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The Economic and Financial Policy of Ferdinand I. in Bohemia

Abstrakt v anglickém jazyce

The economic and financial policy of early modern state influences its military and foreign policy, cultures and other life's aspects of its inhabitants. Ferdinand's accession to the throne meant turning point at the above mentioned aspects. It would be highly simplified to mark year 1526 just as a change of ruling dynasty. Ferdinand I., the second son of Jane who was Spanish heiress and Philip who was Burundian ruler, learned advanced administration and at first he started to apply it in Austria after death of his grandfather Maximilian I. After his election victory he started to apply it also in the Kingdom of Bohemia. In 1522 the Blood Judgment in Vienna showed King's tolerance with separation of powers and his conception of solution of a dispute with liege people.

The king's authority was weak in the Kingdom under the Jagiellonian rule. Most of power was in hands of few elites and there was tension between aristocracy and king's towns because of economy (brewing) and political power. Since 1490 Jagiellonian kings had governed from Buda in Hungary and had visited Kingdom of Bohemia rare. The last king named Louis II. deceased during the battle of Mohács in 1526. Although Jagiellonian dynasty and House of Habsburg concluded marriage settlements, Czech nobility refused heirdom of Anna, Ferdinand's wife.

Election dealings took place in backstage mostly. Qualifiers tried to gain votes for them with fiscal promises. Nobility put forward their conditions which on the one hand acknowledged current state. On the other hand these conditions also overcame it partly. They supposed that new king would pay everything from his own sources. Ferdinand's idea was totally in opposite. However his deputies had to agree with the above mention otherwise his candidature was hopeless. After his election he started to stand out against these conditions.

The king's economic foundation, so-called chamber-goods, was in decay. At the beginning of his reign he had just five domains (Podebrady, Kolin, Krivoklat, Tachov and Kadan) and these were also bounded to many creditors. New founds of rich silver mines in Ore Mountains belonged to nobles. Monarch was the biggest obligator and the maturity of debts was assessed in 1527. However he succeeded with his condition to qualify the validity of debts with nobles' help. Ferdinand I. had to use the coronation tax for paying the above mention debts.

Ferdinand's first step was reorganization of economic and financial administration. He

was inspired by the Courtly Chamber and established Bohemian Chamber in March 1528. This authority was competent for all economic tasks and its duty was improvement prosperity of the Kingdom. The authority was not under the supervision of Bohemian nobility. Instructions for activities were issued in 1527, 1530 and 1548. The most serious problems of new authority were that estates of the realm regarded with skepticism or ignored it. The Chamber had to ask the King for help very often. The Chamber's fonds were very important for my thesis, because it was center of king's economic and financial policy.

The whole reign of Ferdinand I. was stigmatized by conflicts with Ottomans and in Holy Roman Empire. The costs of war were the biggest problem for Ferdinand's treasury and periodical argument at the sittings of Bohemian assemblies.

It is possible to document repetitious crisis during the reign of Ferdinand I., which verged on his insolvency. First of them came in his accession to the throne and improvement could be noted after 1530. The causes of crisis were weak economic situation of the king, too many debts and disregard for the Chamber. The improvement occurred after revenue's stabilization.

The thirties were very important due to the fact that Ferdinand I. tried to change the system of taxation and the legal regulation of mining in 1534. Based on the document Accord on Mountains and Metals (*Narovnani o hory a kovy*) the King traded off mining low metals (non-ferrous metals), but higher metals (gold and silver) belonged just him. As we said very important was the change of the taxation's system from tax on property to sales tax. The sales tax appeared from Spanish *alcavala* and was influenced by French and Italian taxes. Ferdinand I. wanted to create permanent financial resource for his policy. Proceeds were believed to be in amount of half million gulden in three years. New tax was supported by nobles because it was paid by towns mainly. Primary resource was beer's sale. However implementation of the tax started a new crisis because it was ignored widely. It was stop in 1535 and cancelled later. A lack of funds was replaced by new debts at native and foreign creditors. It conducted to reducing of economic foundation of the Kingdom. We can note that debts as a financial resources were used very often.

The Fortieth could be described as years of increase of animosity between King and his nobles. For example Jan from Pernstejn, Moravian hetman, criticized the King in his open letter already in 1539. The peak of the crisis was unsuccessful uprising committed by part of Bohemian nobles and towns. In 1541 the Great fire damaged also large parts of Prague's cities. Prague castle was also badly damaged and many of official documents (incl. fonds of the Chamber) were destroyed. It was renewed with a cooperation with the Courtly Chamber

which sent back important document for transcript. The victory over the uprising gave chance the King to change the system. Seizure of towns' and nobles' properties, permanent beer's tax and subsidizing nobles in financial tasks brought him gain. The worth of seized properties was valued around one million gulden. In 1528 became Ferdinand, the second King's son, Bohemian governor. Nevertheless the economic and financial policy had not been improved because the king supposed to get all financial resourced for himself.

We found many revenues' and expenses' checklists for Bohemia and Upper Lusatia in the Fifties. Debts were very often transferred from last month to new one. On the one hand it meant that expenses were larger than revenues. On the other hand it is necessary to note that large revenues came in the Chamber in certain terms only. New crisis began in 1555 when the Chamber wrote the King that they did not receive neither cash nor declaration since January. Native and foreign creditors threatened with seizure of King's property or judgment against guarantees. At the end of the fifties had begun a negotiation about acquisition of Pardubice's domain between the King and Jaroslav from Perstejn. Total sum was approximately round half million groschen. It was necessary to initiate new loan from native nobles, towns and foreign bankers.

In the Sixtieth Ferdinand I. governed just four years. The buy the above mentioned domain was finished and king's duties were transferred to Maximilian II., firstborn son, who replaced him as new Bohemian king after 1564. However lands of Austria were divided out Ferdinand's sons and Maximilian lost silver mines in Tyrol. Due to the above mentioned fact the importance of the Kingdom of Bohemia increased. National debt was approximately twelve millions gulden according R. Hildebrand.

Ferdinand I. ascended the throne in the Kingdom which was not used to enforcement of king's power. The nobles supposed that he monarch would pay everything from his own sources, increase Kingdom and do not reduce their own power and liberties. Ferdinand supposed contrary. We have to submit that total winner was the King. He broke towns' power, enforced permanent beer's tax and many bureaucracy authorities. He took advantage of particularism in the Kingdom. However he was not able to use his resources wisely because he did not want to invest in the Kingdom and he used them just for himself.