

The *Interessegulden* of 1635. Styria's First Tax on Credit Transactions¹

So much credit and just one tax. Introduction

At the beginning of the 16th century the Knights of *Mosheim* started their career as creditors, credit brokers and bailiffs.² In 1583 Caspar of Mosheim was engaged in money lending to iron ore merchants on the Styrian *Erzberg*, and borrowed money to the Styrian nobility.³ Their neighbors, the Knights of *Stainach* were part of the *Mosheim's* credit network. The family of *Stainach* itself established credit connections to several other noble women and men in the region of the Styrian *Enns* - valley.⁴ Sabina *Prattinger*, the owner of the estate of Hart in the *Mürz* – valley, who died in 1634 on the one hand lend money to many different members of the local nobility. On the other hand she borrowed money from merchants and even from her servants.⁵ All of these Styrian noblewomen and noblemen had one thing in common. Out of a rural and agricultural background they acted on a dense credit market. A statement, originally meant to describe the English credit system in early modern times seems to be true for Styria and its credit networks as well: Everybody from the top down to the bottom of the early modern society was engaged in lending and borrowing money.⁶ The creditors' income generated by credit transactions that yielded interest soon caught the attention of the tax authorities. In 1635 the first tax on credit was successfully introduced in the Duchy of Styria.

This paper is based on the analysis of this tax. The fact, that credit was a widespread phenomenon in early modern times could be seen by the many different approaches of current literature towards this topic. By discussing an inimitable source, this paper strongly differs from what is currently discussed by scholars focusing on early modern credit markets. This paper does not deal with credit transactions of the ruling noble families.⁷ Bills of exchange, used especially by international merchants, are not discussed in this paper.⁸ Oral credit,⁹ credit negotiated within the walls of cities

¹ This paper is based on research on the early modern credit market in the duchy of Styria. This research was funded by the Jubiläumsfonds der Oesterreichischen Nationalbank, the Steirische Gesellschaft für Kulturpolitik and the Historischen Landeskommission für Steiermark.

² Klaus Ehrlicher: Die Könige des Ennstals. Die Geschichte der Hoffmann, Freiherrn zu Gruenpüchel und Strechau und ihre Verbindungen im Adel der Erbländer, unpublished PhD-Thesis, Innsbruck 1972, p. 68-75.

³ StLaA, LR 757, H 2, Inventar nach Caspar von Mosheim, 20. – 23. August 1583.

⁴ StLaA, LR 1223, H 5, Inventar nach Wolf Andree von Stainach, 20. Juli 1615; StLaA, LR 1223, H. 5, Inventar nach Hans Friedrich von Stainach.

⁵ StLaA. LR 921, H. 8, Inventar nach Sabina Prattinger, geborene Khärner, 16. 02.1634.

⁶ Craig Muldrew: Zur Anthropologie des Kapitalismus. Kredit, Vertrauen, Tausch und die Geschichte des Marktes in England 1500-1750, in: Historische Anthropologie 6,2 (1998), S. 167-199, hier 182.

⁷ Peter Rauscher: Kriegsführung und Staatsfinanzen. Die Habsburgermonarchie und das Heilige Römische Reich vom Dreißigjährigen Krieg bis zum Ende des habsburgischen Kaisertums (Geschichte in der Epoche Karls V. 10). Münster 2010; Peter Rauscher, Zwischen Ständen und Gläubigern. Wien-München 2004; Friedrich Edelmayer/Maximilian Lanzinner (Hg.): Finanzen und Herrschaft. Materielle Grundlagen fürstlicher Politik in den habsburgischen Ländern und im Heiligen Römischen Reich im 16. Jahrhundert (Veröffentlichungen des Instituts für Österreichische Geschichtsforschung 38). Wien-München 2003.

⁸ Hilario Casada Alonso: Credito y comercio en las ferias de Medina del Campo en la mitad del siglo XVI, in: Elena Maria Garcia Guerra/Guiseppa de Luca (Hg.): Il Mercato del Credito in Eta Moderna. Reti e operatori finanziari nello spazio europeo. Mailand 2009, S. 21-47; Gerald Grommes: Netzwerke und Geschäftsstrukturen

and towns,¹⁰ credits taken by the magistrates of towns,¹¹ or the fate of farmers and cottagers engaged on credit markets are not described here.¹² My paper characterizes another social group acting in a rural environment. It's the small noblemen sitting on their estates all over the Styrian countryside that this paper aims to shed a light on. It makes me wonder, why a book, giving an overview on the medieval and early modern credit markets in western Europe does not even mention the role on the credit markets of the nobility living in rural environments.¹³ By focusing on this particular social group my paper tries to close this gap and discusses the social and economic implications of credit on the early modern Styrian nobility residing in rural areas.

The first part of my paper pictures the social circumstances and market mechanisms on the Styrian credit market. The second part is almost purely economic: By focusing on the ratio between coins in circulation and the total value of the bills of obligation my paper goes far beyond the ideas having yet been discussed to describe the economic implications of the engagement of the early modern nobility on the credit market. Up to now descriptions of the economic circumstances of the nobility, residing in rural areas, ended up by seeing these noblemen caught in a vicious circle of debt and default, or by seeing them successfully financing the purchase of estates and life at court on credit.¹⁴

kastilischer Messebankiers im 16. Jahrhundert, in: Gabriele Clemes (Hg.): *Schuldenlast und Schuldenwert. Kreditnetzwerke in der europäischen Geschichte 1300-1900* (Trier Historische Forschungen 65). Trier 2008, S. 85-107; Markus A. Denzel: *The European Bill of Exchange. Its Development from the Middle Ages to 1914*, in: Sushil Chauduri/Markus A. Denzel (Hg.): *Cashless Payments and Transactions from the Antiquity to 1914*. Stuttgart 2008, S. 37-68.

⁹ Craig Muldrew: *The Economy of Obligations. The Culture of Credit and Social Relations in Early Modern England*. Basingstoke 1998, S. 63-64 u. S. 96.

¹⁰ Beate Sturm: „wat ich schuldig war“. *Privatkredit im frühneuzeitlichen Hannover (1550-1750)* (VSWG-Beihefte 208). Stuttgart 2009; Muldrew: *Obligations*.

¹¹ Harm von Seggern/Gerhard Fouquet (Hg.): *Städtische Finanzwirtschaft am Übergang vom Mittelalter zur frühen Neuzeit* (Kielener Werkstücke: Reihe E, Beiträge zur Sozial- und Wirtschaftsgeschichte 4). Frankfurt a. M. 2007, S. 75-93; Bernd Fuhrmann: *Der Haushalt der Stadt Marburg in Spätmittelalter und früher Neuzeit (1451/52-1622)*. St. Katharinen 1996.

¹² Stefan Sonderegger: *Bauernfamilien und ihre Landwirtschaft im Spätmittelalter. Beispiele aus Untersuchungen zur ländlichen Gesellschaft der Nordschweiz*, in: *Zeitschrift für Agrargeschichte und Agrarsoziologie* Jg. 60,2 (2012), S. 35-57; Bas van Bavel: *Manors and Markets. Economy and Society in the Low Countries 500-1600*. Oxford/New York 2010, S. 181-193; Chris Briggs: *Credit and Village Society in Fourteenth-Century England*. Oxford/New York 2009; Phillipp Schofield/Thijs Lambrecht: *Credit and the Rural Economy in North-Western Europe, c. 1200-c. 1850* (CORN Publication Series 12). Turnhout 2009; Chris Briggs: *The Availability of Credit in the English Countryside 1400-1480*, in: *Agricultural History Review* 56 (2008), S. 1-24; Bronislaw Chocholac: *Güterpreise, Verschuldung und Ratensystem. Eine Fallstudie zu den finanziellen Transaktionen der Untertanen bei Besitzübertragungen im späten 16. und im 17. Jahrhundert*, in: Markus Cerman/ Robert Luft (Hg.): *Untertanen, Herrschaft und Staat in Böhmen und im „Alten Reich“*. Sozialgeschichtliche Studien zur Frühen Neuzeit, (Veröffentlichungen des Collegium Carolinum 99). München 2005, S. 89-125.

¹³ Gabriele B. Clemens: *Die Omnipräsenz von westeuropäischen Kreditbeziehungen in Mittelalter und Neuzeit*, in: Gabriele B. Clemens (Hg.): *Kreditnetzwerke in der europäischen Geschichte 1300-1900* (Trier Historische Forschungen Bd. 65). Trier 2008, S. 9-19, hier: S. 11.

¹⁴ John Habakkuk: *Marriage, Debt, and the Estate System. English Landownership 1650-1950*. Oxford/New York 1994; Lawrence Stone: *Family and Fortune. Studies in Aristocratic Finance in the Sixteenth and Seventeenth Centuries*. Oxford 1973; Keith M. Brown: *Noble Society in Scotland. Wealth, Family and Culture from Reformation to Revolution*. Edinburgh 2000; Josef Hrdlicka: *Kommunikation durch Geld. Zur Rolle des Kredits am südböhmischen Adelshof der Frühen Neuzeit*, in: Gerhard Fouquet/Jan Hirschbiegl (Hg.): *Hofwirtschaft. Ein ökonomischer Blick auf Hof und Residenz in Spätmittelalter und Früher Neuzeit* (Residenzforschung 21). Ostfildern 2008, S. 361-380; Josef Hrdlicka: *Herrschaftliche Amtsträger als Klienten und Patrone im frühneuzeitlichen Böhmen? Kommunikation im Dominium der Herren von Neuhaus, Slawata und Tschernin (1550-1730)*, in: Stefan Brakensiek/Heide Wunder (Hg.): *Ergebene Diener ihrer Herren? Herrschaftsvermittlung im alten Europa*. Köln/Wien/Weimar 2005, S. 145-163.

My paper will point out, that credit substituted cash on various occasions and functioned as a hidden engine of economic development. This engine did not only work for city merchants exchanging goods all over Europe. This engine boosted living standards and economic possibilities of the nobility sitting on the Styrian countryside as well.

A long story told in brief: early modern Styrian capital returns taxes from 1537 to 1635

Before we start to point out the implications of credit on the social and economic life of the Styrian nobility, the discussions that led to the implementation of the first tax on credit in Styria are to be reflected. In 1537 the assembly of the estates decided, that everyone who held bills of obligation or comparable instruments had to be taxed as follows. For every 200 fl¹⁵ the creditor had to contribute to the dukes troops by sending in one armored horse. In addition to the contribution to the troops the creditor had to pay one Kreuzer per every 200 fl he had lent to his debtors. Due to a lack of sources, it remained unclear, if this tax brought in any money.¹⁶

The next step taken to tax credit transactions in Styria flushed in 361 lb 2 ß 2 d to the tax office's chest. In 1542 the assembly of the estates decided to tax creditors as well as noblemen who held *Pfandherrschaften*.¹⁷ All creditor and *Pfandherren* had to pay one percent of the principal. Due to the fact, that almost all noblemen who did not at all admit what money they borrowed to their private debtors, only the *Pfandherren* were taxed successfully. Nevertheless, the conclusion drawn by Mensi that credit did not play an important role in the early modern Styrian economy and therefore any tax on credit was bound to flop can be proved wrong easily.¹⁸

According to my opinion, simply the fact that the Styrian assembly of the estates merely discussed about such a tax proves the importance of credit for the Styrian economy in the 16th century. The Styrian nobility was used to lending and borrowing money. In the same year, on the session of the assembly of the estates in February 1542, the assembly decided to borrow money from creditors in Styria and aboard to raise money needed to pay what the duke requested them to pay.¹⁹ Already at the beginning of the 16th century two of the most important noble creditors of the Habsburgs, Hans *Hofmann* of *Grünpichel* and *Strechau*, who held the office of the *Schatzmeister – General*²⁰ and the Styrian Governor *Siegmund* of *Dietrichstein* and *Hollenburg*, resided in the duchy of Styria. *Hofmann* and *Dietrichstein* definitely used their bailiffs as credit brokers! Both of them used a wide network of

¹⁵ For any sort of money the German abbreviations were used in this paper: fl stands for guilder, ß for Shilling and d for pence, kr for Kreuzer, lb for pound. One guilder equals one pound or 240 pence or 60 Kreuzer. 30 pence equal one shilling.

¹⁶ Franz Freiherr von Mensi: *Geschichte der direkten Steuern bis zum Regierungsantritte Maria Theresias*, Bd. 2, Graz/Wien 1912, p. 232-233; Günther Burkert: *Ferdinand I. und die steirischen Stände. Dargestellt anhand der steirischen Landtage 1526-1541*, unpublished Phd-thesis, Graz 1976, p. 207.

¹⁷ *Pfandherrschaften* = Estates pawned by the duke to noblemen.

¹⁸ Mensi: *Steuern* 2, p. 233.

¹⁹ Anita Ziegerhofer: *Ferdinand I. und die steirischen Stände. Dargestellt anhand der Landtage von 1542 bis 1556*, unpublished PhD thesis, Graz 1992, p. 69.

²⁰ *Schatzmeister* = General: Highest office at the Habsburg's public finance department.

credit and obligations to support the Habsburgs with fresh money.²¹ *Dietrichstein* and *Hoffmann* moved enormous amounts of money. *Dietrichstein* for instance raised 34.258 fl to pawn the estate of *Kammerstein* in 1528.²² In the same year *Hoffmann* spent 24.000 fl to pawn the estate of *Strechau*.²³ Although the capital return tax of 1542 was collected just in this very year,²⁴ *Mensi*, the godfather of Austrian tax history, was wrong in believing that credit was of no importance to the Styrian nobility in the 16th century. In almost every year following the year of 1542, the duke requested the taxation of the *Pfandherren*, but the Styrian assembly of the estates constantly rejected his wish.²⁵

In 1551 the duke again tried to impose a tax on credit transactions. The arguments of the estates against the wish of her lord were quite interesting. They argued that in case credit transactions were taxed, the creditors would immediately call in their money and many of the Styrian noblemen, who were heavily indebted, would have to sell their property. 1551 saw no new tax on credit in Styria.²⁶ The argument of the assembly of the estates proved that these days credit was of high importance to the Styrian nobility. A sudden withdrawal of credit was seen as a severe danger to the landlord's economies. Due to the fact, that the assembly of the estates accumulated 40.000 fl²⁷ until 1551, there was no chance to claim that credit was of no importance to the Styrian economy. During the assembly session nobody dared to argue that taxing credit transaction was a useless maneuver.

Six years later, the next attempt to tax credit transactions was taken by the duke. This time again the assembly of the estates successfully defended its position and rejected the attempt of their lord. Their main argument might remind us on topics discussed in recent years: A tax on credit in Styria would have led to an exodus of capital to places where credit markets were not taxed by the authorities. 1576 the argument of an imminent capital flight led to the rejection of the next attempt to impose a tax on credit. In 1594 the duke and the assembly of the estates agreed on a tax on credit transaction. This tax was collected only in this year. Most of the creditors did not declare the amount of capital they had invested. Hence, this tax was a disappointing failure.²⁸

²¹ Martin Khull-Kholwald: Die ökonomische Rolle der Pfleger in der Steiermark und in Kärnten im 16. Jahrhundert, unpublished MA thesis, Graz 2007, p. 76-101.

²² Konrad von Moltke: Siegmund von Dietrichstein. Die Anfänge ständischer Institutionen und das Eindringen des Protestantismus in der Steiermark zur Zeit Maximilians I. und Ferdinands I., Göttingen 1970, p. 294.

²³ Ehrlicher: Hoffmann, p. 68; Hannes P. Naschenweng: Wann erlosch das Geschlecht der Freiherrn Hoffmann von Grünbüchel und Strechau?, in: ZHVSt 88 (1971), p. 101-171, here p. 141.

²⁴ Ziegerhofer: Ferdiand, p. 68.

²⁵ Zeigerhofer: Ferdinand, p. 68.

²⁶ Mensi: Steuern 2, p. 234; Ziegerhofer: Ferdinand, p. 172-174.

²⁷ Ziegerhofer: Ferdinand, p. 57.

²⁸ Mensi: Steuern 2, p. 234-237.

The *Interessegulden* of 1635 was no failure at all. In this year the duke and the assembly of the estates agreed on taxing credit transactions under the following circumstances:

- Everybody who lent principals worth 25 fl or more had to pay this tax
- From the interest due each year every 6th guilder had to be paid to the tax authority
- Citizens had to pay every 3rd guilder of the interest they earned every year
- Every nobleman had to declare his income generated by credit transactions by himself
- Citizens had to report their yearly income gained by lending money to the magistrate. The magistrates had to report to the tax authorities
- Everybody who charged 5% or less for lending money was exempt from this tax
- In case of debts interest paid to other creditors reduced the base for tax
- Farmers were generally exempt from paying this tax²⁹

According to the declarations of the nobility and the magistrates 21.714 fl were to be paid to the tax authority.³⁰

Taxpayers and a list of exempt women and men. Styrian creditors and their social background

21.000 fl were quiet a lot of money in 1635. In this chapter we take a closer look on the people who paid, and on the people who did not pay. We learnt already, that the citizens of the Styrian towns were not listed by names in the source on which this paper is based on. The *Interesseguldenanschlagbuch*³¹ listed all people by name, which in addition to their income generated by credit transaction yielded money from landed property. Besides the list of taxpayers, the *Interesseguldenanschlagbuch* contains a second list with the names of these people, who were exempt from paying this tax.³²

The list with the names of the people exempt from paying the *Interessegulden* is quite informative, if we aim to describe the social context of the typical Styrian creditor. In the end we will see, that even if we strictly focus only on creditors, who possess landed property, that there is no typical creditor at all. On top of the list we find the governor of Styria, Karl Count of *Saurau*.³³ On the bottom of the list we find a man, who was responsible for the distribution of supplies to the troops in the small town of *Radkersburg* named *Wolff Krautz*.³⁴

²⁹ Mensi: Steuern 2, p. 239-241.

³⁰ Mensi: Steuern 2, p. 246.

³¹ StLA, Laa. A. Ant. VI, Sch 311, *Interesseguldenanschlagbuch* von 1635.

³² StLA, Laa. A. Ant. VI, Sch 311, *Interesseguldenanschlagbuch* von 1635, fol. 36-42.

³³ StLA, Laa. A. Ant. VI, Sch 311, *Interesseguldenanschlagbuch* von 1635, fol. 36.

³⁴ StLA, Laa. A. Ant. VI, Sch 311, *Interesseguldenanschlagbuch* von 1635, fol. 42.

Karl *Saurau*, who served as the Governor of Styria from March 1635 until June 1648,³⁵ reported to the tax authorities that he overextended himself and his financial means by purchasing the estate of *Oberstainach*. In his letter to the tax authorities he skillfully avoided to name any solid details and figures, but insisted, that he had to pay several thousand guilders more to his creditors, than he received from his debtors.³⁶ Karl of *Saurau* definitely spent a lot of money on *Oberstainach*. To purchase this estate, he paid 52.000 fl to the former owner of this estate.³⁷ *Oberstainach* was not the only purchase on the Styrian land market, which *Saurau* made in the last 15 years before 1635.³⁸ In fact, he was a big player on the Styrian land market.

Saurau's active role on the credit market can be described by a spectacular deal he made in 1626. By the way this deal gives us a detailed look on the mechanism determining the Styrian credit market in general. This mechanism can be briefly described as a network of mutual obligations. In 1606 Hans *Wolf* of *Strein* and Hans *Christoph* of *Putterer* sued Hans *Friedrich* of *Stainach* because of unpaid debts. *Strein* and *Putterer* foreclosed the estate of *Grünbichel*, formerly belonging to the defendant. 20 years later Karl of *Saurau*, who was the main creditor of both of the new owners of *Grünbichel*, sued his debtors for unpaid debts and foreclosed *Grünbichel*, before he again resold it to *Putterer*.³⁹ Neither *Putterer*, nor *Strein*, nor Count *Saurau* nor any other member of the Styrian nobility played only one role on the Styrian capital market. Every creditor on the market had to borrow money from other creditors. Mutual borrowing was the key mechanism to the market.

There was one exception to the rule of mutual obligations. If the lord credited his tenants, he was not willing to incur mutual dependency. *Hannibal* of *Heberstein*,⁴⁰ who died in 1615, aimed to strengthen the dependency of his tenants and to balance losses he had to suffer because he was not able to increase rents.⁴¹ His rental income totaled 158 fl 7 B 5 d.⁴² Tenants held their land on *Kaufrecht*.⁴³ Their entrance fee was one third of the estimated value of the farm.⁴⁴ The new tenant needed credit for the entrance fee as he needed credit to disburse his coheirs.⁴⁵

They tenants took credit from their lord. On eight pages the probate inventory of *Hannibal Herberstein* listed 33 bills of obligation signed by his tenants worth 4.032 fl in total. *Hannibal* was able to raise his income significantly by the interest paid by his tenants. In the year before his death

³⁵ Hannes P. Naschenweng: Die Landeshauptleute der Steiermark. 1236-2002, Graz, 2002, p.

³⁶ StLA, Laa. A. Ant. VI, Sch 314, Schreiben des Karl Graf von Saurau an die Verordneten, o. O., 4. Juli 1635.

³⁷ Robert Baravalle: Burgen und Schlösser in der Steiermark. Unveränderter Nachdruck der 1961 erschienenen Ausgabe, Graz 1995, p. 432.

³⁸ Baravalle: Burgen, p. 230, p. 322, p. 407, p. 446.

³⁹ Baravalle: Burgen, p. 412.

⁴⁰ StLA, LR 378, H.1, Inventar nach Hannibal von Herberstein, 18MAY1615.

⁴¹ Walter Brunner: Von Grundherren und Untertanen. In: Walter Brunner (ed.): Geschichte und Topografie des Bezirkes Judenburg, Issue 1 (=Große geschichtliche Landeskunde der Steiermark 4), Graz 2008, p. 90-135, here p. 117.

⁴² SAM, Urk. Nr. 1591, Verkaufsurbar Pusterwald, Graz, 16JAN1589.

⁴³ Compareable to the English copyhold of inheritance.; Johann Tomaschek: 700 Jahre Pusterwald. Ortsgeschichte und Häuserbuch, Pusterwald/Gröbming 2004, p. 43.

⁴⁴ Tomaschek: Pusterwald, p. 46.

⁴⁵ Klaus-Joachim Lorenzen-Schmidt: Kredite für Bauern der holsteinischen Elbmarschen (1350-145). In: Klaus-Joachim Lorenzen-Schmidt (ed.): Geld und Kredit in der Geschichte Norddeutschlands (=Studien zur Wirtschafts- und Sozialgeschichte Schleswig-Holsteins 43), Neumünster 2006, p. 143-157, here p. 144; Helmut Feigl: Die niederösterreichische Grundherrschaft vom ausgehenden Mittelalter bis zu den theresianisch-josephinischen Reformen. Wien 1964, p. 68-69.

he at least earned 145 fl. If we assume that that none of his tenants was able to pay off their debts, *Hannibal's* heirs gained 189 fl in 1615 and 242 fl in the following year. In the year before his death the interest he earned from 33 tenants almost equaled the rents he received from all of his 65 tenants in *Pusterwald* and *Bretstein*.⁴⁶ The credits they took deepened their dependency to their lord and strengthened the general inequality between the landlord and his tenants. Without this particular maneuver on the credit market, Hannibal Herberstein was not able to make up losses caused by inflation and fixed rents.

The deals of the biggest fish, on the list of people exempt from paying the *Interessegulden*, Count *Saurau*, helped us to take a close look on market mechanism. The example of Hannibal Herberstein showed us, that the rule of mutual obligations had its exceptions if it came to lords lending money to their tenants. The biggest fish on the list of the taxpayers will show us another important fact. Georg Ludwig Count of *Schwarzenberg* inherited almost all of his fortune from his wife, *Anna Neumann* of *Wasserleonburg*, who died in 1623.⁴⁷ *Anna Neumann's* fate (as well as the fate of her mother) proved how independently noble women acted on the Styrian credit market.

In early modern times it was the norm, that women inherited parts of the dowry of their mothers.⁴⁸ Most of the heritage was transferred to the daughter by bills of obligation.⁴⁹ After the death of her first husband *Anna's* mother started to invest money into credit transactions. During her second marriage she used to keep her own account books and regularly balanced her accounts against the accounts of her husband,⁵⁰ as it was the case in most of the marriage at that time.⁵¹ *Anna's* mother was a successful player on the early modern credit market. *Anna Neumann* started her career as a creditor not only on a few bills of obligation she inherited from her mother.

In 1566 she married *Christoph* of *Liechtenstein*. *Christoph's* father was heavily indebted to *Anna's* mother. Via this marriage *Anna* gained access to 37.000 fl of the debts of the family of *Liechtenstein*. Later on she bought land burdened by heavy debts from the family of her husband. The most important part of the *Liechtenstein's* demesne, purchased by *Anna Neumann* was the estate of *Murau*. Via her dense network of obligations she skillfully cleared debts of the family of *Liechtenstein*; hence she did not have to use much cash to pay for *Murau* and all the other property she bought.⁵²

⁴⁶ StLA, LR 378, H.1, Inventar nach Hannibal von Herberstein, 18MAY1615, f. 25-32.

⁴⁷ Wolfgang Wieland: *Anna Neumannin von Wasserleonburg. Die Herrin von Murau*, Murau 1999, p. 71-71.

⁴⁸ Anke Hufschmidt: *Adelige Frauen im Weserraum zwischen 1570 und 1700. Status – Rollen – Lebenspraxis*, Aschendorf/Münster 2001, p. 289.

⁴⁹ Beate Sturm: „wat ich schuldig war“. *Privatkredit im frühneuzeitlichen Hannover (1550-1750)*, (=VSWG-Beihefte 208), Stuttgart 2009, p. 52; Beatrix Bastl: *Haus und Haushaltung des Adels in den Österreichischen Erblanden im 17. Und 18. Jahrhundert*, in: Ronald G. Asch (ed.), *Der europäische Adel im Ancien Regime. Von der Krise der ständischen Monarchie bis zur Revolution (ca. 1600-1789)*, Köln/Weimar/Wien 2001, p. 163-285, here p. 277.

⁵⁰ Wieland: *Neumannin*, p. 15-17.

⁵¹ Detlev Kraak: *Der Aufstieg der Rantzaus von regionalen Geldgebern in Nordelbien zu Finanziers der europäischen Politik im 15. Und 16. Jahrhundert. Adel und Königtum im Spiegel von Schuldbuch, Verschreibung und Kredit*, in: Gerhard Fouquet/Jan Hirschbiegel et al. (ed.): *Hofwirtschaft. Ein ökonomischer Blick auf auf Hof und Residenz in Spätmittelalter und früher Neuzeit (=Residenzforschungen 21)*, Ostfildern 2008, p. 381-403, here p. 395.

⁵² Wieland: *Neumannin*, p. 26-34.

Definitely *Anna Neumann* was one of the most important and most successful creditors at her times. In the year of her death Emperor Ferdinand II. owed 220.000 fl to her. The most important problem she had to overcome was the fact that she had no heir. To solve this problem she married *Georg Ludwig* Count of *Schwarzenberg* in 1617. At this special wedding the bride, marrying a bridegroom aged 31, was 81 years old. Via a deed of donation, authenticated by the Emperor, she transferred all her fortune to her husband *Georg Ludwig of Schwarzenberg*.⁵³ Without this donation *Schwarzenberg* most probably would have been listed at the end of the taxpayers in the *Interesseguldenanschlagbuch*. The autonomous, self confident and skillful way of *Anna Neumann* investing money on the early modern credit market made him a rich man.

Anna Neuman's life proved the high self confidence⁵⁴ as well as the high reputation⁵⁵ of women in early modern Styria. The actual position of a person in early modern society was not exclusively determined by titles. The account books played an important role in defining the status of individuals in society.⁵⁶ *Anna Neumann's* high reputation can be felt even today in the region of Murau. Today's inhabitants of Murau and its hinterlands still refer to the "Lady of Murau" with great respect.

Anna Neumann's fortune – inherited by Count *Schwarzenberg* – was not the only fortune generated by female skills on the credit markets of Styria. Position number six on the list of the taxpayers in the *Interesseguldenanschlagbuch* was held by *Ursula* Countess of *Thannhausen*. She was taxed for capital worth 48.000 fl.⁵⁷ Another example of high female financial skills and extremely high female self confidence was found in the small town of *Rottenmann*. As we learnt, citizens were not allowed to report directly to the tax authorities. *Margarete Fetscher*, female inhabitant of *Rottenmann* did report directly⁵⁸ to the tax authorities. She was taxed for capital worth 16.000 fl.⁵⁹ All other inhabitants of the town of *Rottenmann* were taxed for 6.350 fl all together.⁶⁰ Even the Provost of *Rottenmann*, who held landed property and therefore was able to report directly to the authorities, was a poor man in comparison to *Margarete Fetscher*. He was taxed for capital worth 1.600 fl.⁶¹

As shown in chart 1, *Margarete Fetscher* and *Ursula Thanhausen* were not the only female creditors taxed on their invested capital. Nunneries and female individuals made up 24% of the taxpayers of the *Interessegulden* in 1635. It shall not be concealed that women were quite often named within the group of individuals investing just little money on the capital market. Out of 57 taxpayers paying 20 fl or even less, 20 taxpayers were female individuals.⁶²

⁵³ Wieland: Neumannin, p. 66-72.

⁵⁴ Hufschmidt: Adelige Frauen, p. 300.

⁵⁵ Hufschmidt, Adelige Frauen, p. 399.

⁵⁶ Gerhard Fouquet: Adel und Zahl – es sy umb klein oder groß. Bemerkungen zu einem Forschungsgegenstand vornehmlich im Reich, in: Harm von Seggern/Gerhard Fouquet (ed.): Adel und Zahl. Studien zum adeligen Rechnen und Haushalten in Spätmittelalter und früher Neuzeit (=Pforzheimer Gespräche zur Sozial-, Wirtschafts-, und Stadtgeschichte 1), Ulbstadt 2000, p. 3-24, here p. 6.

⁵⁷ StLA, Laa. A. Ant. VI, Sch 311, Interesseguldenanschlagbuch von 1635, fol. 3'.

⁵⁸ StLA, Laa. A. Ant. VI, Sch 316, Schreiben des Magistrats Rottenmann an die Verordneten, Rottenmann, 17JUL1625.

⁵⁹ StLA, Laa. A. Ant. VI, Sch 311, Interesseguldenanschlagbuch von 1635, fol. 10.

⁶⁰ StLA, Laa. A. Ant. VI, Sch 316, Schreiben des Magistrats Rottenmann an die Verordneten, Rottenmann, 17JUL1625.

⁶¹ StLA, Laa. A. Ant. VI, Sch 311, Interesseguldenanschlagbuch von 1635, fol. 10'.

⁶² StLA, Laa. A. Ant. VI, Sch 311, Interesseguldenanschlagbuch von 1635.

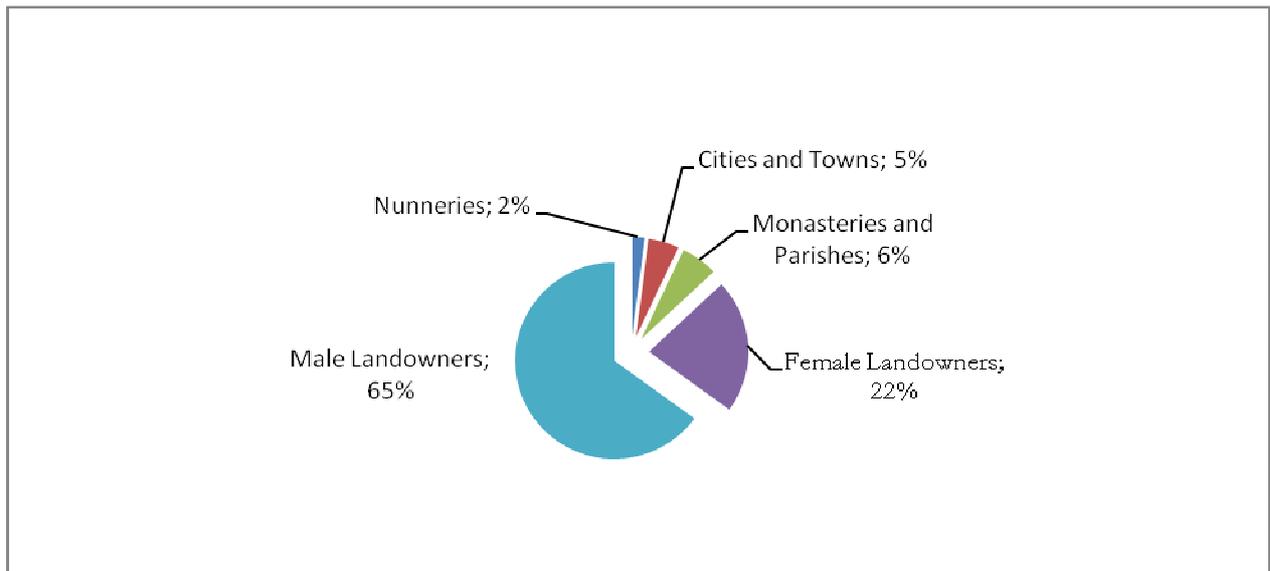


Chart 1: Taxpayers by number (percentage) and social group. Source: *Interesseguldenanschlagbuch of 1635*

The high portion of female taxpayers that were listed in the group of taxpayers investing little money on the credit market was put into the right perspective, if we used the amount of taxes paid by individuals and especially if we compare the amount of taxes paid by female taxpayers to the amount of taxes paid by cities and towns. At the first glance, chart 2 gave us the impression that female taxpayers paid less taxes than the city dwellers did.⁶³ If we take into consideration that cities were obliged to pay a rate twice as high as (male and female) landowners, we immediately see a different picture. 14% of the taxed principal was in the hand of female individuals. All the Styrian male and female city dwellers were taxed for 8,5% of the capital invested in Styria in 1635. The economic weakness of urban areas in Styria in early modern times can be explained by the fact that trade and commerce faced westwards to the Atlantic Ocean⁶⁴ and that the Ottoman Empire partly blocked trade in the eastern part⁶⁵ of Styria.

⁶³ StLA, Laa. A. Ant. VI, Sch 311, Interesseguldenanschlagbuch von 1635.

⁶⁴ Renate Pieper: Zur Anbindung Innerösterreichs an die atlantischen Märkte in der frühen Neuzeit (1670-1758), in: Ulrike Tischler-Hofer/Renate Zedinger (Hg.): Kuppeln – Korn – Kanonen. Unerkannte und unbekanntes Spuren in Südosteuropa von der Aufklärung bis in die Gegenwart. Innsbruck/Wien/Bozen 2010, S. 175-186; Johann Andritsch: Judenburg. Stadtchronik, Judenburg 1989, S. 146

⁶⁵ Rudolf Pertassek: Pettau. Die älteste steirische Stadt, Graz/Wien 1992, p. 50-59.

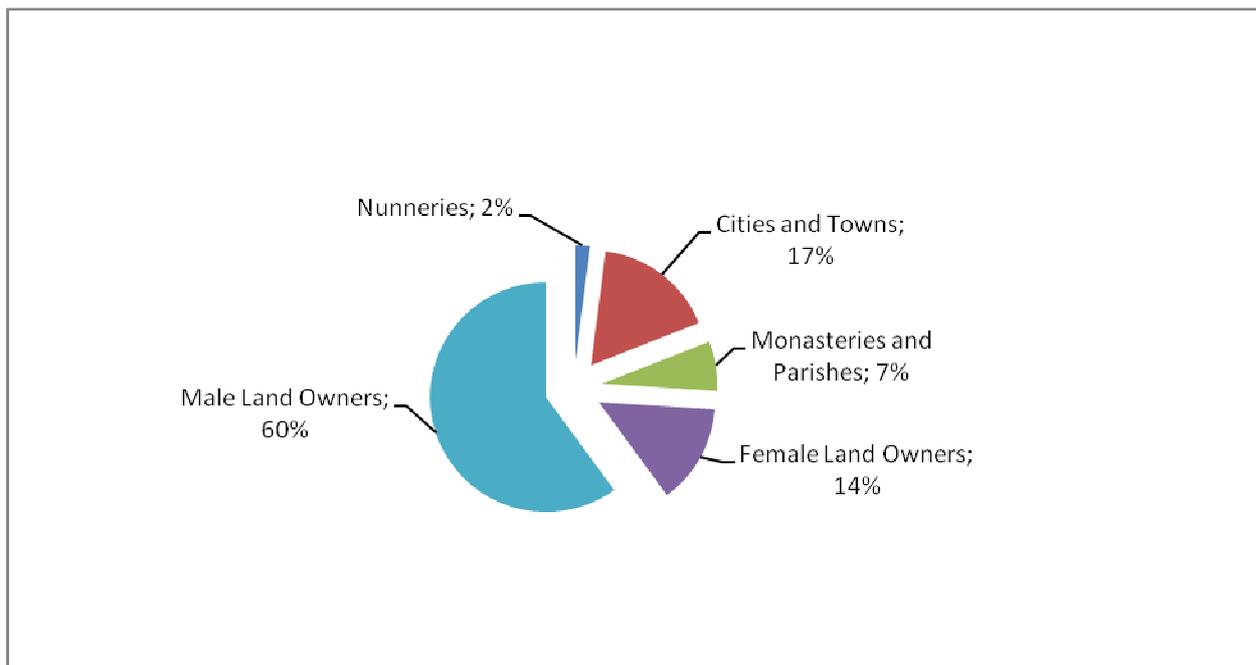


Chart 4: Amount of tax (percentage) by social groups. Source: *Interesseguldenanschlagbuch*

By using a truly bureaucratic source my paper showed, that female individuals acted freely and full of self-confidence on the Styrian capital market. *Anna Neumann* and many other female creditors lent money on bills of obligation and even purchased land by using borrowed money. My paper showed as well that networks constructed by the use of mutual obligations were the basic elements of the Styrian capital market. *Karl Count of Saurau* and his deals in connection with the estate of *Grünbichel* is just one example, that disclosed these mechanisms quite clearly. There was only one exception to the rule of mutual obligations. In case a landlord borrowed money to his tenants he strictly avoided to borrow money from them as well. Lords borrowing money to their tenants aimed to make up losses caused by inflation and fixed rents. Lending money to tenants meant to deepen the economic dependency of the tenant to the lord and to strengthen the social inequality between these two different social groups.

No credit, no money: Taxes on landed property, the *Interessegulden* and a first attempt to define the ratio between the coins in circulation and the total value of the bills of obligation

To show the power of these mechanisms determining the Styrian credit market, my paper takes a first attempt to define the ratio between the coins in circulation and the total value of the bills of obligation for the economic system that the nobility with its rural background was integrated in. To achieve this goal my paper adopts the thoughts of Werner Buchholz. He argued that after the 30-years-war, almost all the money was turned over via the tax authorities.⁶⁶ Searching for a ratio between the coins in circulation and the total value of the bills of obligation, the method to use

⁶⁶ Werner Buchholz: *Geschichte der öffentlichen Finanzen in Europa in Spätmittelalter und früher Neuzeit*, Berlin 1996, p. 45.

findings of coins⁶⁷ (or to use coins listed in probate inventories) is not suitable for early modern Styria. Before my paper can expulse the method of using finding of coins and to determin it's own method by adopting the thoughts of Bucholz, it seems to be nessary to discover, which amount of credit stands behind these 21.714 fl, that were to be collected be the tax authorities.

At first we must bring to our mind that citizens had to pay every third guilder of the interest they earned from the money they had invested on the credit market to the tax authorities. The nobility, with it's background in rural areas and agricultural production had to pay every sixth guilder of the interest they earned. Because of the fact that the *Interessegulden* was calculated by using the income generated by interest, we must get a clear picture of the interest rate used in 1635.

Literature on interest rates is pretty rare.⁶⁸ For many territories, interest rates were reported by scholars, but most of the time, interest rates were treated as side notes.⁶⁹ For Styria a monograph of the author of this paper described the trend of intererst rates from the 16th to the 17th centuries by analyzig probate inventories.⁷⁰ We can assume that in 1635 creditors charged interest rates of 6%.⁷¹ By taking the amount of capital return taxes paid by city dwellers as well as the amount of capital return taxes paid by the nobility into consideration we find out that capital worth 1.986.950 fl was invested on the Styrian credit market by the tax payers listet in the *Interesseguldenanschlagbuch*. The fact that even the *Interesseguldenanschlagbuch* contained a list of individuals and institutions exempt from paying a capital return tax in 1635, and the instance that even small purchases were not paid in cash proves that these 1.986.950 fl must be considered to be the absolute, but backed, minimum level of credit invested in 1635 in Styria.

This minimum level of the value of credit shall be put in one row with the value of cash in circulation. The method of using findings of coins to depict the value of cash in circulation promises to bring up a result more objective and more precise than the method I suggest in my paper. The method of using findings of coins to determin the value of cash in circulation goes with one condition that can not be fulfilled in early modern Styria. For this method it is necessary to describe a finding of coins close to the centre of coin production.⁷² Concerning coin production Styria was periphery during modern

⁶⁷ Erik Aerts: Der Geldumlauf der Burgundischen Niederlande in der Mitte des 15. Jahrhunderts. Ein quantitativer Versuch, in: Michael North (Hg.): Geldumlauf, Währungssysteme und Zahlungsverkehr in Nordwesteuropa 1300-1800 (Quellen und Darstellungen zur hansischen Geschichte N. F. 35). Köln/Wien 1989, p. 25-44.

⁶⁸ Sidney Homer/Richard Sylla: A History of Interest Rates. New York 1995.

⁶⁹ Willi A. Boelke: Der Agrarkredit in Deutschen Territorialstaaten vom Mittelalter bis Anfang des 18. Jahrhunderts, in: Michael North (Hg.): Kredit im spätmittelalterlichen und frühneuzeitlichen Europa (Quellen und Darstellungen zur hansischen Geschichte N. F. 37). Köln/Wien 1991, p. 193-231, here p. 207; John Christiansen: Der Kieler Umschlag im 16. und 17. Jahrhundert, in: Hans-Jürgen Lorenz-Schmidt (Hg.): Geld und Kredit in der Geschichte Norddeutschlands (Studien zur Wirtschafts- und Sozialgeschichte Schleswig-Holsteins 43). Neumünster 2006, p.159-172, here p. S. 164; Rauscher: Stände und Gläubiger, p. 345-346.

⁷⁰ Martin Khull-Kholwald: Der Adel auf dem Lande und sein Kredit. Der Schuldschein als zentrales Finanzinstrument in der Steiermark 1515-1635 (Forschungen zur geschichtlichen Landeskunde der Steiermark 57). Wien/Berlin/Münster 2013, p. 27-38.

⁷¹ Khull-Kholwald: Kredit, p. 33.

⁷² Aerts: Geldumlauf, p. 28.

times.⁷³ At the beginning of the 17th an average finding in eastern Austria contained 1,1% - 2,1% of Styrian coins century.⁷⁴ A share that low can not be used to achieve a precise result.

The method of analyzing findings of coins was designed for the late middle ages. It can not be used for early modern Styria nor any other early modern territory. The variety of different coins increased significantly after the beginning of early modern times, which can easily be deduced by studying the laws on minting.⁷⁵ Another difference between early modern times and the late middle ages makes it rather impossible to use the analysis of findings of coins to calculate the amount of coins in circulation. The amount of coins transported over long distances increased quite strongly in early modern times. Already in the 16th century two millions of Joachimstaler were transferred to Leipzig every year.⁷⁶ The method of analysing findings of coins to determine the amount of coins in circulation must be excluded for early modern times.

Therefore we must compare taxes with taxes. Comparing taxes of course brings up two disadvantages: On the one hand dealing with taxes means dealing with a complicated subject. On the other hand dealing with taxes means that we must make assumptions. The main advantage of using taxes to calculate a ratio between the coins in circulation and the total value of the bills of obligation is the fact, that the most important object of taxation was agricultural production and the main point of interest of my paper is the Styrian nobility with its rural and agricultural backgrounds.

Buchholz suggested that almost all coins of a certain territory went through the hands of the tax authorities.⁷⁷ Taxing for sure was one of the most important reasons of coin shortage in early modern times.⁷⁸ Taxes had to be paid in cash without exception.⁷⁹ Beginning in 1595 the tax on agricultural production in Styria, called *Gültsteuer*, was collected by the tax authorities on three dates per year.⁸⁰ In 1635 the tax authorities collected a total of 472.058 fl⁸¹ via the *Gültsteuer* and two other special taxes.⁸² Via the costs for defence most of this money returned to the Styrian economy

⁷³ Günther Probszt: Münzstätte Graz, in: Historisches Jahrbuch der Stadt Graz 2 (1969), S. 39-56, hier S. 46.

⁷⁴ Peter Cerwenka/Paul W. Roth: Der Münzumlau des 16. Jahrhunderts im Raume des östlichen Österreich (Forschungen zur geschichtlichen Landeskunde der Steiermark 26). Graz 1972, S. 332-334.

⁷⁵ Günther Probszt: Österreichische Münz- und Geldgeschichte. Von den Anfängen bis 1918.

Wien/Köln/Weimar 1994; Harald Witthöft: Die Münzordnung und das Grundgewicht im Deutschen Reich vom 16. Jahrhundert bis 1871/72, in: Eckhard Schremmer (Hg.): Geld und Währung vom 16. Jahrhundert bis zur Gegenwart. Referate der 14. Arbeitstagung der Gesellschaft für Sozial- und Wirtschaftsgeschichte vom 9. bis 13. April 1991 (VSWG-Beihefte 106). Stuttgart 1993, p. 39-68.

⁷⁶ Eduard Simek: Münzproduktion und Geldumlauf in Böhmen im 16. Und beginnenden 17. Jahrhundert, in: Michael North (Hg.): Geldumlauf, Währungssysteme und Zahlungsverkehr 1300 – 1800 (Quellen und Darstellungen zur habsburgischen Geschichte, N. F. 35). Köln/Wien 1989, S. 45-49, hier S. 46.

⁷⁷ Buchholz: Finanzen, p. 45.

⁷⁸ Petr Vorel: Landesfinanzen in Böhmen. Finanz- und Münzpolitik im Spannungsfeld von Ständen und Königtum während der Regierung Ferdinands I. und Maximilian II., in: Friedrich Edelmayer/Maximilian Lanzinner u. a. (Hg.): Finanzen und Herrschaft. Materielle Grundlage fürstlicher Politik in den habsburgischen Ländern und im Heiligen Römischen Reich im 16. Jahrhundert (Veröffentlichungen des Instituts für Österreichische Geschichtsforschung 38). Wien/München 2003, p. 168-214, here p. 209.

⁷⁹ Franz Freiherr von Mensi: Geschichte der direkten Steuern bis zum Regierungsantritt Maria Theresias, Bd. 1. Graz/Wien 1910, p. 368.

⁸⁰ Mensi: Steuern I, p. 367.

⁸¹ Mensi: Steuern II, p. 188.

⁸² Franz Pichler: Gülteinlage, Gültsteuern und Steuerpraktiken der Grundherrschaft. Eine exemplarische Untersuchung an Stift- und Steuerregistern der Herrschaften Kaiserberg, Lankowitz, Kirchberg am Walde und Fronsdorf mit Lehenkoben, in: Herwig Ebner/Walter Höflechner/Helmut Mezler-Andelberg et al. (ed.): Festschrift Othmar Pickl zum 60. Geburtstag. Graz/Wien 1987, p. 483-493, here p. 484.

within a very short time.⁸³ By supporting the troops with grain the Styrian landlords were paid with tax money.⁸⁴ In 1601 for example the defence budget gobbled 340.171 fl and the tax authorities entered 397.532 fl on the side of the *Gültsteuer*.⁸⁵ In this year (and of course in the years following 1601) another element of expenditure pushed tax money into the Styrian economy via the hands of the noblemen, who gave credit to the assembly of the estates and the duke. Expenditure for interest and credits falling due in this year totaled 225.110 fl.⁸⁶ It is rather justified true believe than a mere assumption, that almost all the tax revenues were re-transferred to the Styrian economy and first of all to the nobility via defence and credit costs.

Besides taxation there was another mechanisms that turned over cash within a limited time. Rents payed by the farmers and cottagers to their landlords had to be paid in cash as well. According to the author's anaysis of probate inventoris, landlords were defenitely not hoarding up cash.⁸⁷ For all the tenants in Styria rent totaled approximately 71.000 fl.⁸⁸ If we add up the total rent to the total amount of taxes of the year of 1635 a minimum amount of cash worth 543.058 fl was needed to pay all taxes and all rents in Styria at the same time. If we now assume that rent and taxes were paid on three dates a year at least 181.019 fl in cash were needed to fullfill all payments in time.

If we now contrast the assumed minimum amount of cash (181.019 fl) to the assumed minimum amount of credit (1.986.950 fl) we can calculate an assumed ratio between the coins in circulatoin and the total value of the bills of obligation for the year of 1635. On one single guilder in cash there come 10,98 guilders in credit. Is this a realistic scenario?

Unfortunately there is only one way to check this assumption. Probate inventories list all cash and all bills of obligation owned by deceased individuals. For the counties of Hampshire and Darlington Craig Muldrew described the ratio between the coins in circulatoin and the total value of the bills of obligation by using probate inventories of the late 17th century. In the county of Darlington Muldrew depicted a ratio between the coins in circulatoin and the total value of the bills of obligation of 1:14. For the county of Hampshire he discovered a ratio between the coins in circulatoin and the total value of the bills of obligation of 1:28.⁸⁹ The author of this paper focused on probate inventories of land owners in Styria. For the years between 1621 and 1635 he delineated a ratio between the coins in circulatoin and the total value of the bills of obligation of 1:36.⁹⁰

Most probably the ratio between the coins in circulatoin and the total value of the bills of obligation in Styria varried between 1:10,98 and 1:36. Not even Muldrew was able to curtail the ratio between coins in circulation and credit supply in Dalington and Hampshire on a level of much higher precession. On the one hand my paper is ment to start and encourage the discussion on this topic.

⁸³ Helfried Valentinitisch: Türkennot und Türkengewinn, in: Gerhard Pferschy/Peter Krenn (ed.): Brücke und Bollwerk. Katalog der Landesausstellung 1986 (Veröffentlichungen des Steiermärkischen Landesarchivs 16). Graz 1986, p. 328-331, here p. 329.

⁸⁴ Helfried Valentinitisch: Handel am Rande der Moral? Der Kriegshandel in der Steiermark in der frühen Neuzeit, in: Gerald Schöpfer (ed.): Menschen, Münzen Märkte. Fohnsdorf 1989, p. 293-299, here p. 296-298.

⁸⁵ Eduard Kümmel: Die landschaftlichen Ausgabebücher als steiermärkische Geschichtsquellen, in: Beiträge zur Kunde steiermärkischer Geschichtsquellen 14 (1887), p. 41-82, here p. 45-47.

⁸⁶ Kümmel: Ausgabebücher, p. 46.

⁸⁷ Khull-Kholwald: Kredit, p. 134.

⁸⁸ Mensi: Steuern I , p. 87

⁸⁹ Muldrew: Obligations, p. 100.

⁹⁰ Khull-Kholwald: Kredit, p. 134.

On the other hand it proves that credit was of high importance even to small noblemen connected to strong rural and agricultural economic backgrounds. Credit substituted cash on many occasions. A ratio between the coins in circulation and the total value of the bills of obligation of 1:10,98 clearly demonstrates the economic power hidden behind the phenomenon of the most common financial instrument used in early modern Styria. Not coins, but bills of obligation enabled the small Styrian noblewomen and noblemen to finance their big deals.

The power of credit. Summary

Credit substituted cash on many occasions. A ratio between the coins in circulation and the total value of the bills of obligation of at least 1:10,98 impressively demonstrated that credit, not cash, was the instrument necessary for investment and development. My paper focused on the small noblemen and noblewomen residing in the rural environments of the duchy of Styria. It demonstrated that credit did not only push trade and commerce. Even noblemen who kept cows in their mansions and who were not mentioned in any book on Styrian history before, benefitted from their engagement on early modern credit markets.

Already in the 16th century credit played an important role in Styrian economy. Early discussions about taxing capital investment held on the sessions of the assembly of the estates of Styria disclosed the general approach of the nobility towards this topic. The fear of capital flight caused by capital return taxes or the fear of creditors suddenly calling in their money because of such a tax reminded us on topics discussed in more recent years.

A system of mutual obligations of course prevented creditors from calling in their money. Even minor creditors were too interconnected to do so. The system of mutual interdependency was repealed only in cases when credit was meant to deepen social dependency and economic inequality. Lords lending money to their tenants strictly avoided to borrow money from them.

Female creditors acted independently on the credit market of early modern Styria. They managed their assets with a high degree of self-confidence and great skills. According to the sources on the capital return tax of 1635 female individuals were responsible for 14% of the taxed capital invested in Styria. Social role and status was not defined by the title of their husband alone. Account books played an important part in determining positions within a hierarchically structured society. Financial power enabled female individuals to purchase land belonging to their husbands' families and even to step out of the shade of mass of anonymous creditors living in an urban environment.

Creditors were acting individually. Even the strict focus on noblemen and noblewomen residing in rural areas did not allow us to define an "ideal creditor". Everybody was involved into networks of mutual obligations. The powerful Styrian Governor, as well as small landowners, who held just a few tenant farms, were forced to use bills of obligation to overcome a permanent shortage of coinage.