (i.e. the towns and the nobility). The amount paid was derived from the volume of the production, regardless of the quality of the product.

By accepting this „beer tax” (which was collected by officials appointed by the King) the nobility met the requirements of the sovereign for expanding the possible sources of Royal revenues, since beer production, despite this permanent taxation, amounted to a profitable business activity (for which previously Royal Towns, or the owners of townhouses that included the right for beer production, had a production monopoly). After 1547 the production of beer in Bohemia was quickly dominated by the nobility due to the consistent zoning of pubs on their estates, while the sales from town brewing remained restricted solely to the respective towns (which in 1547 lost their rural estates). The agreement with the King in 1547 concerning creating conditions for dispensing with the competitive urban production of alcohol paid off well for the nobility; the beer tax was paid fairly regularly and its correct amount was relatively easy to check³¹.

With these new sources, after 1547 King Ferdinand did not need to enforce any substantial changes to the main parts of the tax system, on the form of which the Land Diet continued to decide. The development of the main pillar of the Czech tax system (the land tax) during the second half of the 16th century became stalled in a late medieval form, which created extremely favourable conditions for the large noble estates (the development of which the towns stopped hampering after 1547), whose economic activities were actually invisible to the tax system. The basis for the calculation of the critical parts of the noble land tax remained either the number

³¹ P. Vorel, *Frühkapitalismus und Steuerwesen in Böhmen (1526–1648)*, *Anzeiger der philosophisch – historischen Klasse, Österreichische Akademie der Wissenschaften* 137 (2002), p. 167–182.

of liege farmhouses on the estate (but without identifying their economic quality; a large farmyard was taxed at the same rate as a cottage with a small area of land) or the conservative value of the entire estate.

The determination of this value was problematical, however, since substantial parts of noble estates were held by individual families for several generations and the current value of the property was not ascertainable based on the sales of sub-estates recorded by the Land Court (in the Land Files). To calculate the value of the estate a nominal capitalisation of the income from feudal rent was therefore used (the annual obligation of retainers towards the landlords, implemented as cash payments, in kind or as forced labour), taking into account the statutory maximum interest rate, since 1543 only 6% (previously 10%). The regular income from retainers (i.e. a steady salary) was for tax purposes (even at the beginning of the 17th Century) still accounted in the value of the estate as fifteen fold, even if the fair value (both market and appraisal) ranged much higher (already in the late 16th Century, commonly thirty or forty-fold).

The system for calculating the tax base only marginally reflected the main sources of income that after 1547 noble enterprises increasingly became (large-capacity farmyards, producing grain for export; large-scale breweries that had secured the forced purchase of their production within the estate; sheepfolds, distilleries, mills, etc.). It was therefore advantageous for the nobility to buy out homesteads from their retainers (thereby decreasing the input data for the calculation of the tax base) and to establish farmyards in their place. The profitability of these businesses was guaranteed by the high demand for their produce in the international market, since based on its connection to the Elbe trade route the Kingdom of Bohemia also began (like other countries in the region) to experience „the war economic boom”, prompted by the rising prices of agricultural commodities and of other products since the last third of the 16th Century (both sides in the war conflict in the Netherlands were able to pay well and in a timely manner for their goods)³².

Also this crooked manner of collecting land tax was approved by the Land Diet on behalf of the King and the actual collection was carried out by the Estates themselves. It was therefore a barely efficient system, very lengthy, with hard-to-recover

³² E. Šimek, *Die Zusammenhänge zwischen Währung und Handel in Böhmen des 16. Jahrhunderts*, [in:] *Der Aussenhandel Ostmitteleuropas 1450 bis 1650 (Die ostmitteleuropäische Volkswirtschaften in ihren Beziehung zu Mitteleuropa)*, Köln 1971, p. 229–245; J. Petráň, *Die Mitteleuropäische Landwirtschaft und der Handel im 16. und am Anfang des 17. Jahrhunderts (Abhandlungen über Probleme und Methoden)*, *Historica* 18 (1973), p.105–138.

tax arrears, and also unfair because proportionately it burdened the nobility much more³³. The proceeds from the land tax were also primarily designated solely for the defence of the country, at that time against the Ottoman Empire. Meanwhile the Hungarian battlefields were absorbing virtually all the tax revenue of the Kingdom of Bohemia.

To ensure higher incomes, the King began to use the system of forced loans, primarily in relation to the Royal Towns. The most significant example of this process was a transaction from 1560. The amount of 400 thousand thalers that King Ferdinand needed to pay for expanding his Chamber Dominions in the Elbe area (a Pardubice Estate)³⁴, had to be collected and provided irrevocably to the sovereign by the Royal Towns. From the mid-16th Century, the Czech Royal Towns (as legal entities) were in a state of permanent indebtedness, since any monetary assets that these towns received, were immediately drained away by the Royal officials in the form of forced loans. After 1547 Czech towns also ceased to fulfil their role as major players in the world of credit operations, given that the free public market in loans in the Czech lands had been paralysed by the activities of the Royal Chamber and had become part of the economic „grey zone” (for example by the medium of the Jewish loans, because the Christian loans were limited by the maximum interest rate).

In the case of noble loans the sovereign was in a tougher situation. To some extent, he could also demand loans (especially if a nobleman requested something from the King), but if someone was a creditor of the King, he could declare these assets instead of making tax payments (i.e. to gradually deduct tax from his assets credited to the King, which he was supposed to pay based on the resolution of the Land Diet). This, of course, greatly reduced the effectiveness of direct tax collection³⁵ and although the tax officials registered the high tax arrears of someone (for which there was a threat of the confiscation of his property), these assets were often just „written off” to be deducted from the money previously borrowed by the sovereign. However, as long as the Royal Chamber at least paid the interest on the borrowed money (6%), this was not a substantive issue³⁶.

³³ O. Placht, *České daně 1517–1652*, Praha 1924; M. Wolf, *Nástin správy českých berní v době předbělohorské*, [in:] *Sněmy české*, XI/2, Praha 1954.

³⁴ P. Vorel, *Velké dějiny*, sv. VII., p. 303–305.

³⁵ A. Míka, *Majetkové rozvrstvení české šlechty v předbělohorském období*, *Sborník historický* 15 (1967), p. 45–75; V. Bůžek, *Majetková skladba šlechty v předbělohorských Čechách*, *Hospodářské dějiny* 14 (1986), p. 175–216.

³⁶ P. Vorel, *Landesfinanzen und Währung in Böhmen (Finanz – und Münzpolitik im Spannungsfeld von*

A problem occurred in the early 17th Century, however, when the sovereign was unable to repay either the „main amount” (the amount borrowed) or the interest. Almost all the great magnates were creditors of the King, so even if the Diet approved the collection of land taxes, in fact not much money was collected because the creditors (who were often the largest taxpayers) simply subtracted their tax obligation from their assets (that were virtually unrecoverable from the Royal Court). That is to say that Royal debts were not guaranteed by anything. While the nobility, based on law, guaranteed their debts against their landed property (if they issued promissory notes of a higher value than the cost of their estates, this was a felony for which they could be executed), Royal debts were virtually unrecoverable.

Therefore at the end of the reign of Rudolf II, a novelty appeared in the tax system, which was represented by separately announced taxes intended for the reimbursement of the Royal debts. This procedure actually only confirmed formally an entirely new situation that had occurred in the tax system. The King had vouched for his loans in the Czech lands based on his expected future tax revenue. The main leaders of the Noble Estates who participated in political life (meaning participated in the Land Diet and voted), were mostly creditors of the King, regardless of their denominational affiliation. Therefore they accepted the King's request to announce taxes that they should pay from which his debts would be paid, since they also expected from such a process the settlement of their own unpaid receivables.

From a political standpoint, however, this procedure was perceived as being dangerous because it took from the hands of the Estates opposition its main means of exerting pressure, i.e. the approval of taxes. Regarding the above procedure, the King had already „collected” the taxes „in advance” in the form of loans guaranteed by income tax. During the political crisis of the Habsburg Monarchy (1608–1611) the tax system therefore constituted one of the principal topics (apart from the issue of religion) on the basis of which the Czech Estates Society made the election of Archduke Matthias as the King of Bohemia conditional.

King Matthias, however, long after his arrival on the throne delayed the convening of the Land Diet, which was entitled to address these issues. In times of financial stress³⁷ he acted like his older brother Rudolf II, the only difference being that no-

Ständen und Königtum während der Regierung Ferdinands I. und Maximilians II.), [in:] *Finanzen und Herrschaft (Zu den materiellen Grundlagen fürstlicher Politik in den habsburgischen Ländern und im Heiligen Römischen Reich im 16. Jahrhundert)*, Veröffentlichungen des Instituts für österreichische Geschichtsforschung, Bd. 38, ed. F. Edelmayr, M. Lanzinner, P. Rauscher, München–Wien 2003, p. 186–214.

³⁷ T. Winkelbauer, „*Das Geld ist sanguis corporis politici*“. *Notizen zu den Finanzen der habsburger*

body in the Czech lands wanted to lend him money. Therefore he borrowed abroad, but he guaranteed his debts against the tax income from Bohemia. This situation escalated and the Czech Estates opposition chose an atypical, though at that moment very effective, economic measure.

In 1615 the Czech Land Diet declared the financial bankruptcy of their King. The Estates had frozen all the sources of the Royal income throughout the country and had forbidden the King to continue dealing with the Royal landed property. The management of the chamber estates was controlled by their officials who were required to ensure that the proceeds of these estates were effectively managed. Furthermore they established a committee to examine the legitimacy of the sovereign's debts. They were only accepting „domestic” debts, those that the King had with members of the Czech Estates Society. All the financial liabilities that Matthias von Habsburg had outside the Czech territory (hence also the debts „inherited” from Rudolf II) were rejected with the notification that these should be reimbursed from other sources of the Habsburg income, not from Bohemia³⁸. The total amount of „domestic” debts accepted amounted to 1,5 million thalers. The Land Diet approved a new tax for this amount, spread over a period of five years (1616–1620); of that money, however, the sovereign was supposed to receive only a „personal allowance” in the amount of 20 thousand thalers during this period, not a groschen more. The Royal Chamber was not to receive any money from Bohemia until the above debts had been paid (which in the best case would be in the autumn of 1620). This was one of the reasons why after 1615 Emperor Matthias relocated permanently from Prague to Vienna.

In 1615 the Czech Estates opposition was at the pinnacle of its position of power. It dominated the Land Diet, had the most liberal denominational law in Europe („Rudolf's Charter” from 1609) and in 1615 completely governed the tax and financial systems of the country. The implementing regulation attached to the resolution of the Czech Land Diet concerning the financial bankruptcy of the King from 1615 even anticipated a situation in which the Estates take control of the country into their own hands, as did happen in 1618³⁹. At that time they already had an „escape

und zur Bedeutung des Geldes im 16. und 17. Jahrhundert, [in:] *Geld. 800 Jahre Münzstätte Wien*, ed. W. Häusler, Wien 1994, p. 143–159.

³⁸ P. Vorel, *Zwycięzcy i pokonani w walce o spłatę długów władcy w Czechach w 1615 roku*, [in:] *Zwycięzcy i przegrani w dziejach średniowiecznych i wczesnonowożytnych Czech i Polski*, ed. W. Iwańczak, D. Karczewski, Kraków 2012, p. 209–217.

³⁹ T. Winkelbauer, *Nervus Belli Bohemici (Die finanziellen Hintergründe des Scheiterns des Ständeaufstands der Jahre 1618 bis 1620)*, *Folia Historica Bohemica* 18 (1997), p. 173–223.

plan” available that had been discussed and approved by the Land Diet, about how to deal with taxes (also usable for financing the Estates troops) in the event of the occurrence of a government crisis⁴⁰.

The formal election of Archduke Ferdinand of Styria (Ferdinand II) as King of Bohemia during the lifetime of Matthias II (in 1617) was therefore not considered by most of the Czech Estates as representing any immediate threat, since the heir to the throne did not have any legal instruments available whereby he could overrule the superiority of Estates, and in his electoral capitulation he committed himself to observe all the applicable legal standards. Therefore also the decision of the Land Diet from 1615 concerning the amendment of the tax system and the imposition of creditor administration on all the Royal revenues until further notice (i.e. until the King pays all his debts), which at that point in time was absurd.

The Habsburg camp decided for a power solution, the pretext for which became the demonstrative disapproval on the part of the Czech Estates of the Royal religious policy in the country (specifically the violation of religious freedom), demonstrated by an unsuccessful attempt at the physical destruction of the Royal Governors from amongst the members of the domestic gentry in 1618. A military attack as a response to the political gesture from Prague, though risky for the Habsburgs, seemed at the time to be the only way in which to keep any power influence in the country in the future. This is to say that for Ferdinand II no diplomatic compromise solution of the „Czech issue” had any sense, because (regardless of the denominational context) it would not alter the basic economic problems, which were the lost sources of Royal income, contrived by the opposition Estates Society⁴¹. This context then became fully evident after the Estates Rebellion (1620), which was followed principally by large-scale land confiscation, the cancellation of the sovereign’s debts to creditors from the Czech opposition nobility and the targeted depreciation of the currency, leading to rapid inflation and its subsequent collapse in 1623.

⁴⁰ P. Vorel, *Die Fiskal – und Währungsstrategie der böhmischen Stände in den Jahren 1609–1618*, [in:] *Religion und Politik im frühneuzeitlichen Böhmen – Der Majestätsbrief Kaiser Rudolfs II. von 1609*, Forschungen zur Geschichte und Kultur des östlichen Mitteleuropa, Bd. 46, ed. J. Hausenblasová, J. Mikulec, M. Thomsen, Stuttgart 2014, p. 133–140.

⁴¹ P. Vorel, *Чешская налоговая реформа 1615 года и экономический фон начала «чешской войны» (1618 г.)*, [in:] *Три даты трагического пятидесятилетия Европы (1598–1618–1648): Россия и Запад в годы Смуты, религиозных конфликтов и Тридцатилетней войны*, ed. В.Д. Назаров, П.Ю. Уваров, Москва 2018, p. 74–86.

Nadeslány: 26 II 2018

Nadeslány po popravkách recenzijných: 30 III 2018

Zaakceptowany: 4 IV 2018

Prof. PhDr. Petr Vorel, CSc.

Ústav historických věd Fakulty filozofické Univerzity Pardubice

Studentská 84, 532 10 Pardubice

Petr.Vorel@upce.cz

Consequences of the Schmalkaldic War (1546–1547) for the modification of the tax system in the 16th century Kingdom of Bohemia

In the middle of the 16th century, the historical development of Central Europe was heavily influenced by the power struggle between the House of Habsburg and the Protestant opposition in the Holy Roman Empire (1546–1555), shaping the religious, political, economic and cultural direction for the next seven decades. The first part of this conflict (the so-called Schmalkaldic War of 1546–1547) also affected the development of the tax system in the Kingdom of Bohemia. The sanctions had immediate consequences for a part of the Bohemian Estates in 1547; on top of that, there was a change in the fiscal policy strategy, introduced under the reign of King Ferdinand I (1526–1564). The political agreement between King Ferdinand I and the aristocratic part of the Estates' opposition was clearly aimed against the cities. The newly introduced tax system clearly favoured manor farms at the expense of urban economy. It also put aristocrats owning vast estates with numerous subjects and a small proportion of farm production at a major disadvantage. Despite a few minor modifications, this basic tax structure remained unchanged for several decades. Its unbalanced proportional set-up led to long-term indebtedness of royal cities and large aristocratic domains and the growing importance of creditors whose profits defied the tax system. Accompanied by a rapid increase of the sovereign debt at a time when the Imperial Court resided in Prague (1583–1611), these discrepancies resulted in a collapse of the tax system and rejection of foreign royal debts secured by future revenues from the Bohemian Kingdom in 1615. In the same year, the Bohemian Estates' opposition took over the administration of all royal revenues in Bohemia (including the revenues from state-owned estates) as well as tax collection. The royal treasure received virtually no money from the Kingdom of Bohemia until all the royal debts were paid (planned for 1615–1620). This fundamental change in the tax system was one of the principal economic causes of the subsequent military measures adopted to solve the power crisis in Bohemia between 1618 and 1620.