

Letter to Charles V: Finance and Politics

Jacob Fugger

The explorations and conquests of the fifteenth and sixteenth centuries were connected with the commercial expansion occurring in Europe at the same time. Central to this expansion was the rise of great international financial houses, such as the House of Fugger. The House of Fugger originated in Augsburg, Germany, and the Fuggers established branches throughout Europe and became directly tied not only to the growth of commerce but also to political developments as financiers to royal families. The extent of the Fuggers' political influence is suggested by the tone and content of the following letter, written in 1523, by Jacob Fugger, head of the firm, to Charles V, head of the House of Hapsburg, Holy Roman Emperor, King of Spain, and the most powerful ruler in Europe. The letter refers to the financial support provided by the Fuggers that enabled Charles, rather than his competitor Francis I of France, to be elected Holy Roman Emperor in 1519 by the electoral princes of Germany.

CONSIDER: *The tone of this letter; the interests the Fuggers might have in establishing a relationship with Charles V; Jacob Fugger's options had Charles rejected this request for repayment of the loan.*

Your Imperial Majesty doubtless knows how I and my kinsmen have ever hitherto been disposed to serve the House of Austria in all loyalty to the furtherance of its well-being and prosperity; wherefore, in order to be pleasing to Your Majesty's Grandsire, the late Emperor Maximilian; and to gain for Your Majesty the Roman Crown, we have held ourselves bounden to engage ourselves towards divers princes who placed their Trust and Reliance upon myself and perchance on No Man besides. We have, moreover, advanced to Your Majesty's Agents for the same end a Great Sum of Money, of which we ourselves have had to raise a large part from our Friends. It is well known that Your Imperial Majesty could not have gained the Roman Crown save with mine aid, and I can prove the same by the writings of Your Majesty's Agents given by their own hands. In this matter I have not studied mine own Profit. For had I left the House of Austria and had been minded to further France, I had obtained much money and property, such as was then offered to me. How grave a Disadvantage had in this case accrued to Your Majesty and the House of Austria, Your Majesty's Royal Mind well knoweth.

SOURCE: From Richard Ehrenberg, *Capital and Finance in the Age of the Renaissance: A Study of the Fuggers and Their Connections*, trans. H. M. Lucas (New York: Augustus M. Kelley, 1963), p. 80. Reprinted by permission.