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**Jewish Families and the Tobacco Monopoly
in the Habsburg Monarchy**

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In a sketch about Jews and smoking Sander Gilman claimed that there was “a strange but powerful association of Jews in Europe and beyond with smoking tobacco.” According to Gilman, the association was so powerful that it formed “a means of describing the modernization of Jewish identity from the eighteenth century to the present.”¹ Although he conceded that this association was not merely a symbolic one, since Jews played a substantial role in the tobacco industry in various functions and positions, Gilman is primarily interested in the *symbolic representation* of Jews in this context.

My research, on the other hand, seeks exposing the *actual role* of tobacco in the modernization and acculturation processes of Jews in the Habsburg Monarchy. While some Jewish historians – as Gershom Scholem and Joseph Karniel – have hinted toward a possible connection already some decades ago, most Jewish histories (including my own) have so far linked the rise of modern Jewish intellectuals to an inherently Jewish tradition. They have explicitly or implicitly assumed that the majority of these individuals were either dropouts or graduates from *Yeshivot*, i.e. that they belonged to Jewish primary or secondary intellectual elite. While the social background of the young intellectuals is sometimes mentioned in passing, it has not been taken into consideration systematically for the assessment of their social and intellectual formation. Contrary to this approach, my project focuses on socio-

¹ Sander L. Gilman, “Smoking Jews on the Frontier”, in: Gilman, *Jewish Frontiers: Essays on Bodies, Histories and Identities*, 2003, p. 96.

economic conditions that enabled the rise of modern Jewish intellectuals; i.e. instead of looking at the intellectuals as a pre-defined group in Jewish society, I analyze this group in its making.

Colorful figures like the writer, journalist and secretary of the Jewish community **Ludwig August Frankl** (1810-1894), the publisher, journalist and abolitionist **Isidor Busch** (1822-1898) and the painter **Leopold Pollak** (1806-1880) ultimately excelled in different fields of Jewish culture and ended up in different places, but they were all children or grandchildren of tobacco leaseholders; in fact they were all related to a single family.

Like many other nightshades – e.g. tomatoes and potatoes – tobacco was unknown in Europe before the discovery of America. As opposed to the other import commodities that enriched European cuisine and coffer, the reception history of tobacco in European society was checkered. While it was first welcomed as a miracle drug and cherished as a stimulant by elite circles, it was soon condemned by religious authorities of all persuasions for its ‘detrimental effects’ on order and morality, when it lost its exclusive and exotic character.

In Europe, opposition to the ‘new vice’ was mainly connected to the disciplining discourse of religious reform movements that prescribed discipline and sobriety; as well as to overall rationalizing tendencies in the early modern period that sought educating the individual toward self-control, restraint and moderation.²

The English King James I (1566-1625) was between the first prominent tobacco opponents; he entered the controversy shortly after his accession to the throne in 1603. In his short tract *A Counterblaste to Tobbaco* (1604), on the one hand, he condemned smoking as a “savage costume”, adopted from the “barbarous Indians” that threatens to undermine English civilization.³ On the other hand, he argued that the addictive character of tobacco destabilized the order of society – the hierarchy between husbands and wives, between masters and servants – and

² Cf. Rudi Matthee, “Exotic substances: the introduction and global spread of tobacco, coffee, cocoa, tea and distilled liquor, sixteenth to eighteenth centuries” in: Roy Porter, Mikulaš Teich, eds., *Drugs and Narcotics in History* (Cambridge, New York: Cambridge University Press, 1995), pp. 24-51, p. 45.

³ Sandra J. Bell, “‘Precious Stinke’: James I’s *A Counterblaste to Tobacco*” in: Daniel Fischlin, Mark Fortier, eds., *Royal Subjects: Essays on the Writings of James VI and I* (Detroit, MI: Wayne State University Press, 2002), p. 323-343, cf. p. 327.

corrupted the mores and manners of English society.⁴ Moral corruption was necessarily followed by economic decay that jeopardized the body of the individual and of the nation.

Despite the overall moralizing discourse in his tract, James I was equally concerned with his country's economy. When he ascended to power in 1603,

England imported approximately 25,000 pounds of tobacco from the Spanish colonies. The king therefore considerably raised import duties and tried creating a royal tobacco monopoly as early as 1624.⁵ In 1629, also the French statesman Cardinal Richelieu (1885-1642), another militant tobacco opponent, decided levying high duties on tobacco, since he was convinced that a profitable tax would be more beneficial to the state and its subjects than inefficient sanctions.⁶ However, neither the English king nor the French prime minister succeeded in regulating and centralizing tobacco import and in restricting tobacco sale to licensed persons.

Spanish and Portuguese rulers were more successful in this regard. The effective organization of the Spanish tobacco monopoly by Portuguese crypto-Jews in the first half of the seventeenth century was the result of an economic crisis on both sides, – the Spanish Crown and the Portuguese New Christians – as Carsten Wilke has lately argued.⁷ New Christians organized the tobacco monopoly and manned it with a hierarchically structured organization of local and provincial administrators, wholesale merchants and individual salesmen, all belonging to crypto-Jewish families. The monopoly first evolved around a chief tax farmer in Madrid; from 1701 onward, it was directly subordinated to the royal treasury and added much needed funds to the royal coffers. Despite serious reservations, New Christians were

⁴ Ibid., p.333.

⁵ Charlotte Cosner, "Control, Contraband and the Lure of the Devil's Weed: Two Centuries of Tobacco Regulations and its Circumvention, 1600s-1700s" on: <http://www.kislakfoundation.org/prize/200101.html> (retrieved 10 Dec. 2012).

⁶ Egon Caesar Corti, *Geschichte des Rauchens: 'Die trockene Trunkenheit': Ursprung, Kampf und Triumph des Rauchens* (Frankfurt am Main: Insel Taschenbuch, 1986, reprint from 1930), p. 157.

⁷ Carsten Wilke, "Contraband for the Catholic King: Jews of the French Pyrenees in Tobacco Trade and the Spanish Finance" in: *Purchasing Power: Jews, Commerce, and Culture*, eds. Rebecca Kobrin and Adam Teller (Philadelphia: University of Pennsylvania Press, forthcoming), 27 pp.; I wish to thank the author for putting the manuscript at my disposal.

actively involved in the tobacco monopoly until the last big persecution by the Spanish Inquisition in 1725.⁸

To Central Europe, the 'new vice' entered during the Thirty-Years War (1618-1648). The habit was introduced to Central European territories by English soldiers. In spite of the opposition from the Catholic and the Protestant church as well as from traditional rabbis,⁹ it was rapidly adopted by soldiers of both camps and further disseminated to the local population of all religious persuasions. Thus, in the second half of the seventeenth century, also the countries north of the Alps started organizing tobacco trade. In 1701, the Habsburg Emperor Leopold I published a general charter for all his provinces, in which he explicitly stated that tobacco trade and production was a state monopoly. Like the Spanish king, he embraced tobacco as a taxable commodity and revenue for the Imperial coffer. However, taxes from tobacco trade never met the expectations of the Emperor and the Treasury.

The Imperial Treasury thus decided in 1722 to establish tobacco factories, as it was already standard in Western countries. The first and main factory was erected in September 1722 in Hainburg (Lower Austria) with Baußart von Sonnenfeld, a privy councilor at the Imperial Treasury, as its first director. In 1723, provincial branches of the central tobacco administration were established in Bohemia, Moravia, Silesia, Upper Austria, Styria-Carinthia, Carinola and the Austrian Littoral (i.e. the area of Trieste, Istria and Gorizia); the main provincial offices erected additional factories and managed tobacco production as well as retail sale.

The erection of state-owned factories, provincial and district administration offices, all manned by properly paid civil servants was the first step toward proper organization of the tobacco monopoly in the Habsburg Monarchy. However, shortcomings on the local level caused corruption, rising prices¹⁰ and a simultaneous

⁸ Ibid., fn. 8.

⁹ Sander L. Gilman, "Smoking Jews on the Frontier: On the Relationship between Jews and Tobacco, from the 17th Century to the Present" in: Sander Gilman, *Jewish Frontiers: Essays on Bodies, Histories, and Identities* (New York: Palgrave Macmillan, 2003, pp. 95-109, cf. p. 98-9.

¹⁰ Rising sales prices were partly a side effect of introducing the monopoly. Carsten Wilke states for Spain that the monopoly caused a 250 % rise in sales prices during the 1650s. Cf. Wilke, *Contraband for the Catholic King*, fn. 17.

decrease in quality; all this enhanced black market trade and contraband.¹¹ In 1725, Charles VI (1685-1740) thus decided inviting Diego d'Aguilar,¹² who had established his reputation in organizing the tobacco monopoly in Portugal together with his father.

Diego d'Aguilar (c.1699-1759), aka Moses Lopes Pereira was born in Mogadouro, Portugal around the year 1699. He belonged to a Portuguese family of New Christians that had been active in the tobacco business on the Iberian Peninsula since 1653. Diego gained his first experience in the business together with his father Manuel in Portugal, before he moved to London in 1722, where he officially returned to Judaism, together with his family. From 1725 to the end of the 1740s, he was primarily based in Vienna, but finally returned to London around the year 1750 for unknown reasons. In 1726, Diego was ennobled for his merits by Charles VI and awarded the title Baron d'Aguilar. The Empress Maria Theresa (1717-1780) even appointed him privy councilor to the Crown of the Netherlands and Italy, the highest bodies of foreign politics in the Monarchy, in the 1740s.¹³ While Diego's Jewishness was generously disregarded in the before-mentioned appointments, it was a well-known and much discussed fact that time and again thwarted his business transactions.

Given the Lopes Pereira family's expertise in the tobacco business, Diego d'Aguilar quickly pinpointed the deficiencies in the organization of the Habsburg monopoly, after his arrival in Vienna in 1725. He elaborated a plan, according to which he would lease the monopoly for the whole Monarchy for eight years (enough time for efficient restructuring), paying an annual rent beyond the profit of the best year. In return, he stipulated terms that would allow him to effectively eradicate the reigning defects and deficits. The Court Treasury dismissed the propositions; partly because of economic conservatism, partly because of anti-Semitism. They were scandalized by the idea of a Jew ruling over Austrian civil servants. Moreover, they conjured the threat of d'Aguilar 'infiltrating' Austrian tobacco trade with huge numbers

¹¹ Retzer, *Tabakpachtung*, pp. 30-34.

¹² *Ibid.*, p. 120; I am infinitely indebted to Michael Silber, who has meticulously researched the life of Diego d'Aguilar, for correcting many common mistakes in the biography of this colorful figure.

¹³ Max Grunwald, *Samuel Oppenheimer und sein Kreis. Ein Kapitel aus der Finanzgeschichte Österreichs* (Vienna, Leipzig: Wilhelm Braunmüller, 1913), pp. 295-300.

of Jews that would considerably augment the – legally restricted – number of Jews residing in the Bohemian Lands.¹⁴

After two months of tedious negotiations, d'Aguilar agreed leasing the monopoly for the whole Monarchy, together with a Christian companion, the Marchese Carignani for a yearly rent of 400,000 fl. during the first five and 500,000 fl. during the remaining three years. Furthermore, he and his associate Carignani had to sign a 'Letter of Commitment' neither to employ Jews in the administration nor in points of sale; for retail sale, they were permitted to use the services of Jews, who were legal residents of the Habsburg Monarchy, i.e. no foreign Jews.¹⁵

Despite innumerable schemes against his person, Diego d'Aguilar tried reorganizing the monopoly according to the Iberian model and for the first time provided the Imperial Treasury with constantly growing revenue for almost 25 years. However, he had to commit himself not to employ Jews in public administration and points of sale and in the Bohemian Lands he could only hire a limited number of Jewish subcontractors. Although he had personally risen to unprecedented positions of power and authority in the Monarchy, the impact of d'Aguilar's economic activities on the modernization process of Habsburgs Jewry was thus limited. This should significantly change with d'Aguilar's successors during the next quarter of the century.

In Moravia, Jacob Moses Dobruschka, who had established himself as an army supplier in Brno/Brünn in the first half of the 18th century, started leasing the tobacco monopoly for Moravia together with his son Salomon Dobruschka (1715-1774) in 1750. The Dobruschka family, who gained dubious fame because of its rapport with the false messiah Jacob Frank [Moses Dobruschka (1753-1794), alias Franz Thomas von Schönfeld, alias Junius Frey, designated successor of Frank; joined revolutionary forces in France in 1792 and was executed on the guillotine

¹⁴ The number of Jews legally permitted to reside in the Bohemian Lands was regulated by the so-called *Familianten*-Laws from 1726 that were designed to prevent the growth of the Jewish population in the Bohemian Lands; cf. Ruth Kestenberg-Gladstein, *Neuere Geschichte der Juden in den böhmischen Ländern* (Tübingen: J.C.B. Mohr, 1969), pp. 1-3.

¹⁵ ÖStA, AVA, HK, TP, Fasz. 2, 794; Notably, d'Aguilar's letters to the Imperial Court and court commissions were written in Italian.

together with Danton], employed numerous Moravian Jews as subcontractors and in retail sale, thus providing many Jewish families with a comfortable income and the opportunity for upward social mobility. Dobruschka controlled Moravian tobacco trade until 1765, when the monopoly for the whole Monarchy was taken over by the Löbel Hönig Company.

For lack of time, I will limit myself to one additional example, namely the Hönig family. The founder of the 'dynasty' (Jehuda) Löbel Hönig was born in Kuttienplan/Chodová Planá, in West-Bohemia at the beginning of the 18th century. He made his money as an army supplier during the Austrian War of Succession (1740-42). In 1752, he leased the tobacco monopoly for Prague, together with his sons Israel (1724-1808) und (Aaron) Moses (1730-1787), for a period of ten years. Having gained the necessary experience in Prague, the Hönig family established a tobacco company together with other affluent Bohemian Jews [e.g. **Judah Löwel Baruch** from Königswart/Kynžvart, who later adopted the surname Königswart(er); the entrepreneur and Court supplier **Wolf Popper** and his son **Joachim Popper** (1730-1795) from Prague].

The Löbel Hönig company decided to bid for the tobacco monopoly of the Austrian and Bohemian Lands in 1763. Despite the explicit opposition of the Empress Maria Theresa, who suggested searching for Christian leaseholders instead, the company finally brokered a ten years contract in 1765. The company successfully created a network of Jewish subcontractors that efficiently eradicated contraband and black marketing. This profitable business model enabled the company raising their bid for a new contract to the fabulous sum of 1,600,000 fl yearly rent in 1775. Regardless of the comfortable revenue, the Imperial Treasury insisted on supervising the company's bookkeeping and curtailed their economic sovereignty. They appointed four Court commissioners, who should not only control the leaseholders' bookkeeping but also familiarize themselves with the business.

In spite of these restrictions, the monopoly lease remained a lucrative business, due to rising tobacco consumption. Therefore, Joseph II decided

nationalizing the monopoly in 1784. The conditions of the 1775 contract had effectively prepared the ground for a successful takeover, since the Jewish leaseholders themselves had introduced the civil servants to the business. Nevertheless, the Emperor secured the continuity of the enterprise by appointing Israel and Moses Hönig as directors of the national tobacco administration, without restricting their authority. Thus, Israel and Moses Hönig advanced to high ranking state officials. How effectively this Jewish business network functioned, we learn from a complaint, filed by Count Strassoldo in 1790. Strassoldo documented that in Bohemia 38 (out of 43) district leaseholders were Jews, who allegedly deprived the state and the Christian population of their money and job opportunities.

Israel Hönig was eventually even raised to the ranks of nobility in September 1789; when the Habsburg Emperor was most terrified about the events in revolutionary France, he ennobled the first local Jew. Due to their official position in the Monarchy, the Hönig family continued guaranteeing upward social mobility to numerous Jewish leaseholders and subcontractors for another 25 years.
