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‘The Dear Old Holy Roman Realm, How Does it Hold Together?’ Monetary Policies, Cross-cutting Cleavages and Political Cohesion in the Age of Reformation

The dear old holy Roman realm,
How does it hold together?
Goethe, Faust I, Scene 5

I. Introduction

Adapting an idea originally advanced by Hegel, Ranke and his followers believed that the turmoil of the Age of the Reformation (1517-55), specifically the emperor’s and Pope’s response to Luther, had pernicious effects on the development of Germany.¹ It did not only split and weaken the Holy Roman Empire, but thwarted the emergence of a nation state of the Western European type for centuries.² Modern research takes a fundamentally different

¹ G.F.W. Hegel, *Die Verfassung des deutschen Reichs, eine politische Flugschrift aus dem handschriftlichen Nachlasse des Verfassers in der Preussischen Staatsbibliothek zu Berlin* (Stuttgart, 1935), p. 61; L.v. Ranke, *Deutsche Geschichte im Zeitalter der Reformation*, vol. 2 (Leipzig, 1914), pp. 144-79; cf. e.g. H.v. Treitschke, *Deutsche Geschichte im neunzehnten Jahrhundert*, vol. 1: Bis zum zweiten Pariser Frieden (Leipzig, 1879), p. 4; F.v. Bezold, *Geschichte der deutschen Reformation* (Berlin, 1890), p. 872.

² Cf. G. Schmidt, ‘Luther und die frühe Reformation - ein nationales Ereignis?’, in S.E. Buckwalter and B. Moeller (eds.), *Die frühe Reformation in Deutschland als Umbruch: wissenschaftliches Symposium des Vereins für Reformationsgeschichte 1996* (Gütersloh, 1998), pp. 54-75, p. 59; J. Whaley, *Germany and the Holy Roman Empire*, vol. I: From Maximilian I to the Peace of Westphalia 1493-1648 (Oxford, 2012), p. 62.

stance.³ The dominant view today is that far from crumbling or withering away, the Empire maintained or even improved its ability to pursue long-term programs in core areas of policy such as defence and legislation. When it emerged from the Age of Reformation, it was arguably in better shape and more coherent than ever before, entering a halcyon period of relative stability while Western Europe descended into religious war.⁴

But why? Political cohesion, as signalled by shared political attitudes and cooperation in the pursuit of common aims, requires a certain measure of trust among the actors.⁵ Trust, however, is normally assumed to decrease with social distance, and in pre-modern Europe this depended to a large degree on the religious affiliation of the individuals concerned.⁶ The Reformation,

³ For a recent research survey see J. Whaley and L. Scales, 'Rewriting the History of the Holy Roman Empire,' *German History* 36, 2 (2018), pp. 331-48.

⁴ T.A. Brady, *German Histories in the Age of Reformations, 1400-1650* (Cambridge, 2009), pp. 233, 237; W. Schulze, *Reich und Türkengefahr im späten 16. Jahrhundert: Studien zu den politischen und gesellschaftlichen Auswirkungen einer äußeren Bedrohung* (Munich, 1978), *passim*; G. Schmidt, *Geschichte des Alten Reiches: Staat und Nation in der Frühen Neuzeit 1495-1806* (Munich, 1999), pp. 81-2; M. Lanzinner, 'Konfessionelles Zeitalter 1555-1618,' in W. Reinhard (ed.) *Gebhardt Handbuch der deutschen Geschichte* (Stuttgart, 2001), pp. 3-203, pp. 69-70; Whaley, *Germany*, vol. 1, pp. 65, 284, 339-40.

⁵ Cf. L. Huddy, 'From Group Identity to Political Cohesion and Commitment,' in L. Huddy, D.O. Sears, and J.S. Levy (eds.), *The Oxford Handbook of Political Psychology* (Oxford, 2013), pp. 737-73, pp. 739, 743.

⁶ A. Leigh, 'Trust, Inequality and Ethnic Heterogeneity,' *Economic Record* 82, 258 (2006), pp. 268-80, p. 269; the literature on the relation between religion and trust is reviewed by G. Gupta et al., 'Religion, Minority Status, and Trust: Evidence from a Field Experiment,' *Journal of Economic Behavior & Organization* 146 (2018), pp. 180-205, p. 182. For the shaping of confessional identities in sixteenth-century Germany see the literature reviewed by H. Klüeting, '„Zweite Reformation“ - Konfessionsbildung - Konfessionalisierung.

which was only ever adopted by part of the Holy Roman Empire, therefore generated a considerable amount of mistrust; it shook the foundations of the polity.⁷ And yet, mistrust was to a large extent overcome and cohesion maintained. How was this possible? What made the members of the Empire not only want to keep that status but also improve the effectiveness of their political organisation? These are the questions addressed in the present paper.

The modern unitary nation state uses of a wide variety of means – from the provision of education to that of welfare services – to secure political cohesion.⁸ It cannot offer a suitable standpoint to assess how effective the Holy Roman Empire was in this respect. The reference point needs to be other contemporary polities, that is, the composite states that were characteristic of early modern Europe. If considered from this perspective, it becomes obvious that the Empire lay at the extreme end of a broad spectrum of these states: extreme with regard both to the number of its constituent units – the imperial estates – and to the variance in their status, influence and seize. Other composite states invested heavily in political cohesion, for example by creating and maintaining common administrative institutions and enforcing religious uniformity. In the first respect the Empire made some limited headway; in the second

Zwanzig Jahre Kontroversen und Ergebnisse nach zwanzig Jahren,' *Historische Zeitschrift* 277, 2 (2003), pp. 309-41.

⁷ Whaley, *Germany*, vol. 1, p. 152.

⁸ R. Axtmann, 'The State of the State: The Model of the Modern State and Its Contemporary Transformation,' *International Political Science Review* 25, 3 (2004), pp. 259-79, p. 271.

it failed in the Age of Reformation.⁹ And yet, it weathered more periods of political stress and survived for a longer time than any other polity that has organised the space it occupied. The question of what held it together is therefore all the more relevant.

The present article contributes to explaining the Empire's cohesion in the Age of Reformation by examining a so far overlooked factor: monetary policies. It finds that monetary conditions provided strong incentives for the imperial estates to cooperate with each other and the emperor. The article also explores whether or to which extent the political science concept of 'cross-cutting cleavages'¹⁰ helps explaining why cooperation in this field was eventually successful. The concept builds on the insight that diversity does damage trust and cohesion, but that the damage is more severe when politics are one-dimensional. One-dimensionality is given when political agents consider a single issue to be all-important or when relevant cleavages overlap, with members of social groups sharing not only one, but several relevant characteristics or views on important questions. In such situations, trust tends to be reserved for members of one's own group, and arguments put forward by non-group members are rejected not because they are bad but because they come from the wrong person – i.e. from a person one does not trust.¹¹ This happens less often when politics are multi-dimensional and cleavages cut across each other (e.g. when adherents of different faiths share preferences in

⁹ J.H. Elliott, 'A Europe of Composite Monarchies,' *Past & Present* 137 (1992), pp. 48-71, pp. 51-2, 62; P.H. Wilson, *The Holy Roman Empire: A Thousand Years of Europe's History* (London, 2016), pp. 111-2, 319-25.

¹⁰ Seminal: S.M. Lipset, *Political Man: The Social Bases of Politics* (London, 1960).

¹¹ Cf. T.A. Börzel and T. Risse, 'Dysfunctional State Institutions, Trust, and Governance in Areas of Limited Statehood,' *Regulation & Governance* 10, 2 (2016), pp. 149-60, p. 154.

other important fields, and people with different preferences in non-religious questions hold similar religious views).¹² Research has shown that in such situations interaction across group boundaries significantly increases awareness of legitimate rationales for opposing views; moreover, to quote Mutz, it allows learning ‘that those different from one’s self are not necessarily bad people’.¹³ Cross-cutting cleavages therefore promote trust.¹⁴ The concept was developed with modern conditions in mind, but given the heterogeneity of the Empire’s members, to which the Reformation was adding a new dimension, it is legitimate to ask whether at that time such cleavages existed and had similar effects. The paper finds that this was indeed the case, though the causal links between cleavages, trust and cohesion appear to have been different from those on which political science has focused under modern conditions. It was they which helped the Empire in the late 1550s and 1560s to achieve an unprecedented level of integration in monetary policies.

The next section (II) reviews the hypotheses so far advanced in order to account for the cohesion of the Empire. It also discusses research on its monetary policies and the primary sources on which the article is based. Section III focuses on policy making and on the effect of the spread of the Reformation on political cohesion. Sections IV to VI examine monetary policies, asking whether and how they were affected by the religious cleavage and to what

¹² H. Finseraas and N. Jakobsson, 'Trust and Ethnic Fractionalization: The Importance of Religion as a Cross-Cutting Dimension,' *Kyklos* 65, 3 (2012), pp. 327-39, p. 335.

¹³ D.C. Mutz, 'Cross-Cutting Social Networks: Testing Democratic Theory in Practice,' *American Political Science Review* 96, 1 (2002), pp. 111-26, 114, 117-8.

¹⁴ Börzel and Risse, 'State Institutions', pp. 152, 154, find that cross-cutting cleavages help agents cooperate in particular in ‘areas of limited statehood’, thereby providing essential governance functions.

extent negotiations about currency issues bridged the gap that had opened between the estates. The conclusion (VII) summarizes the main findings of the article.

II. Literature and sources

Until the second half of the twentieth century research tended to interpret the history of the Empire as a story of decline. No-one asked, far less answered Goethe's question of what held it together. This changed in the post-war period and in particular since the 1970s, when scholars turned to analysing the Empire as a socio-political and constitutional system. Attention was increasingly directed at the role of the emperor and of imperial administrative organs such as the Chamber Court and the Aulic Council, as well as at the consolidation of the Empire's elites.¹⁵ Press, for example, pointed out that the patterns of marriages among the princely and electoral houses generated Empire-wide cohesion especially before the Reformation.¹⁶

Concerning the early modern age, two hypotheses have gained prominence: a culturalist one, and another that stresses the effects of pressure from outside. The latter owes much of its influence to Schulze's seminal 1970s work on the Empire's reaction to its encounter with the

¹⁵ The pertinent literature is quoted in D. Hardy, 'Tage (Courts, Councils and Diets): Political and Judicial Nodal Points in the Holy Roman Empire, c.1300–1550,' *German History* 36, 3 (2018), pp. 381–400, pp. 381–2.

¹⁶ V. Press, 'Die Territorialstruktur des Reiches und die Reformation,' in R. Postel and F. Kopitzsch (eds.), *Reformation und Revolution: Beiträge zum politischen Wandel und den sozialen Kräfte am Beginn der Neuzeit. Festschrift für Rainer Wohlfeil zum 60. Geburtstag* (Stuttgart, 1989), pp. 239–68, p. 260; *Kriege und Krisen: Deutschland 1600–1715* (Munich, 1991), p. 21.

Ottomans.¹⁷ The consensus that has emerged since then is that the Turkish troops were throughout shown and seen in negative terms: ‘Gory printed images depicting pillaged villages, burned cities, adults chained and sold as slaves, garrotted babies and human remains displayed on spears and paraded as proof of military might’ were flowing from the presses in the Empire.¹⁸ The estates were as open to this kind of information as the ‘common man’. It mattered little whether the Sultan was really planning to conquer Central Europe;¹⁹ what was important was that this was believed to be his aim. News of Turkish advances are therefore supposed to have had almost immediate effects on the Empire’s cohesion, the more so after the partial Ottoman occupation of Hungary (1526). According to Schmidt the discussion about the question of how to counter the Turkish armies was the first occasion when the North-West German estates were fully integrated into imperial politics.²⁰ Schulze had already demonstrated that in the second half of the sixteenth century, the ‘Ottoman menace’ gave the emperor sufficient leverage to overcome the Protestant opposition and design a relatively coherent policy of defence.²¹

¹⁷ Schulze, *Türkengefahr*; cf. P. Moraw, *Von offener Verfassung zu gestalteter Verdichtung: Das Reich im Späten Mittelalter 1250 bis 1490* (Frankfurt, Berlin, 1989), p. 416.

¹⁸ C. Colding Smith, *Images of Islam, 1453-1600: Turks in Germany and Central Europe* (London, 2014), p. 68.

¹⁹ Cf. R. Murphey, 'Süleyman I and the Conquest of Hungary: Ottoman Manifest Destiny or a Delayed Reaction To Charles V's Universalist Vision,' *Journal of Early Modern History* 5, 3 (2001), pp. 197-221, pp. 199, 219.

²⁰ Schmidt, *Geschichte*, p. 87.

²¹ Schulze, *Türkengefahr*, pp. 7, 236.

Widely accepted as it is, the ‘outside pressure’-argument does not provide a fully satisfactory explanation of the Empire’s cohesion in the sixteenth century. Schulze himself pointed out that in the periods before and after the 1550s the ‘Turkish menace’ had diametrically opposite effects.²² This may go too far, as Charles V did manage to rally the estates against the Ottomans in the early 1540s.²³ Still, the fact remains that before the Religious Peace of Augsburg, the Protestants exploited his need of assistance to gain the at least temporary legal recognition of their ownership of secularized Church property and other rights that strengthened their position relative to the Habsburgs.²⁴ In this period, outside pressure had far less clear-cut consequences for internal cohesion than after 1555. What changed with the Peace of Augsburg was that the settlement offered the Protestants a fundamental guarantee of security – a guarantee that was so widely recognized that there was no leeway for the further use of the ‘Turkish menace’ as a lever to extract concessions from the Emperor.²⁵ From then on, outside pressure did undeniably stimulate the Empire’s internal cohesion.

The younger, culturalist approach to this issue has developed without engaging much with the ‘Ottoman menace’-hypothesis. Its core argument is that the Empire was held together by a shared culture. In part, this is interpreted as being primarily legal and supported by communication, which took place on a wide range of regional and Empire-wide diets and used

²² *ibid.*, p. 7.

²³ Whaley, *Germany*, vol. 1, p. 316.

²⁴ S.A. Fischer-Galați, *Ottoman Imperialism and German Protestantism, 1521-1555* (New York, 1959), pp. 116-7.

²⁵ Schulze, *Türkengefahr*, p. 366.

the new media available in the sixteenth century to disseminate norms, values and a common identity.²⁶ In part, the stress is placed on symbolic communication that took the shape of political rituals. Stollberg-Rilinger,²⁷ who is perhaps the main proponent of this approach, argues that the imperial diets aimed less at agreeing on specific political measures than at renewing personal bonds between emperor and estates, and that similar relationships among the estates were likewise stabilized. The process played out in rituals where 'one professed to belong to the order of the entire group and reached agreement about the place of each member of the Empire within it'. Rituals were 'staging consensus', thereby generating the Empire's cohesion.²⁸ When they were no longer performed, it was bound to fall apart.

Following Stollberg-Rilinger, the Reformation therefore severely damaged the Empire's cohesion.²⁹ This was all the more the case as many rituals performed at imperial assemblies had religious connotations, most obviously the mass that traditionally opened every diet. For Protestant estates, this was pure Popery; from 1529 they increasingly decided to stay away. By 1541 it had become customary for them not to attend one of the most important political rituals

²⁶ M. North, 'Das Reich als kommunikative Einheit,' *Historische Zeitschrift: Beihefte* 41 (2005), pp. 237-47, pp. 239-44; S. Westphal, 'The Holy Roman Empire of the German Nation as an Order of Public Peace,' *German History* 36, 3 (2018), pp. 401-14; Hardy, 'Tage'.

²⁷ B. Stollberg-Rilinger, 'On the Function of Rituals in the Holy Roman Empire,' in R.J.W. Evans, M. Schaich, and P.H. Wilson (eds.), *The Holy Roman Empire 1495-1806* (Oxford, 2011), pp. 359-73; *The Emperor's Old Clothes: Constitutional History and the Symbolic Language of the Holy Roman Empire* (New York, Oxford, 2015); cf. Whaley and Scales, 'Rewriting the History', p. 345.

²⁸ Stollberg-Rilinger, 'Rituals', pp. 361, 371.

²⁹ *Old Clothes*, pp. 80-113.

taking place at a diet,³⁰ which consequently ceased to have the cohesion-generating function with which it had originally been endowed. If the cohesion of the Empire depended primarily on symbolic communication, one wonders how it avoided disintegrating under this kind of stress and managed to survive for another 250 years.

That monetary politics may have been a factor has never before been seen. Much of the pertinent literature focuses on the clash of interests between those estates who controlled their own silver mines (the ‘*Bergherren*’, in contemporary parlance) and those who did not.³¹ Recently, though, attention has shifted to another issue. At least from the late 1540s, monetary policies were no longer overshadowed by disputes between the silver ore haves and have-nots. The question that dominated political discussions was whether the Empire should adopt a bimetallic currency, that is, a monetary system where there was a legally fixed ratio between gold and silver coins that were both unlimited legal tender. Once Charles V’s successor

³⁰ T.F. Hartmann, *Die Reichstage unter Karl V.: Verfahren und Verfahrensentwicklung 1521-1555* (Göttingen, 2017), pp. 55, 71, 132.

³¹ F. Blaich, *Die Wirtschaftspolitik des Reichstags im Heiligen Römischen Reich: Ein Beitrag zur Problemgeschichte wirtschaftlichen Gestaltens* (Stuttgart, 1970), p. 19; T. Christmann, *Das Bemühen von Kaiser und Reich um die Vereinheitlichung des Münzwesens: zugleich ein Beitrag zum Rechtssetzungsverfahren im Heiligen Römischen Reich nach dem Westfälischen Frieden* (Berlin, 1988), esp. p. 90-1; cf. already G. Schmoller, 'Zur Geschichte der national-ökonomischen Ansichten in Deutschland während der Reformationsperiode,' *Zeitschrift für die gesamte Staatswissenschaft* 16, 3/4 (1860), pp. 461-716, p. 622. For a recent succinct account of German monetary history see P.R. Rössner, 'Monetary Instability, Lack of Integration, and the Curse of a Commodity Money Standard: The German Lands, c.1400–1900 A.D.,' *Credit and Capital Markets – Kredit und Kapital* 47, 2 (2014), pp. 297-340, esp. pp. 310-1.

Ferdinand I had abandoned such plans in 1555-59, an agreement on a common Empire-wide currency became possible.³²

One factor that has stimulated recent research in the Empire's monetary policies is that a large body of hitherto unknown sources have been made available in modern critical editions. Since the 1990s, the publication of the acts of the imperial diets has advanced rapidly.³³ Moreover, the essentially complete records of a number of conferences organized by the imperial estates in the 1540s and 1550s to discuss currency policies have been published.³⁴ In addition to the written instructions the estates gave their delegates, conference minutes,

³² O. Volckart, 'Power Politics and Princely Debts: Why Germany's Common Currency Failed, 1549-1556,' *Economic History Review* 70, 3 (2017), pp. 758–78; 'Bimetallism and its Discontents: Cooperation and Coordination Failure in the Empire's Monetary Policies, 1549-59,' *Vierteljahrschrift für Sozial- und Wirtschaftsgeschichte* 105, 2 (2018), pp. 201-20.

³³ For the present context: E. Eltz (ed.) *Deutsche Reichstagsakten unter Kaiser Karl V.: Der Speyrer Reichstag von 1544*, vol. 1 (Göttingen, 2001); R. Aulinger (ed.) *Deutsche Reichstagsakten unter Kaiser Karl V.: Der Reichstag zu Worms 1545*, vol. 1 (Munich, 2003); *Deutsche Reichstagsakten unter Kaiser Karl V.: Der Reichstag zu Worms 1545*, vol. 2 (Munich, 2003); U. Machoczek (ed.) *Deutsche Reichstagsakten unter Kaiser Karl V.: Der Reichstag zu Augsburg 1547/48*, vol. 3 (Munich, 2006); R. Aulinger, E. Eltz, and U. Machoczek (eds.), *Deutsche Reichstagsakten unter Kaiser Karl V.: Der Reichstag zu Augsburg 1555*, vol. 2 (Munich, 2009); J. Leeb (ed.) *Der Kurfürstentag zu Frankfurt 1558 und der Reichstag zu Augsburg 1559*, vol. 3 (Göttingen, 1999); M. Lanzinner and D. Heil (eds.), *Der Reichstag zu Augsburg 1566*, vol. 2 (Munich, 2002).

³⁴ O. Volckart (ed.) *Eine Währung für das Reich: Die Akten der Münztage zu Speyer 1549 und 1557* (Stuttgart, 2017).

memorials, letters and other documents edited in these volumes, the present paper uses similar but so far untapped archival sources.³⁵

III. Rule and faith

General histories of the Holy Roman Empire in the age of the Reformation draw a picture of a ‘bewildering variation of economic and social conditions, legal boundaries, and jurisdictions, spiritual and temporal’.³⁶ In fact, diversity began already with the status of its members and the character and intensity of their ties with this political body. All these varied over time and space. While the imperial reform movement in the years around 1500 went a long way to clarify the status of a large number of members of the Empire, some remained unaffected and others opted out or loosened their ties with the emperor.³⁷ The remaining core of estates formed the ‘constitutional Empire’, whose members were entitled to attend the imperial diets and expected to contribute to defence and the upkeep of the imperial high courts. It is to this polity that the present study primarily refers.³⁸

³⁵ Austrian State Archive (Österreichisches Staatsarchiv): Finanz- und Hofkammerarchiv (OeStA/FHK) – Alte Hofkammer – Niederösterreichisches Münz- und Bergwesen, Akten 01; Haus-, Hof- und Staatsarchiv – Reichshofrat (OeStA/HHStA RHR) – Miscellanea Münzwesen 1 (3. Konvolut); Miscellanea Münzwesen 2; Würzburg State Archive (Staatsarchiv Würzburg): Mainzer Regierungsarchiv (StAWü/MRA) 7226 (Münze K 137/1½).

³⁶ Brady, *German Histories*, p. 27.

³⁷ H. Rabe, *Reich und Glaubensspaltung: Deutschland 1500-1600* (Munich, 1989), pp. 12-7; Whaley, *Germany*, vol. 1, pp. 19-24, 41-2.

³⁸ The ‘constitutional Empire’ broadly matches the entity for which Schmidt adopted the eighteenth-century term ‘Empire-state’; Schmidt, *Geschichte*, pp. 10-7. The term is here avoided because the debate about

The constitutional Empire's government lay in the hands of a multitude of local and regional political authorities, about 300 of which enjoyed the status of imperial estates. It was their actions that determined to which extent the Empire was a coherent whole. At the diet, six of the seven electors, the other princes and the imperial cities had by the early sixteenth century coalesced into three separate and internally diverse colleges.³⁹ The two higher ones had both temporal and spiritual members. The princes' college was again subdivided as its higher-ranking members, the princes spiritual and temporal, held individual votes whereas the lower-ranking prelates, counts and barons voted jointly, with those sitting on the same bench sharing one vote each.

Procedures were still in flux at the time of Charles V, but the picture research commonly draws is that of a multi-layered decision making process. In order for a bill to be passed, the three colleges first had to reach an understanding among their members; then the electors' and princes' colleges had to agree with each other. Once they had done so, the cities' college was allowed to have its say, and finally the emperor had to give his consent. The constitution thus offered a large number of authorities from all parts of the Empire the chance to bring to bear regional interests at the level of central decision making. Not all estates enjoyed this chance to the same degree: There was a hierarchy that gave electors, princes, prelates, counts and barons and cities unequal influence. Still, all in all it is difficult to imagine a political set-up more

Schmidt's 'Empire-state'-hypothesis is beyond the scope of this article (for a recent take on the debate see Whaley and Scales, 'Rewriting the History', pp. 342-3).

³⁹ For the following see Hartmann, *Reichstage*, pp. 163, 168-9.

conducive to the emergence of cross-cutting cleavages than that of the early modern Holy Roman Empire.⁴⁰

The deepening religious rift that went through the Empire was a particularly important cleavage. It has long been recognized that the spread of the Reformation was a complicated process that affected different regions and social groups for different reasons, at different times and to different degrees.⁴¹ The present focus is on its reception by the imperial estates only, which reduces the complexity of the issue. Still, turning away from the Old Church was a difficult process that could take diverse forms: appointing Zürich- or Wittenberg-educated priests, taking communion under both kinds, publicly professing a reformed faith, auditing religious institutions or publishing evangelical ecclesiastical statutes could all be steps away from Rome. Moreover, the reformed faith that emerged since 1517 was anything but homogeneous.⁴² Contrasting Catholic with Protestant estates, as in Figures 2 to 4 below, thus considerably simplifies the religious-political set-up of the Empire. Still, it is obvious that between 1521 and 1555 the list of estates that shared Charles V's faith grew thin. By the 1550s, two of the six electors who sat in the electors' college and six in ten members of the cities' college had renounced the Pope. In the princes college, roughly half of the temporal rulers adhered to the new faith, and even some prelates and bishops had turned their back on Rome.⁴³

⁴⁰ Cf. Lipset, *Political Man*, p. 90.

⁴¹ Research survey: P. Blickle, *Die Reformation im Reich*, 4 ed. (Stuttgart, 2015), pp. 82-139. For the factors determining the geographical spread of the Reformation see Press, 'Territorialstruktur'.

⁴² Blickle, *Reformation*, 177.

⁴³ For the turn of the estates to the Reformation see G. Köbler, *Historisches Lexikon der deutschen Länder: Die deutschen Territorien vom Mittelalter bis zur Gegenwart*, 7 ed. (Munich, 2007); E. Keyser and H. Stöob

The Reformation had the potential to undermine the Holy Roman Empire both organisationally and ideologically. This was because of the close connection between Empire and Church. Since the tenth century, emperors had granted temporal authority to representatives of the ecclesiastical hierarchy. In the sixteenth century, the prince-bishops and -archbishops were key members of the Habsburg political clientele in the Empire.⁴⁴ This was threatened by the Reformation. All variants of Reformation thought redefined the Church, conceptualizing it as a community of Christ and his followers whose only constitutive criterium was individual faith, rather than as a hierarchical organisation centred on Rome.⁴⁵ Reformed Christians were consequently unwilling to concede authority to members of this hierarchy, including the spiritual princes represented in the diet. However, they did not only query the legitimacy of large parts of the Empire's territorial and constitutional structure; they began actively dismantling it. Some Protestant princes appeared among the prelates and bishops in the diet; others secularized ecclesiastical territories and integrated them into their principalities.⁴⁶ The Emperor's position was visibly eroding.

(eds.), *Deutsches Städtebuch*, vol. 2-5.2 (Stuttgart, Berlin, Cologne, Mainz, 1941-74); For individual estates the rulers' entries in the 'Deutsche Biographie' series were consulted. Historische Kommission bei der Königlichen Akademie der Wissenschaften (ed.) *Allgemeine Deutsche Biographie*, vol. 1-56 (Leipzig, 1875-1912), Historische Kommission bei der Bayerischen Akademie der Wissenschaften (ed.) *Neue Deutsche Biographie*, vol. 1-26 (Berlin, 1953-2016).

⁴⁴ Wilson, *Empire*, 87-94; Whaley, *Germany*, vol. 1, p. 274.

⁴⁵ Blickle, *Reformation*, p. 50.

⁴⁶ Press, 'Territorialstruktur', p. 245.

Ideologically, political theory and historiography in the form of popular chronicles considered the late medieval Empire sanctified as the earthly reflection of the rule of Christ.⁴⁷ The emperor was therefore essential counterpart and chief advocate of the Pope from whom he derived his authority;⁴⁸ delegitimizing the one meant delegitimizing the other. Under these circumstances some Protestant estates concluded there was nothing that fundamentally distinguished the emperor from other rulers.⁴⁹ When he tried to put pressure on them in religious policies, he therefore seriously jeopardized his ties with them.

Why then were Protestant estates content with symbolic acts of defiance and limited and temporary concessions? After all, there were more options. The Swiss had rejected integration into the constitutional Empire without religious issues affecting their decision, as had the Catholic duchy of Lorraine.⁵⁰ Why did not Protestant estates, too, terminate their participation in the diets, their contributions to defence and the upkeep of the imperial high courts, and move out of the constitutional into the wider Empire?

⁴⁷ Moraw, *Von offener Verfassung*, p. 149; H.J. Mierau, 'Das Reich, politische Theorien und die Heilsgeschichte: Zur Ausbildung eines Reichsbewußtseins durch die Papst-Kaiser-Chroniken des Spätmittelalters,' *Zeitschrift für Historische Forschung* 32, 4 (2005), pp. 543-73, pp. 543-4.

⁴⁸ A. Luttenberger, 'Kirchenadvokatie und Religionsfriede: Kaiseridee und kaiserliche Reichsidee im 16. und 17. Jahrhundert,' in R. Gundlach and H. Weber (eds.), *Legitimation und Funktion des Herrschers: Vom ägyptischen Pharao zum neuzeitlichen Diktator* (Stuttgart, 1992), pp. 185-232, pp. 185-88; Wilson, *Empire*, p. 19.

⁴⁹ Whaley, *Germany*, vol. 1, p. 298.

⁵⁰ Rabe, *Reich*, p. 406; T.A. Brady, *Turning Swiss: Cities and Empire, 1450–1550* (Cambridge, 1985), pp. 38-40. Cf. Luttenberger, 'Kirchenadvokatie', p. 197.

IV. Monetary diversity

One reason was monetary politics. In this respect as elsewhere in the Empire, diversity was the order of the day. All electors, 37% of the imperial cities and 31% of the members of the princes' college – altogether 125 authorities – struck coins at some point during the reign of Charles V.⁵¹ Not all minted at the same time or issued their own currencies, a number of regional unions having been established in the late Middle Ages, but diversity remained strong.⁵² Conditions were simplified somewhat by the use of a limited number of high-purchasing power units in large-volume trade. The golden rhinegulden that the electors on the Rhine (Mainz, Trier, Cologne and the Palatinate) issued played a particularly important role, as did the silver *taler*, the most prestigious product of the mints of the dukes and electors of

⁵¹ Cf. B. Prokisch, *Grunddaten zur europäischen Münzprägung der Neuzeit ca. 1500-1990* (Wien, 1993), pp. 1-233; Rössner, 'Monetary Instability', p. 305.

⁵² For regional unions see L. Boerner and O. Volckart, 'The Utility of a Common Coinage: Currency Unions and the Integration of Money Markets in Late Medieval Central Europe,' *Explorations in Economic History* 48 (2011), pp. 53-65; G. Stefke, 'Der "Wendische Münzverein" als spätmittelalterliche Währungsunion und andere norddeutsche Münzkonventionen des 13./14.-16. Jahrhunderts,' in R. Cunz (ed.) *Währungsunionen: Beiträge zur Geschichte überregionaler Münz- und Geldpolitik* (Hamburg, 2002), pp. 145-95; K. Weisenstein, 'Die Münzpolitik der rheinischen Kurfürsten (Rheinischer Münzverein) unter besonderer Berücksichtigung der Einflüsse von Reich und Städten,' in R. Cunz (ed.) *Währungsunionen: Beiträge zur Geschichte überregionaler Münz- und Geldpolitik* (Hamburg, 2002), pp. 105-43; J. Cahn, *Der Rappenmünzbund: Eine Studie zur Münz- und Geld-Geschichte des oberen Rheinthales* (Heidelberg, 1901); for monetary diversity e.g. Rössner, 'Monetary Instability', pp. 302-5.

Saxony.⁵³ However, with the advancing integration of currency markets in the Empire,⁵⁴ smaller coins were increasingly traded across territorial borders, too. For example, in 1553 the government of Habsburg Carinthia complained about small change from the county of Henneberg (more than 500 kilometres away across the Alps in Central Germany) that flooded the duchy to an extent ‘that the common man cannot obtain any other money whatsoever’.⁵⁵ It is not obvious who took the coins to Carinthia, but currency borders evidently did not exist.

A broad majority of the estates were interested in overcoming monetary diversity. Chronicles and memoirs written by contemporaries hold clues as to why this was the case. One of the best known autobiographies of the time, written by the lawyer and later mayor of Stralsund Bartholomäus Sastrow, tells how in 1542 his brother was severely wounded when a group of highwaymen held up a wagon that transported a large amount of coins. Sastrow was at pains to point out that the money was itself ill-gotten: It had been minted in Mecklenburg,

⁵³ Weisenstein, 'Münzpolitik'; P. Arnold, 'Die sächsische Talerwährung von 1500 bis 1763,' *Schweizerische Numismatische Rundschau* 59 (1980), pp. 50-94.

⁵⁴ D. Chilosì and O. Volckart, 'Money, States and Empire: Financial Integration and Institutional Change in Central Europe, 1400-1520,' *Journal of Economic History* 71, 3 (2011), pp. 762-91, pp. 768-9.

⁵⁵ OeStA/HHStA RHR – Miscellanea Münzwesen 2, fols. 443r.-7r. A test ordered by Ferdinand of Austria found that the intrinsic value of the coins from Henneberg matched that of about 1½ Austrian *pfennigs*. In Carinthia they circulated as 2-*pfennig*-pieces. Ibid., fol. 462r. For the circulation of small change of distant origin in Saxony see P.R. Rössner, *Deflation - Devaluation - Rebellion: Geld im Zeitalter der Reformation* (Stuttgart, 2012), pp. 482-3.

using coins from neighbouring Pomerania as raw material.⁵⁶ His account is supported by the contemporary Pomeranian annalist Thomas Kantzow. Kantzow illustrated the economics of re-minting, describing how the mint of the city of Rostock in Mecklenburg melted Pomeranian coins that it re-issued as similar-looking ones of lower intrinsic value.⁵⁷ This caused several problems. After some time the underweight money became dominant in Pomerania; by the 1550s, the dukes were complaining about the requirement to pay their dues to the Empire in good money while they received their revenues in bad coins.⁵⁸ Moreover, the Rostock mint was able to offer a higher nominal price for the bullion it purchased than the Pomeranian mints, whose supply of specie therefore dried up, and with it the seignorage the dukes had received.⁵⁹ The trade in and re-minting of coins thus had unambiguously negative revenue effects, which were particularly painful in an age of growing governmental and courtly expenses. Being unable to issue their own coins moreover robbed the dukes of a chance to shape their public image, and finally, their reputation with their peers was bound to suffer, too.

⁵⁶ B. Sastrow and G. Mohnike, *Bartholomäi Sastrowen Herkommen, Geburt und Lauff seines gantzen Lebens auch was sich in dem Denckwerdiges zugetragen, so er mehrentheils selbst gesehen und gegenwärtig mit angehöret hat*, vol. 1 (Greifswald, 1823), pp. 195-6.

⁵⁷ G. Gaebel (ed.) *Des Thomas Kantzow Chronik von Pommern in hochdeutscher Mundart*, vol. 1: Letzte Bearbeitung (Stettin, 1897), p. 346.

⁵⁸ Volckart, *Währung*, p. 415.

⁵⁹ Cf. 'Politics', p. 759; *Währung*, pp. LIV-LVI; Rössner, *Deflation*, p. 375.

Figure 1: Pomerania (left) versus Rostock (right), first half of the 16th century⁶⁰



Conditions such as these were typical of the early sixteenth-century Empire. For South Germany, it has been estimated that at least 50% of the bullion used by mints consisted of melted coins that other estates had issued.⁶¹ In self-defence, many urban and territorial governments decided to debase their own money, thus making re-minting unprofitable. The policy could work in the short term, but given the multitude of minting authorities it all too often triggered rounds of competitive debasements that caused uncertainty and high transaction costs.⁶² As Kantzow noted, the dukes of Pomerania chose a different option. They made a virtue of necessity and closed their mints, 'trusting that one day his imperial Majesty would

⁶⁰ With friendly permission of Münzenhandlung Brom, Berlin.

⁶¹ J. Schüttenhelm, 'Zur Münzprägung und Silberversorgung süddeutscher Münzstätten im frühen 16. Jahrhundert,' in W. Kroker (ed.) *Der Anschnitt: Zeitschrift für Kunst und Kultur im Bergbau. Beiheft 2: Montanwirtschaft Mitteleuropas vom 12. bis 17. Jahrhundert. Stand, Wege und Aufgaben der Forschung* (Bochum, 1984), pp. 159-69, p. 165.

⁶² Cf. H.-U. Geiger, 'Entstehung und Ausbreitung des Batzens,' *Schweizerische Numismatische Rundschau* 51 (1972), pp. 145-68; H. Rüthing, 'Zur Geschichte des Mariengroschens,' in A. Löther, U. Meier, and N. Schnitzler (eds.), *Mundus in imagine: Bildersprache und Lebenswelten im Mittelalter. Festgabe für Klaus Schreiner* (Munich, 1996), pp. 35-61. Bouts of competitive debasements help explain the changes in the pattern and rhythm of monetary policies that Rössner is stressing. Rössner, 'Monetary Instability', p. 320.

mandate a common coinage for the whole German land'.⁶³ With the estates lacking sufficient resources to prevent the cross-border traffic in coins, monetary harmonisation was indeed the only option viable in the long term.⁶⁴ During later negotiations the delegates of the elector Palatine captured the issue in a nutshell. They pointed out that 'when all estates strike coins of a common standard which they faithfully observe, the re-minting of money is effectively prevented because it can no longer be done without loss'.⁶⁵ In sum, by the first half of the sixteenth century the economic integration of the Empire had advanced so far that the problems caused by the trade in and re-minting of coins were crying out for a solution. The estates increasingly realized that this required Empire-wide cooperation.

Negotiations about a common currency did not only take place at practically all imperial diets between the 1520s and the 1550s, but also at conferences where the estates were represented by expert councillors. Such meetings were held in 1549 and 1557.⁶⁶ There were only two groups of estates who kept aloof: the Habsburg Netherlands and the dukes and electors of Saxony. The Netherlands led their own political and economic life without their official status as Burgundian Circle of the Empire having much effect. In 1548, Charles V negotiated

⁶³ W. Böhmer (ed.) *Thomas Kantzow's Chronik von Pommern in Niederdeutscher Mundart. Sammt einer Auswahl aus den übrigen ungedruckten Schriften desselben* (Stettin, 1835), pp. 163-4.

⁶⁴ Regional currency unions had demonstrated that such arrangements might work in the long term (cf. FN 52). An Empire-wide union suffered from the obvious weakness that the export of coins to and their re-minting in regions outside the constitutional Empire would continue. Contemporaries were aware of this. Leeb, *Reichstag zu Augsburg 1559*, vol. 3, pp. 1721.

⁶⁵ Volckart, *Währung*, 405.

⁶⁶ 'Politics'.

a treaty that kept them within the wider Empire but formally exempted them from the diet's legislation.⁶⁷ They benefited from the chance to re-mint coins issued by their eastern neighbours, and as they were politically unified, there was little danger that they would be drawn into rounds of competitive debasements.⁶⁸ The position of the Saxon rulers was different. By the 1540s, their careful decade-long policies had made the *talers* so popular that North-German consumers were trading them at a premium of almost 10%. In consequence, incentives to melt and re-mint *talers* were practically non-existent; moreover, for every overvalued *taler* exported to neighbouring territories Saxon merchants made a considerable gain in pure silver.⁶⁹ No wonder the dukes and electors of Saxony did little more than pay lip service to the ideal of monetary harmonisation⁷⁰ – that is, as long as this required abolishing the *taler*.

V. *Bergherren* and have-nots

A first attempt to establish a common currency in the mid-1520s failed quickly, among other things because the governing council that ruled the Empire while Charles V was abroad had insufficiently coordinated its plans with the estates and the emperor.⁷¹ From then on to the late

⁶⁷ N. Mout, 'Die Niederlande und das Reich im 16. Jahrhundert,' in V. Press and D. Stievermann (eds.), *Alternativen zur Reichsverfassung in der Frühen Neuzeit?* (Munich, 1995), pp. 143-68, 147, 153-5; Whaley, *Germany*, vol. 1, p. 22.

⁶⁸ H.-W. Bergerhausen, '„Exclusis Westphalen et Burgundt“: Zum Kampf um die Durchsetzung der Reichsmünzordnung von 1559,' *Zeitschrift für historische Forschung* 20 (1993), pp. 189-203, pp. 191-2.

⁶⁹ Volckart, *Währung*, p. LXIX.

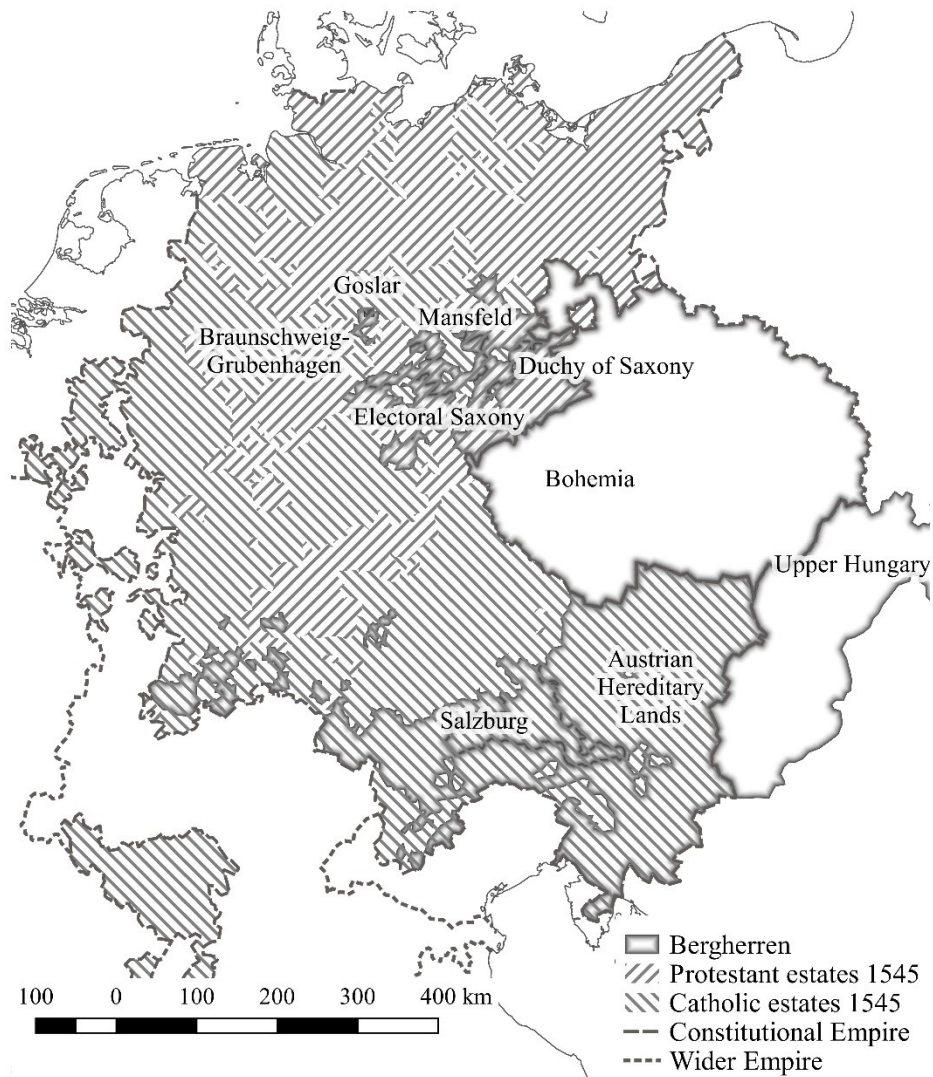
⁷⁰ *ibid.*, p. 58.

⁷¹ F.F.v. Schrötter, 'Das Münzwesen des deutschen Reichs von 1500-1566, Teil I,' *Schmollers Jahrbuch für Gesetzgebung, Verwaltung und Volkswirtschaft* 35, 4 (1911), pp. 129-72, pp. 141-57.

1540s, all negotiations were dominated by the topic of the price at which mints were to purchase the metal needed to issue the common currency. On the face of it, the problem seemed obvious: Estates able to supply their mints with bullion at lower costs than others would be able to generate a higher seignorage, and disputes about this point made an agreement difficult.⁷² Accordingly, the talks between the late 1520s and 1540s split the estates into two factions. On one side stood the *Bergherren*: Charles' brother Ferdinand of Austria, who ruled Tyrol and, since 1526, Bohemia and Upper Hungary (territories with large silver ore deposits), the archbishop of Salzburg, the Saxon electors and dukes, the prince of Braunschweig-Grubenhagen, the counts of Mansfeld and the imperial city of Goslar in the Harz mountains. On the other side were the vast majority of estates who needed to purchase their silver on the open market or had so far relied on periodic debasements that allowed them to re-mint their neighbours' money.

⁷² A memorial prepared by the mint masters of the electors of Mainz, Trier, Cologne and the Palatinate for the diet of Speyer in 1529 therefore stressed the necessity to harmonise not only the price of silver but also the rates of seignorage. StAWü/MRA 7226 (Münze K 137/1½), fol. 6r.

Figure 2: Confessions and alignments in monetary politics, 1545



The negotiations moved slowly because the diet did not meet during Charles V's long absence from the Empire between 1532 and 1540. On the side of the *Bergherren*, they consisted of attempts to agree on a common price of bullion,⁷³ on the opposing side of the search for a

⁷³ See e.g. OeStA/FHK – Alte Hofkammer – Niederösterreichisches Münz- und Bergwesen, Akten 01, fols. 119r.-38v. (the records of the talks between Austria and the other mountain lords, late autumn 1526, Nuremberg); Eltz, *Reichstag von 1544*, vol. 1, pp. 330-1, 337.

way how the estates might avoid falling prey to a cartel of silver producers. The takeover of all mines by a new imperial agency that would distribute the metal was the most radical idea.⁷⁴

While the discussions were going on, religious tensions were steadily mounting. Repeated talks between theologians of both sides failed to heal the rift, though they at least accustomed Catholics to seeing Protestants as discussion partners rather than as heretics. Among the estates, however, the mere rejection of the opposite confession gave increasingly way to a form of partiality that *a priori* denied the counterparty's political good will, moral integrity and trustworthiness.⁷⁵ The year 1531 saw the creation of the Schmalkaldic League that grew rapidly in membership and influence. Some *Bergherren* such as the elector of Saxony and the counts of Mansfeld were founding members, another, the city of Goslar, joined a little later.⁷⁶ The imperial diet itself became increasingly polarized, with the two higher colleges splitting into Protestants and Catholic sub-groups.⁷⁷

When for example territorial disputes between temporal rulers were at issue, the estates had some leeway that allowed them to align their positions with those of their co-religionists. As a result, such questions were increasingly framed in terms of a choice between 'god's people'

⁷⁴ *ibid.*, pp. 321-2.

⁷⁵ 'Colloquies,' in H.J. Hillerbrand (ed.) *The Oxford Encyclopedia of the Reformation* (New York, Oxford, 1996), pp. 375-83; A. Luttenberger, *Glaubenseinheit und Reichsfriede: Konzeptionen und Wege konfessionsneutraler Reichspolitik 1530 - 1552 (Kurpfalz, Jülich, Kurbrandenburg)* (Göttingen, 1982), pp. 62-3.

⁷⁶ Whaley, *Germany*, vol. 1, p. 304.

⁷⁷ Hartmann, *Reichstage*, pp. 71-2, 85.

and the 'enemies of Christ'.⁷⁸ By contrast, polarisation bypassed the negotiations about the common currency. Here the prevailing paradigm, which stressed the fundamental importance of the price of bullion, restricted the choice of policy. Geographical factors – specifically, access to silver ore – determining who was a *Bergherr* and who was not. As a result, a cleavage emerged that cut across the religious rift.

How did this affect the negotiations about the common currency? Expressions of goodwill, couched in terms of friendship, are commonplace in the records, but there is little evidence for the immediate effects which political scientists have found in a modern context:⁷⁹ Negotiators may have become better aware of the rationales of their monetary-policy opponents if they shared a common confession, but nothing suggests that they became more tolerant or accepting of their antagonists' views.⁸⁰ What seems to have been decisive was not this, but first, the fact that where monetary policy was concerned, the estates were in effect prisoners of economic geography. Moreover, at the diets and currency conferences, they or their representatives negotiated in the presence of members of both religious factions. For both these reasons they could not change their views on monetary policies depending on whom they were talking to, which implied that they had no alternative to arguing in a consistent, objective way. Putting any policy proposal made by a member of the opposite denominational faction under general suspicion was no option under such circumstances. That is how in this context cross-cutting

⁷⁸ Examples: Luttenberger, *Glaubenseinheit*, pp. 33; cf. *ibid.*, p. 63.

⁷⁹ Cf. e.g. Mutz, 'Networks', p. 113.

⁸⁰ On the contrary: on at least one occasion, one party explicitly accused the other of having illegitimate ('*unpillich*') motives. Volckart, *Währung*, p. 133.

cleavages promoted a fact-oriented, sober negotiating style. The minutes of the talks, which in many places have the ring of direct speech, clearly reflect this.⁸¹

In 1545, the diet of Worms decided to delegate the discussion of the currency to a committee. Committees were normally formed by the plenum of the diet determining the number of representatives that each of the three colleges should send, and the colleges then electing their spokespersons.⁸² If the diet of Worms followed this procedure, members of the Catholic majority in the Princes' college must have voted for Protestant representatives. As a result, a denominationally mixed group of 14 was formed (for membership and confessional allegiance see Figure 3). The committee decided to leave aside the silver price issue. On this basis it was within days able to draft a currency bill.⁸³

⁸¹ Aulinger, *Reichstag zu Worms 1545*, vol. 1, pp. 365-94.

⁸² Hartmann, *Reichstage*, 195.

⁸³ Aulinger, *Reichstag zu Worms 1545*, vol. 1, pp. 362, 678, 872-80.

Figure 3: Confessions and currency committee members, diet of Worms 1545⁸⁴



The constructive style of the discussions was helped by the consensus-oriented procedure the diets had developed by the 1540s. The delegate of the elector of Mainz (the imperial arch-

⁸⁴ Prelates and counts and barons were represented by one delegate each. For clarity the map shows only those of these estates that were minting and actually present at the diet of 1545; cf. R. Aulinger and S. Schweinzer-

chancellor) headed the talks, calling the participants in their order of rank in the Empire's feudal hierarchy. Hence, while each committee member had the chance to express his views, lower-ranking members were discouraged from disagreeing with previous higher-ranking ones if they did not want to antagonize them. If no consensus emerged, the process was repeated. Thus, when the talks turned to the problem of what to do with the old money once a common currency had been introduced, Catholic Austria suggested a solution, Catholic Würzburg pointed to a practical problem that might arise in this context, Protestant Brandenburg-Küstrin declared they would simply join the majority, Protestant Württemberg expressed pleasure with Austria's suggestion, and the representatives of the counts and barons and prelates concurred with the previous speaker. Strasbourg and Augsburg (both Protestant), finally, added a few more points that were then discussed in a further round of questioning.⁸⁵ Conceivably, committee members like Württemberg did not vote according to their factual understanding of the monetary-policy issue at hand but rather strategically, i.e. in order not to antagonize previous speakers. If they did so, rank trumped faith. There is no evidence for confessional allegiances affecting votes in the committee.

Ferdinand of Austria, meanwhile, attempted to advance the talks about the silver price harmonisation by coordinating the *Bergherren*. His correspondence with the Saxon elector, who was one of the most important members of this group and at the same time one of the

Burian, 'Habsburgische und reichsständische Präsenz auf den Reichstagen Kaiser Karls V. (1521-1555) im Spiegel der Reichsmatrikel von 1521: Eine prosopographische Erfassung,' in F. Hederer, et al. (eds.), *Handlungsräume: Facetten politischer Kommunikation in der Frühen Neuzeit. Festschrift für Albrecht P. Lützenberger zum 65. Geburtstag* (München, 2011), pp. 109-64; Prokisch, *Grunddaten*, pp. 1-233.

⁸⁵ *ibid.*, p. 384.

leaders of the Schmalkaldic League, remained trusting and open despite all religious differences. During the diet of Worms 1545 the correspondents discussed issues such as the impact of silver price setting policies on both parties' reputation – evidently Ferdinand considered the relevant cleavage to be not between him and the Protestant *Bergherren* but between the *Bergherren* as a group and the other estates, be they Protestant or not.⁸⁶

VI. For and against bimetallism

In the late 1540s positions in monetary policies changed fundamentally. A currency conference in spring 1549 was still dominated by the split between *Bergherren* and other estates; during the follow-up conference that began in September the matter was not even raised.⁸⁷ What caused the change is not entirely clear. Two things are obvious, though: First, Charles V's defeat of the Schmalkaldic League in 1547, which might conceivably have caused Protestant estates to fall in line with the Habsburgs, did not trigger the policy change, and second, the estates began to realize that the argument that standardizing silver prices was a precondition for the creation of a common currency was actually invalid.

This had first been noted some years earlier. Having received the bill drafted by the currency committee at the diet of Worms 1545, the estates argued for weeks about how to achieve a uniform price of silver.⁸⁸ The committee finally found that further disputes were pointless: Mints used silver coins to purchase raw silver. They could therefore offer bullion merchants for one mark (c. 233 grams) of silver 'no more than another mark, and in the shape of minted

⁸⁶ *Reichstag zu Worms 1545*, vol. 2, p. 900.

⁸⁷ Volckart, *Währung*, p. LVIII.

⁸⁸ Aulinger, *Reichstag zu Worms 1545*, vol. 2, pp. 914-39.

silver as much less as it had cost to mint'.⁸⁹ In modern terms: coins normally circulated at a value close to their production costs.⁹⁰ The production costs had two components: first the costs of the bullion of which the coins were made, and second labour and other costs. A coin could therefore buy more bullion than it contained, but only as much more as was equivalent to the other production costs. Hence, while nominal silver prices expressed in local currencies could vary widely across the Empire, prices expressed in silver *had* to be relatively uniform. It was probably this insight – a genuine paradigm shift – that ended the discussion about a silver price harmonisation. When the issue re-surfaced briefly during negotiations in 1557, the representatives of the elector of Trier pointed to the argument raised by the currency committee at Worms twelve years earlier in order to close the matter.⁹¹

Once the silver price issue had been dealt with, the cleavage between *Bergherren* and other estates vanished. However, a new one moved to the foreground. Over the previous decades, the estates had repeatedly considered a bimetallic currency;⁹² the conference convened in September 1549 now realized that an agreement on this issue was elusive.⁹³ The delegates of the princes favoured bimetalism, whereas the imperial cities and the majority of the electors opposed it. Among the latter, the electors on the Rhine – Mainz, Trier, Cologne and the Palatinate – were prominent. The elector of Saxony, who was not represented at the conference,

⁸⁹ *ibid.*, pp. 947-8.

⁹⁰ Cf. T.J. Sargent and F.R. Velde, *The Big Problem of Small Change* (Princeton, Oxford, 2002), pp. 18-9.

⁹¹ Volckart, *Währung*, p. 402.

⁹² J.C. Hirsch, *Des Teutschen Reichs Münz-Archiv*, vol. 1 (Nürnberg, 1756), p. 241; Aulinger, *Reichstag zu Worms 1545*, vol. 2, pp. 931, 951.

⁹³ Volckart, *Währung*, pp. LIX-LXVIII.

had his own reasons for rejecting the common currency (his interest in keeping up the export of overvalued *talers*), with only the elector of Brandenburg preferring the system favoured by the majority of the princes. The emperor was strongly in favour.

Figure 4: Confessions and alignments in monetary politics, 1549



Recent research has established that from the late 1540s onwards, the estates' outlook on monetary policies was to a large extent shaped by the origin and composition of their revenues

and the size of their debts.⁹⁴ So far, indebted princes – of whom there were many⁹⁵ – had to use gold coins in order to service those of their obligations denominated in gold. Over the decades this became increasingly difficult. The mining boom of the late fifteenth and sixteenth centuries increased the supply of silver, with the consequence that gold appreciated.⁹⁶ At the currency conference of autumn 1549, the representatives of Charles V were the first to point out that a bimetallic system would solve the problem as it allowed using silver coins, whose value in gold was legally fixed, in order to service debts.⁹⁷ The delegates of the princes received the suggestion enthusiastically. Given that in about 1550 prince-bishoprics like Bamberg and duchies like Württemberg had debt-to-revenue ratios in the region of between 11 and 14:1,⁹⁸ this is no surprise. In effect, for such rulers past fiscal decisions determined their present stance in monetary policies. Religious allegiances did not matter here: In the discussion papers and

⁹⁴ 'Politics', pp. 767-70.

⁹⁵ M. Lanzinner, *Friedenssicherung und politische Einheit des Reiches unter Kaiser Maximilian II. 1564 - 1576* (Göttingen, 1993), pp. 173-7.

⁹⁶ J.H. Munro, 'The Monetary Origins of the 'Price Revolution': South German Silver Mining, Merchant-Banking, and Venetian Commerce, 1470-1540,' in D.O. Flynn, A. Giráldez, and R. von Glahn (eds.), *Global Connections and Monetary History, 1470-1800* (Aldershot, Brookfield, 2003), pp. 1-34, p. 7. American silver was imported in sizable quantities from about 1545, but its impact on coinage appears to have been delayed by a quarter of a century. R. Pieper, 'American Silver Production and West European Monetary Supply in the Sixteenth and Seventeenth Century,' in J. Casas Pardo (ed.) *Economic effects of the European expansion: 1492 - 1824* (Stuttgart, 1992), pp. 77-98, pp. 90, 94.

⁹⁷ Volckart, *Währung*, p. 196.

⁹⁸ R. Bütterlin, *Die merkantilistische Geldpolitik im Herzogtum Württemberg von der Reformation bis Napoleon* (Metzingen, 1966), p. 25; Lanzinner, *Friedenssicherung*, p. 177.

memorials prepared by the princely delegates, Charles V's representatives appeared from now on as 'his Imperial Majesty's praiseworthy commissioners'.⁹⁹

Other delegates were less pleased. Many imperial cities were creditors of princes, with Protestant Nuremberg and Ulm having lent large sums for example to the Habsburgs.¹⁰⁰ It was they who played a leading role among the urban delegates at the conference of autumn 1549,¹⁰¹ and accordingly, the cities opposed bimetallism.¹⁰² In this, they stood shoulder to shoulder with the delegates of the Catholic Rhenish electors. For them no less than for the *Bergherren* during the previous phase of monetary policies, economic geography holds the key to their political stance. In the electors' case, it was the fact that their revenues depended to a large degree on the income from the custom posts on the Rhine, which was the most important transcontinental trade route linking Italy and the Netherlands.¹⁰³ As tariffs were listed in terms of gold, they benefited from the increasing value of the metal.¹⁰⁴ By the same token, a bimetallic currency

⁹⁹ Volckart, *Währung*, pp. 199, 201, 245, 257.

¹⁰⁰ L. Winder, 'Die Kreditgeber der österreichischen Habsburger 1521-1612: Versuch einer Gesamtanalyse,' in P. Rauscher, A. Serles, and T. Winkelbauer (eds.), *Das „Blut des Staatskörpers“: Forschungen zur Finanzgeschichte der Frühen Neuzeit* (Munich, 2012), pp. 435-58, p. 442.

¹⁰¹ The cities' college at the imperial diet had empowered six of its major members to speak in the name of all imperial cities; these six cities had, in turn, delegated Nuremberg and Ulm. Volckart, *Währung*, p. 277. For the cities' opposition to bimetallism see *ibid.*, pp. 131, 247-8.

¹⁰² Cf. *Ibid.*, p. 277. For the cities' opposition to bimetallism see *ibid.*, pp. 131, 247-8.

¹⁰³ J.H. Munro, 'The "New Institutional Economics" and the Changing Fortune of Fairs in Medieval and Early Modern Europe: the Textile Trades, Warfare and Transaction Costs,' *Vierteljahrschrift für Sozial- und Wirtschaftsgeschichte* 88, 1 (2001), pp. 1-47, p. 25; Chilosi and Volckart, 'Money', p. 784.

¹⁰⁴ As the elector of Saxony noted already in 1545. Cf. Aulinger, *Reichstag zu Worms 1545*, vol. 2, p. 921.

that legally fixed the ratio between gold and silver coins would have harmed the Rhenish electors.

In the negotiations, Protestants and Catholics again found themselves on both sides of the monetary-policy cleavage. They differed on bimetallism, but that did not prevent them from constructively discussing other aspects of the new currency. For example, one of its most innovative features was the limitation of the legal-tender function of small change. This was designed to give bullion merchants an incentive to insist on mints paying them in large units and to prevent the excessive issue of small coins.¹⁰⁵ The minutes of the conference show that when this issue was discussed, both Protestants and Catholics judged proposals at their own merits, rather than treating anything not suggested by one of their respective co-religionists with suspicion.¹⁰⁶

Bimetallism, though, remained the crux of the matter. Here the electors on the Rhine were seeking support wherever they could, again without considering the religious cleavage between the estates. Their most influential ally was the Protestant elector of Saxony whom they supplied with a copy of a detailed memorial they had prepared for Charles V to justify their stance. The Saxon elector returned the favour by writing the emperor, supporting the Rhenish electors' position (despite he himself rejecting the planned new currency for entirely different reasons).¹⁰⁷

¹⁰⁵ Volckart, *Währung*, pp. LXXVIII-LXXIX; cf. Sargent and Velde, *Problem*, pp. 114-5.

¹⁰⁶ Volckart, *Währung*, p. 143.

¹⁰⁷ *ibid.*, pp. 281-300; OeStA/HHStA RHR – Miscellanea Münzwesen 1 (3. Konvolut), fols. 428r.-31v.

In July 1551 Charles V published the bill that introduced a bimetallic currency based on the support of the princes' college and regardless of the remaining opposition.¹⁰⁸ It was to be implemented in a coordinated way, with all estates putting it into effect at the same time.¹⁰⁹ However, before this could happen a coalition of Protestant princes led by the Saxon elector revolted. He apparently aimed at re-establishing the reputation and freedom of action his previous role as the emperor's right hand man in North Germany had compromised.¹¹⁰ The revolt was over within a few months, but when individual estates began implementing the currency bill, consumers failed to deliver the devalued old coins to the mints where they were to be used as raw material for the new coinage. Rather, they exported them to neighbour territories where the bill was not yet in force and their value was higher.¹¹¹ By the time the imperial diet met in 1556 in Regensburg, it was evident that the bill had failed.

Charles V left the negotiations with the rebels to his brother Ferdinand whose task was working out a *modus vivendi* for Catholics and Protestants. This required abandoning the emperor's political course – something that Ferdinand, who had 10 years earlier trustfully cooperated with for example the Protestant elector of Saxony, was well placed to do. One way of convincing the estates of his desire to accommodate all parties was demonstrating how open he was to compromises in monetary policies by signalling his willingness to abandon

¹⁰⁸ *ibid.*, pp. 344-72.

¹⁰⁹ Cf. OeStA/HHStA RHR – Miscellanea Münzwesen 2, fols. 351r.-441v.

¹¹⁰ I. Grund, 'Die Ehre – die Freiheit – der Krieg: Frankreich und die deutsche Fürstenopposition gegen Karl V. 1547/48 – 1552' (Universität Regensburg, 2007), p. 246.

¹¹¹ Cf. OeStA/HHStA RHR – Miscellanea Münzwesen 2, fols. 609r.-10r.

bimetallism.¹¹² This mapped out the further course of monetary policies. On a conference the Regensburg diet called for 1557 to discuss the reform of Charles V's currency bill, the delegates of the elector Palatine suggested discarding the fixed gold-silver ratio in favour of floating exchange rates between the Empire's silver and gold coins.¹¹³ Two years later the diet of Augsburg adopted this suggestion, which became the basis of Ferdinand's own currency bill.¹¹⁴ In 1566, the last element of the reform was implemented: The estates accepted the slightly debased Saxon *taler* at the rate which the bills of 1551 and 1559 had given its older and better variant as official part of the imperial currency.¹¹⁵

VII. Conclusion

Contemporaries and later observers praised this outcome: In 1571 one author noted that Ferdinand's bill and its amendment of 1566 were 'imposing and well considered' and could 'hardly be improved'; twenty years later another admitted that while they had met some opposition ('like all good proposals'), they took all relevant circumstances into account and were 'highly useful measures'.¹¹⁶ There were weak points: For example, the integration of the Habsburg Netherlands that the estates had repeatedly demanded failed.¹¹⁷ Still, in monetary

¹¹² Aulinger, Eltz, and Machoczek, *Reichstag zu Augsburg 1555*, vol. 2, p. 1260.

¹¹³ Volckart, *Währung*, p. 406.

¹¹⁴ Text of the bill (19 Aug. 1559), Leeb, *Reichstag zu Augsburg 1559*, vol. 3, 1953-88.

¹¹⁵ Lanzinner and Heil, *Reichstag zu Augsburg 1566*, vol. 2, pp. 1554-5.

¹¹⁶ J.C. Hirsch, *Des Teutschen Reichs Münz-Archiv*, vol. 7 (Nürnberg, 1761), p. 87; T. Frieze and C. Spangenberg, *Müntz-Spiegel/ das ist: Ein New und Wolaußgeführter Bericht von der Müntz* (Frankfurt, 1592), pp. 204-5.

¹¹⁷ Volckart, *Währung*, p. LXXIV; Bergerhausen, '„Exclusis Westphalen et Burgundt“', p. 192.

terms, the Empire had never been as coherent and unified as it was after the reforms of 1559 and 1566. In view of the degree to which it was riven by religious cleavages, bringing decades of complex negotiations that involved a huge number of parties to such a successful conclusion appears remarkable.

Two factors helped achieving this result. First, monetary conditions themselves encouraged the estates to cooperate. The problem was dealing with the effects of the multiplicity of currencies and the lack of currency borders. The more the economic integration of the Empire advanced, the more opportunities there were to export coins that other mints could use as raw material. This practice jeopardized the revenues and reputation of all estates as long as different currencies with similar-looking coins that could be arbitrarily debased were circulating side by side. The cross-border trade in coins could not be prevented, so opting out of the constitutional Empire, joining the Swiss Confederacy or another neighbour, or splitting the polity altogether (possibly along religious fault lines) were no solutions. The reaction of the dukes of Pomerania – they closed their mints, hoping the emperor would eventually ‘mandate’ a common, Empire-wide currency – indicates that they realized that no single estate could solve the problem on his own. Monetary conditions thus encouraged even rulers of regions far from the centres of the emperor’s power in Austria and the Netherlands to cooperate with him and with other imperial estates; they had the potential to stimulate political integration at an Empire-wide level. This potential transcended the religious cleavage of the Reformation.

The existence of a potential does, of course, not imply that it will be realized. However, in the present case realisation was helped by the fact that neither Protestant nor Catholic estates formed homogeneous groups in questions of monetary policies. What shaped their positions was partly economic geography (their access to deposits of silver ore, or their location on the most important trans-European trade route), and partly past policies (whether they had issued a currency that markets traded at a premium, or the extent to which they had used gold-

denominated debts to finance expenditure). In consequence, monetary-policy cleavages consistently cut across those created by the Reformation. The way how they became effective differed from the one political scientists have considered in present-day contexts: Rather than causing a growth in tolerance or understanding for the rationales of agents on the other side of the divide, they forced negotiators to argue in a consistent and fact-oriented way. Consistency was bound to generate trust, while the factual outlook of the negotiators was the basis of the sober and constructive approach to monetary politics that the sources reflect. Coupled with Ferdinand's insight that compromise was unavoidable, cross-cutting cleavages thus made the legislation of 1559 and 1566 possible.

While phases of bitter estrangement between many imperial estates were a recurring feature in the Empire's history, polarisation was never absolute. What role cross-cutting cleavages played during such periods remains to be seen. In the Age of Reformation, at any rate, politics continued to be multi-dimensional and relevant cleavages cut across each other. This helped holding together the 'Dear Old Holy Roman Realm'.

Abstract

Research has rejected Ranke's hypothesis that the Reformation emasculated the Holy Roman Empire and thwarted the emergence of a German nation state for centuries. However, current explanations of the Empire's cohesion that emphasize the effects of outside pressure or political rituals are not entirely satisfactory. This article contributes to a fuller explanation by examining a factor that so far has been overlooked: monetary policies. Monetary conditions within the Empire encouraged its members to cooperate with each other and the emperor. Moreover, cross-cutting cleavages forced actors on different sides of the confessional divide to frame coherent and fact-oriented monetary-policy arguments. This helped generating trust among the estates involved in the discussions about a common currency between the 1520s and the 1550s and contributed to the success of the negotiations. Monetary policies thus helped bridging the religious divide that had opened within the Empire; they therefore contributed to its political cohesion.

Keywords: Holy Roman Empire, Reformation, political cohesion, monetary policies.