4-2016

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Recommended Citation

Graefser, Benjamin M. (2016) "How Much for Das Bier? The Role of Beer in the Low Countries during the Eighty Years' War (1568–1648)," *Armstrong Undergraduate Journal of History*. Vol. 6 : Iss. 1 , Article 1.
DOI: 10.20429/aujh.2016.060101
Available at: <https://digitalcommons.georgiasouthern.edu/aujh/vol6/iss1/1>

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How Much for Das Bier?

The Role of Beer in the Low Countries during the Eighty Years' War (1568–1648)

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In today's society, beer has a major impact in the economy with people from all walks of life buying and drinking numerous amounts and styles of beer. From Argentina to Zimbabwe, beer has been an integral part of the economy through taxation. Some of the money gained through taxation on beer goes directly to education, social programs, and infrastructure amongst others. However, in the Low Countries during the early modern period beer was primarily used to help replenish war coffers in the quest to gain independence from Imperial Spain. During the 15th and 16th centuries, as brewing declined in the monasteries of the Low Countries, the industry was taken over by commercial brewers, which allowed provincial governments, such as Holland, to tax and regulate it so that they could have the necessary funds to wage war against Spain in their quest to gain independence during the Eighty Years' War (1568–1648).

Before the 15th Century, the beer industry was primarily run by the Monasteries controlled by the Catholic Church and housewives in villages, especially in the Low Countries, where beer was the most popular drink. Beer could not be taxed by the government due to religious autonomy from the Church and villagers only drank beer when it was free, provided by

the Church during social events as well as brewed at home by the housewives.¹ At the time, beer was considered a healthier drink than water because there was no filtering system in place; people got sick when drinking water that was constantly contaminated and since boiled water was a main ingredient of beer, it became the healthy alternative.² When hops were invented by the Dutch in the 15th Century beer became much more profitable and highly commercialized than it had been previously. It also became immensely popular with the masses, and with the sudden increase in popularity, came the end of housewives brewing for their family in favor of skilled men dominating the industry.³ What also helped beer become more commercialized were improvements with the equipment and the process in which beer was brewed at the beginning of the 15th Century, thus creating a bigger profit margin for brew makers.⁴ Monastery-made beer became obsolete after the Reformation raged throughout Europe, with the Catholic Church losing power in numerous European countries converting to Protestantism, most notably in the Low Countries. Because of this, monasteries in particular and the Catholic Church in general lost their stranglehold on the beer market with the closing of numerous monasteries with commercial breweries taking their place in the industry. With commercialized breweries starting up in nearly every town in the Low Countries, such as Rotterdam and Haarlem, local and provincial governments could finally tax the sale of beer, which did not happen to monastery-made beer due to monasteries being protected under the Catholic Church.⁵ Nowhere was this more important than the Low Countries, under the rule of the Hapsburg Spanish King, Philip II.

¹ Eline Poelmans and Johan F. M. Swinnen, "A Brief Economic History of Beer," in *The Economics of Beer*, ed. Johan F. M. Swinnen (Oxford: Oxford University Press, 2011), 7.

² *Ibid.*, 10.

³ Gina Hames, *Alcohol in World History*, ed. Peter N. Stearns (London: Routledge, 2012), 40.

⁴ Richard W. Unger, "Beer Production, Profits, and Public Authorities in the Renaissance," in *The Economics of Beer*, ed. Johan F. M. Swinnen (Oxford: Oxford University Press, 2011), 30.

⁵ Poelmans and Swinnen, "Brief Economic History," 11.

During the Eighty Years' War that occurred between 1568 and 1648, the Low Countries and the Dutch Republic, were struggling to finance their revolt with the equally cash-strapped Spain. When the war started in 1568, the Dutch Republic war expenditures were approximately 2.9 million florins and climbed to nearly 18 million florins, yet it was lower than Spanish war expenditures throughout the war.⁶ At the time, the Dutch Republic got its war money from allies, confiscations of church property, advances from leaders of the army, and rampant piracy, amongst other methods. In fact, in the early years of the war, the Revolt almost sputtered out due to money drying up. William of Orange's Revolt failed in 1568 when soldiers were not paid and the "Revolt ran out of money before it started."⁷ Spain had an equally hard time financing the war, often not paying their troops for several months causing mutinies to become "almost an institution of military life."⁸ While the Spanish had financial problems throughout the war, the Dutch ended up replenishing their war coffers that they had emptied early in the war due to inefficient taxation. What helped the Dutch Republic replenish war costs due to the expensive Eighty Years War' was a reformation of the taxation system that increased income for the Dutch Republic. Nowhere was this more important than in the province of Holland, which accounted for almost 60% of the entire Dutch republic war expenditures through excise taxes, also called the "common means."⁹ With the Province of Holland providing the bulk of the war revenue during the Eighty Years' War, excise taxes became the preferred method of getting money into a rapidly depleting war chest. The bulk of the excise tax money came from beer.

⁶ Koen Deconinck and Johan Swinnen, "War, Taxes, and Borders: How Beer Created Belgium," *American Association of Wine Economists Working Paper, No. 104 (April 2012)*, http://www.wine-economics.org/workingpapers/AAWE_WP104.pdf (accessed November 19, 2013).

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

When the Eighty Years' War broke out, 30% of provincial taxes came from beer, mainly from the province of Holland in the Dutch Republic.¹⁰ Brewers in the Dutch Republic were subjected to seven separate taxes on beer: production of beer to the province and town, gain, grinding the grain, the fuel they burned, the weighting of raw materials, property, and receipts that they had to buy to prove that taxes had been paid before the beer left the brewery.¹¹ Even with over one-fourth of the excise of beer taxes coming into the provincial government to finance the Revolt, it was not enough to sustain the Revolt. Because of this, in 1573 the Province of Holland doubled the taxing of beer and cut off other excise taxes, making beer the lone excise tax that would help support the Revolt. Beer was taxed by provinces including Holland, Haarlem, and Amsterdam, to the tune of 2 *stuivers* per *tun* from 1582, and in 1584 an extra 8 *stuivers* was added to the price, increasing the tax rate to 80%.¹² Called the *gijlimpost*, this tax helped provinces increase the general tax on beers sold to help the war effort. Towns could also increase the tax of beer in order to increase the flow of money into the war coffers if they so pleased. Beer excises in small towns such as Haarlem and Leiden accounted for 80 to 90% of the income during the Revolt and in major towns, accounted for more than 50% of total tax revenue. As a result, before the Twelve Years' Truce that occurred between 1609 and 1621, beer taxes accounted for 1.5 million florins out of the 4.3 million florins received by the provincial government, an astonishing 35%. Also, beer tax revenues were as great as real estate taxes during the Revolt, accounting for 18% of total revenue as well approximately 16 to 24% of total revenues for the entire Province of Holland during the Revolt. This was due to not only the increase of the population during this time from 350,000 in 1544 to about 760,000 in 1648, but

¹⁰ Ibid.

¹¹ Richard W. Unger, *A History of Brewing in Holland: 900-1900; Economy, Technology and the State* (Leiden: Brill, 2001), 314.

¹² Ibid., 145-147, 317-318.

also the per capita tax burden strongly increased for laborers during the Revolt. When the Revolt started, the tax burden for laborers was around 5% and increased to 12% by the end of the Revolt.¹³ Imported beers from England, the Baltic, and from towns in the Germanic lands were heavily taxed in favor of local brews.¹⁴ Every time that the Dutch Republic needed money to finance the Revolt, which was quite often, they increased the taxes on beer to help produce more money. This was true in 1576, when beer taxes were increased to bring in more tax revenue. Eventually, a general beer tax was introduced in 1579 in the province of Holland to bring in even more money to aid the Revolt.¹⁵ The entire beer tax in Holland amounted to approximately one-third of the entire Spanish silver tax revenues that the Spanish used to finance the war.¹⁶ This move by the Province of Holland made beer the most important tax in the land and helped bring in much needed revenue for the war coffers.

Even though the excise tax on beer helped the Low Countries effectively finance the Revolt better than the Spanish, it was not a very popular tax during the Revolt. The excise tax was hated by much of the population because beer was the most popular drink in the region.¹⁷ Yet, the Low Countries continued to raise the taxation of beer because every government official could see how much money beer could potentially bring in to help finance the Revolt and provide funds for other government projects. This excise on beer grew exponentially every year since the excise was created, proving that beer was an immensely popular drink in the Dutch Republic. Townspeople drank approximately 400 liters per year and every Dutch person drank

¹³ Deconinck and Swinnen, "War, Taxes, and Borders."

¹⁴ Unger, *History of Brewing in Holland*, 146.

¹⁵ Deconinck and Swinnen, "War, Taxes, and Borders."

¹⁶ Ibid.

¹⁷ Richard W. Unger, *Beer in the Middle Ages and the Renaissance* (Philadelphia: University of Pennsylvania Press, 2004), 204.

at least one liter per day in Holland and adults drank an average of 4 liters a day.¹⁸ In fact, it is estimated that the capita beer consumption in 1650 was around 540 liters.¹⁹

With the sale of beer rising due to its popularity, more and more breweries turned up to exploit the profits that were to be made. This increase in production led to more taxes to support the Revolt. Haarlem and Rotterdam became Holland's principle areas for brewing, and exporting grew throughout the course of the Revolt.²⁰ As the number of smaller breweries increased in Holland during the Revolt, so did government control of the industry. Larger brewers were worried that competing with smaller breweries would harm their sales and that they would end up going out of business. Because of this, larger breweries decided to consolidate to increase their capital and fend off the smaller breweries that came about, all with the approval of the government since it made it easier to collect more taxes.²¹ Production of beer increased as well, with the top 32 producers of beer brewing 47% of the market in 1546 and increasing from 31 barrels to 41 as the years went on.²² By 1578, four of the biggest breweries in Holland made more than half of the beer produced, with the largest brewing 6,750 barrels of beer in 1574 and maxing out with 9,200 barrels of beer in 1580. What helped with taxes for the government was that each brewery had to pay a fixed fee for each brew plus a barrel of beer that was over the legislated max of 33 *vaten*, or barrel, in each brew in the city of Leiden.²³ Because

¹⁸ Unger, *History of Brewing in Holland*, 89-92. Despite the high figures of beer consumption, the figures can be misleading due to that many people drank either extremely weak beer or none at all and that laborers drank more than the poor or the rich.

¹⁹ Richard Yntema. "The Union of Utrecht, Tariff Barriers, and the Interprovincial Beer Trade in the Dutch Republic," in *The Political Economy of the Dutch Republic*, ed. Oscar Gelderblom (Farnham: Ashgate, 2009), 268. Despite the masses drinking a large amount of beer, it should be noted that alcohol content during the Eighty Years' War was nowhere near as high as it today.

²⁰ Jan De Vries and Ad Van Der Woude, *The First Modern Economy: Success, Failure, and Perseverance of the Dutch Economy, 1500-1815* (Cambridge: Cambridge University Press, 1997), 320.

²¹ Unger, *History of Brewing in Holland*, 163.

²² *Ibid.*, 164.

²³ *Ibid.*, 165.

of this, higher taxes were instituted against the breweries, making more money for the government to wage their Revolt against Spain. Of course, big breweries did produce more than the required amount in Leiden, with three of the nine operating in the city producing 1.5 times as much as the average, two of the breweries producing 1.25 times the average and the others producing short of the average. Because of this, the three largest brewers made roughly 53% of all beer in the city of Leiden during the third quarter of 1590, creating more beer and taxes for the government.²⁴ Demand for more beer reached a zenith during the first half of the 17th Century, when the population grew and the demand for beer was greater than the population at the time.²⁵ Amsterdam joined in during the second and third quarters of the 17th Century as a major port of brewery output for the Dutch Republic.²⁶

One reason why beer was popular in the Low Countries was because beer played a huge role in one's daily life and it was a healthy alternative to water. As stated earlier, beer was healthier due to the lack of water filtration systems that cleaned the water from streams and rivers. The population was aware of how bad the water supply was due to the many illnesses that had occurred. Also, beer was a part of a person's diet, "a beverage for all times of the day from breakfast to dinner and into the evening."²⁷ Other beverages that were available at the time were either perishable, such as milk, expensive, such as wine, or were not introduced to society yet, such as coffee and tea.²⁸ Beer was also considered to be therapeutic and, due to food being of short supply, had to be digested to offset the shortage.²⁹ Compared to these, beer was healthier than water, cheaper to buy than wine and, due to the introduction of putting hops in

²⁴ Ibid., 165.

²⁵ Yntema. "The Union of Utrecht", 267.

²⁶ De Vries and Woude, *The First Modern Economy*, 320.

²⁷ Unger, *Beer in the Middle Ages*, xiii.

²⁸ Deconinck and Swinnen, "War, Taxes, and Borders."

²⁹ Unger, *Beer in the Middle Ages*, 3.

beer rather than gruit, beer could be stored longer than any other beverage available.³⁰ Because beer was widely consumed, it became integral to the cohesion and functionality of towns and villages and became the preferred drink for both rich and poor alike in the Low Countries.³¹

What also helped beer become popular in the Low Countries was the fact that breweries popped up everywhere, with 148 breweries in Gouda, 98 in Haarlem, and 78 in Delft prior to the Revolt occurring. With all the breweries starting in numerous towns, it enabled beer to become a pillar of Holland's economy and a staple of tax revenue for the government.³² It also helped that towns in dire need of money due to the Revolt, as was the case in the town of Amsterdam in 1575. Amsterdam increased taxes, especially the excise taxes on beer that would decrease their debt considerably.³³ Furthermore, there was a contrast in price between cheap beer and more expensive beers. Cheap beers were taxed less than expensive domestic beers to the tune of 20%, while the domestic beers were taxed more than 100% compared to domestic beers in 1582.³⁴ This was due to how the beer tasted and the strength of the beer, as well as where it was produced at, since domestic beer was still cheaper than "import" beer. Also, the cheapest "thin beer" was exempt from taxation due to the quality of the beer being produced.³⁵ What helped the excise tax on beer become so successful in helping the Dutch Republic finance the Revolt was an overhaul of the taxation system that led to fewer evasions and fraud possibilities.

Because foreign beers came in during this time, the provincial governments were able to raise additional tax revenue by taxing the beers due to the differences of taste and strength compared to local beers being made.³⁶ This tariff was agreed upon by the Union of Utrecht that

³⁰ Deconinck and Swinnen, "War, Taxes, and Borders."

³¹ Unger, *Beer in the Middle Ages*, 3.

³² Ibid.

³³ Unger, *History of Brewing in Holland*, 145.

³⁴ Deconinck and Swinnen, "War, Taxes, and Borders."

³⁵ De Vries and Woude, *The First Modern Economy*, 105.

³⁶ Yntema. "The Union of Utrecht", 260.

was signed on January 23, 1579, which put in place policies concerning trade barriers and tariffs and ended up starting the Eighty Years' War against Spain.³⁷ This tariff helped bring in much needed money to the war coffers and helped stimulate the economy of the Dutch Republic by creating new jobs for its citizens. This also allowed locally-produced beers to increase their income and create more support for locally-made and cheaper beer, rather than having citizens pay substantially more for "import" beer. Because "import" beer made up a small percentage of the beer market during the Revolt and because per capita beer consumption was still high in Holland, the output of domestic beer production rose substantially between 1550 and 1650 to meet the needs of the growing population's demand for beer.³⁸ Because of the growing population and the rising needs of beer production, the provincial governments felt the need to protect themselves and their war coffers in case of fraud and tax evasion.

The threat of fraud and tax evasion was rampant in the Low Countries during the Eighty Years' War so much so that provincial governments set up new systems of taxation to minimize such possibilities from happening. One way to avoid tax evasion was that each taxpayer was taxed on an assumed level of consumption, often rising with the occupation or wealth of the taxpayer themselves.³⁹ Beer porters were hired as the only officially licensed transporters of beer by the provincial governments and were sworn to uphold the tax codes in place for a fixed fee. Of course, beer porters were agents of the tax collectors in the region that had to abide by strict rules and regulations on the job. One such regulation was that in Amsterdam, porters could not work on holidays and could not refuse to work. Beer porters had a fixed wage enacted by the government and they were banned from selling beer themselves.⁴⁰ Beer porters also had to

³⁷ Ibid., 258.

³⁸ Ibid., 268

³⁹ De Vries and Woude, *The First Modern Economy*, 105-6.

⁴⁰ Unger, *Beer in the Middle Ages*, 205.

report how much beer they transported in a day or week under oath to provincial officials.⁴¹ Every barrel of beer had to be approved by the tax collectors by issuing receipts that proved that every excise was paid in full. Beer porters could not transport beer until a receipt was shown from the brewery, and it was the porter's task to hand over a receipt to the buyer of the beer.⁴² Receipts were very important to curb tax fraud, as buying a receipt from the porters proved that the person paid the necessary taxes to the government. Receipts were only good for a brief period of time and were also only applicable for the kind and quantity of beer stated on the receipt.⁴³

Tax evasion was another problem that provincial governments in the Low Countries tried to curb. During the Revolt, the town of Amsterdam passed a decree stating that ship builders had to pay beer taxes first and ask for a rebate afterwards. This was because ship builders traditionally purchased beer tax-free.⁴⁴ The traditional way for ship builders to buy beer would have hurt the excise taxes that beer was bringing into the government to help fund the Revolt. The Province of Holland also tackled the issue of tax evasion by outlawing the traditional practice of home-brewing in the 1580s so that they could control the taxes that beer would have brought in, instead of their citizens making their own brew for home use or sale.⁴⁵ This had positive effects for the provincial government, as it restricted homemakers from skirting the excise tax on beer and provided much needed war revenue.

What helped the Dutch gain more finances in beer and essentially win the Revolt was that they did not use their beer taxes as a means to finance the war. Due to numerous reforms

⁴¹ Unger, *History of Brewing in Holland*, 218.

⁴² Deconinck and Swinnen, "War, Taxes, and Borders."

⁴³ Unger, *Beer in the Middle Ages*, 204.

⁴⁴ Deconinck and Swinnen, "War, Taxes, and Borders."

⁴⁵ Unger, *History of Brewing in Holland*, 147.

instituted in the 1540, the province of Holland was able to gain the right to levy province-wide taxes, erasing the tradition of urban autonomy for obtaining taxes.⁴⁶ Spain did not have the same kind of autonomy that the Dutch had, relying on extended negotiations with the Spanish government in Brussels to raise money for fighting the war. Holland was able to extract more excise taxes on beer due to their ability to reform their own method of taxation which gave them the means to wage a very long war with the Spanish crown that ended with the Low Countries gaining their independence. Many of the cities within the Low Countries had developed a much more sophisticated method of implementing beer excises that Spain could not do with their own government.

With the Peace of Munster, signed in 1648, the Eighty Years' War finally ended with the Low Countries gaining their independence from Spain, having defeated an army that was considerably better and more well equipped than the Low Countries. The Low Countries, especially the Dutch Republic, could not have won the war had it not been for the role of beer during the Revolt, and the government taxing the beer industry in order to obtain the necessary finances to wage war against the Spanish crown. Since beer was an extremely popular drink in the Low Countries, it seemed obvious to governments to tax the brewing and selling of beer to add another stream of tax revenue that was not available before due to the Catholic Church-owned monasteries that ruled the industry. With the added influx of an excise tax on beer, the Low Countries could finance a very expensive war that the Spanish had trouble maintaining due to their war debts increasing every year. One could very well say that beer saved the Revolt and gave the Low Countries their independence.

⁴⁶ Deconinck and Swinnen, "War, Taxes, and Borders."

About the author

Benjamin Graefser is senior history major at Lindenwood University in Saint Charles, Missouri. He likes to read history books, watch sports, and am currently a member of the Society for American Baseball Research.