
PROBLEMS

The Monetary Crisis of the XVIIIth Century and its Social and Psychological Consequences in Poland

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Monetary troubles were characteristic of Europe as a whole in the XVIIIth century, and were part of the general crisis which occurred in many countries from the beginning of the century and affected production and trade as well as demographic social, political and cultural relations. Although this crisis has been discussed by scholars for some years now,¹ its origin has not always been explained as fully as its development and consequences. One of the most controversial features of the crisis, which is also the most difficult to analyse, is undoubtedly the monetary perturbations which so greatly influenced the social and economic situation of various countries in the first decade of the XVIIIth century. These perturbations took much the same form everywhere: there was a rapid deterioration in the silver content of the traditional currencies and a massive production of unsound copper coin which flooded the market (some historians, among them F. Braudel, have even spoken of an « age of copper ») and caused acute instability in prices, problems of trade and credit, and poverty for various groups of the population. They also exacerbated social conflicts, as is seen, for example, in the wave of riots in many German towns including Hamburg, Lübeck, Wismar, Stralsund and Frankfurt am Main, while in the mid-XVIIIth century a « copper revolt » broke out even in Moscow, a region that possesses an entirely different economic

¹ This problem has been studied in England by E. Hobsbawm, B. E. Supple, H. R. Trevor-Roper and others; in France by P. Jeannin, J. Meuvret and R. Mousnier; and in Italy by C. M. Cipolla, L. de Rosa and R. Romano. For analysis of this literature see J. TOPOLSKI, *Narodziny kapitalizmu w Europie XIV-XVII w.* (The birth of capitalism in Europe XIV-XVIIth centuries), Warsaw 1965, p. 141 *et seq.*

and social structure. It would appear that the causes and especially the consequences of the monetary problems had quite individual features as well as certain basic similarities. This was the case in Poland in particular, where from the XVIth century the general situation and trends of development took on forms that differed slightly from the development model adopted by the majority of countries of Western Europe.

There is not a great deal of literature available on the monetary crisis in Poland. Among early works we would mention the study by A. Szelagowski,² who identified the monetary crisis with the process of currency debasement and saw foreign speculation as its principal cause. This was also supported by other scholars, among them J. Rutkowski.³ More recently, new studies have appeared which offer a new and more thorough account of events, among these being the works of Z. Sadowski.⁴ This scholar rightly draws attention to the fact that the devaluation of the Polish penny (grossus) was preceded by an increase in the price of the crown (Thaler) and the ducat, and he concludes that the monetary crisis was a result of the great economic crisis and not vice versa. In Sadowski's view the problems did not arise from the debasement of the currency but rather from the rise in prices and their instability (in particular the relation of import-prices to export-prices). This had serious consequences in the redistribution of the national revenue and eventually also for social relations. The decline in the purchasing power of Polish exports forced the nobility to increase exports, which led to the increased exploitation of the peasants liable to enforced labour services. One of Sadowski's least convincing theses is, on the other hand, his assumption that crowns were being bought in bulk and paid for in gold.⁵ The Gdansk sources, which provide information on the greatest monetary market in Poland at that time, refer rather to the purchase of crowns with debased foreign currency which increased their exchange rate and meant that good crowns

² A. SZELAGOWSKI, *Pieniadz i przewrot cen w Polsce w XVI i XVII w.* (Money and the price revolution in Poland in the XVIth and XVIIth centuries). Lwow 1902.

³ Cf. J. RUTKOWSKI, *Historia gospodarcza Polski do 1864* (The economic history of Poland before 1864), Warsaw 1953, p. 156, and L. BABINSKI, *Upadek waluty w Polsce w polowie XVII w. na ile owczesnego przesilenia finansowego* (The fall of monetary values in Poland in the mid XVIIth century in the context of the financial crisis), Warsaw 1919.

⁴ Z. SADOWSKI, *Rozprawy o pienuadzu w Polsce pierwszej polowy XVII w.* (Treatises on money in Poland in the first half of the XVIIth century), Warsaw 1959, and *Pieniadz a poczatek upadku Rzeczypospolitej w XVII w.* (Money and the beginning of the fall of the Republic in the XVIIth century), Warsaw 1964. Cf. also E. LIPINSKI, *Studia nad historia polskiej mysli ekonomicznej* (Studies on the history of Polish economic thought), Warsaw 1956, and J. GORSKI, *Poglady merkantylistyczne w polskiej mysli ekonomicznej XVI i XVII w.* (Mercantilist ideas in Polish economic thought in the XVIth and XVIIth centuries), Wroclaw 1958.

⁵ Z. SADOWSKI, *Pieniadz a poczatek upadku Rzeczypospolitej* (Money and the beginning of the fall of the Republic), pp. 48-49.

(Reichsthalers) were being exchanged for « lion crowns » (Löwenthalers) or « crowns of the cross » (Kreuzthalers).⁶ Similar methods were employed on a large scale in Cracow the second centre of monetary speculation after Gdansk.⁷ The thesis that crowns were purchased with ducats is further weakened by the fact that the price of the ducat increased more rapidly than that of the crown. The tendencies to hoard do not by themselves explain this since, as we shall see later, ducats as well as crowns were hoarded and in fact the later were even more frequently mentioned in the inventories of accumulated treasure.

The origin and development of the Polish monetary crisis must be seen in the context of the period in which it took place. It would be wrong to speak of only one crisis — in fact there were two monetary crises in the XVIIth century which arose from different circumstances. The first began at the start of the XVIIth century and reached its climax between 1620 and 1623, that is at a time when monetary difficulties were arising throughout Europe. The main indication of this crisis was the rapid debasement of the Polish silver penny, although devaluation did not affect the more important silver and gold coins minted in Poland — the crown and the ducat. According to the monetary law of 1580 the penny contained 0.67 grammes of pure silver, in 1604 0.57 grammes, in 1616 0.51 grammes and in 1623 only 0.30 grammes. Between 1630 and 1662 the silver content of the penny was fixed at a level of 0.27 grammes of pure silver.⁸ The devaluation of the penny was accompanied by a considerable rise in prices, especially in the price of manufactured luxury goods. This was not the result of local devaluation alone, but also of a process that was taking place during those years in the markets of Western Europe which brought about a sudden deterioration in the terms of trade for Poland. These fluctuations and uncertainties in the Polish market in turn affected Western merchants and manufacturers, among them the English cloth merchants who saw a very sudden reduction in the demand for their goods which had become too expensive for the Polish consumer.⁹ The fact that action and reaction, initiative and dependence, were bilaterally linked, then, is why the Polish crisis of the early XVIIth century should be considered as one aspect of larger processes that were taking place in Europe as a whole. These were the result of demographic changes, the effects of the Thirty

⁶ Cf. M. BOGUCKA, *Zur Problematik der Münzkrise in Danzig in der ersten Hälfte des XVII Jb.*, *Studia Historiae Oeconomicae*, vol. 6, 1971, pp. 67-73.

⁷ Many examples are to be found in the study by W. N. TREPKA, *Liber generationis plebeanorum*, ed. W. Dworzaczek, J. Bartys, Z. Kuchowicz, Wrocław 1963, vol. 1, pp. 140, 251-252, 542-550, 601-602 etc.

⁸ Cf. « The laws on minting issued between 1580 and 1650 », published by Z. SADOWSKI, *Pieniądz a początki upadku Rzeczypospolitej* (Money and the beginning of the fall of the Republic), pp. 337-340.

⁹ B. E. SUPPLE, *Commercial crisis and change in England 1600-1642*, Cambridge 1959, *passim*.

Years War, the decline of many of the traditional centres of production and also the reduction in the influx of precious metals from America which, together with the fall in output from European mines and the growing demands for circulating currency, brought in its wake a world shortage of metals.¹⁰ The deterioration of the currency in the countries bordering on Poland — Brandenburg, Western Pomerania and Silesia — and in those countries, like the Low Countries, which had extensive commercial relations with Poland, resulted from the factors we have mentioned undoubtedly had some effect on the instability of the Polish currency.¹¹ But it is wrong to see, as scholars formerly did, the deterioration in foreign currency as the only factor responsible.

Deterioration in currency and inflation were characteristic of Europe as a whole, but their effects were exacerbated in Poland by secondary factors — above all by the disadvantageous price relations which developed in the XVIIIth century, when Poland was exporting agricultural products and importing manufactured articles. The rapid rise in the price of corn, which was characteristic of the XVIth century, and which had made it a period of outstanding prosperity for landowners, had ceased at the beginning of the XVIIIth. There followed a period of great instability on world markets, extreme fluctuations and sudden dramatic falls in prices.¹² Consequently the price of Polish export commodities rose little or not at all,¹³ while the prices of imported goods, especially luxury articles, rose rapidly.¹⁴ With its «debased» money the Polish nobility was able to buy fewer and fewer clothes, silks, furs, jewels and so forth from one year to the next. The complaints to be found in the writings of noble publicists in this period¹⁵ and the uproar that took place in the Diets over the high cost of luxury

¹⁰ According to E. J. HAMILTON (*American Treasure and the Price Revolution in Spain 1501-1650*, Harvard, Economic Studies XIV, 1934) the influx of precious metals from America into Spain reached its height between 1591 and 1600 (2,707,626 kgs of silver); after 1600 a fall was recorded; between 1631 and 1640 only 1,396,759 kgs and between 1651 and 1660 only 433,256 kgs were imported.

¹¹ On monetary problems in Germany in this period cf. WIEBE, *Zur Geschichte der Preisrevolution des XVI und XVII Jhrs.*, Leipzig 1895. For more recent literature see V. A. DESPAUX, *Les dévaluations monétaires dans l'histoire*, Paris 1936.

¹² Cf. J. MEUVRET, *Conjoncture et crise au XVIIe s.*, Annales, Economies, Sociétés, Civilisations, 1953, pp. 217-244.

¹³ Cf. M. BOGUCA, *Handel zagraniczny Gdanska w pierwszej połowie XVII w.* (Gdansk's foreign trade in the first half of the XVIIIth century), Wrocław 1970, p. 124 et seq., and ST. HOSZOWSKI, *Rewolucja cen w środkowej Europie w XVI i XVII w.* (The price revolution in Central Europe in the XVIth and XVIIth centuries). *Kwartalnik Historyczny* 1961, fasc. 2, p. 308 et seq.

¹⁴ *Ibidem*.

¹⁵ Cf. Z. SADOWSKI, *Rozprawy o pieniądzu...* (Treatises on money...) *passim*. J. GORSKI, E. LIPINSKI, *Merkantylistyczna myśl ekonomiczna w Polsce XVI i XVII w...* *Wybor Pism* (Mercantilist economic thought in Poland in the XVIth and XVIIth centuries). Selected texts. Warsaw 1958, *passim*.

goods,¹⁶ clearly show how violently the Polish ruling class reacted to these events. Their complaints, however exaggerated, are confirmed by study of the Polish trade balance in the first half of the XVIIth century, which reveals a certain decline¹⁷ that clearly explains the decrease in the flow of precious metals into Poland.¹⁸ National silver production was of very slight importance,¹⁹ and of necessity the unfavourable changes that occurred in Polish foreign trade sharpened the monetary crisis and forced the government to debase the currency.

The monetary crisis of the early XVIIth century was, then, a structural crisis which was connected with changes that were taking place in Europe, in the fields of production and international trade, and was exacerbated further by the particular characteristics of the Polish economy of the time. It was typical that in the 1630's and '40's minting almost entirely ceased in Poland and basically only large silver and gold coins (crown and ducats) with a fixed metal content were minted. So no attempt was made to emerge from the impasse by « improving » money, while at the same time it became impossible to put an adequate quantity of small coin into circulation to meet the country's needs. The Mint Commissions appointed by successive Diets²⁰ were unable to find a remedy and gradually the Polish market was flooded with foreign currency.

In the 1650's and '60's a new monetary crisis raged in Poland which seemed to contemporaries to be merely a continuation of the previous one, but which was in fact of a different nature. It was no longer, like the first, one element in a general European process but a local phenomenon brought about mainly by the destruction caused in Poland by the wars of the mid XVIIth century — the Cossack uprisings and the Swedish invasion. It had been caused in the first place by the necessity of finding the enormous sums of money with which to pay the mercenary armies. Revenue from duties was inadequate, and the problem was solved by debasing the currency, in the hope, it would increase the income of the Mints.²¹ The pure silver

¹⁶ Cf. The Diets of 1616, 1620, 1621, 1623, 1627, 1631, 1633, 1654, *Volumina Legum*, t. III, pp. 135, 179-180, 206, 217, 261-262, 320-321, 379, t. IV, p. 209.

¹⁷ Cf. M. BOGUĆKA, « Die Bedeutung des Ostseehandels für die Aussenhandelsbilanz Polens in der ersten Hälfte des XVII Jhrs. », in: *Der Aussenhandel Ostmitteleuropas 1450-1650*, Köln 1971, pp. 47-55.

¹⁸ Especially as some of this metal immediately left Gdansk, bought by merchant speculators, cf. M. BOGUĆKA, *Zur Problematik der Münzkrise . . .*, p. 68 et seq.

¹⁹ In the years between 1620 and 1640 2,900-3,400 tons of lead and 600-1,200 kgs. of silver were mined at Olkusz each year. See D. MOLENDĄ, *Kopalnie rud ołowiu na terenie złoz slasko-krakowskich w XVI-XVII w.* (The lead mines of Silesia and Cracow in XVIth and XVIIth centuries), Wrocław 1972, p. 272.

²⁰ In the years 1616, 1621, 1623, 1631, 1633, 1649, 1659, *Volumina Legum*, t. III, pp. 135, 206, 217, 320-321, 379, t. IV, pp. 131, 279.

²¹ In 1658 it was said at the Diet that « the Mint should give a profit of 150,000 every year », *Volumina Legum*, t. IV, p. 245.

content of the penny again fell, to 0.25 grammes in 1668, 0.24 in 1673, and 0.23 in 1685.²² This was not a large devaluation and was not the main cause of the crisis, but rather the massive production of common copper coin, the farthing called « boratini » (Polish *boratynek*) from the name of the Italian Titus Livius Boratini who was the Farmer General of the Mint in 1659. Even worse consequences arose from the minting of bad *zlotys*, the circulation of which was obligatory. They were made by the brothers Andrzej and Tomasz Tymf, and bore the name « *tymf* » or « *tynf* ». While the Polish *zloty*, or the 30 pennies, according to the 1650 standard had to contain 8.15 grammes of pure silver, the new *zloty* contained only 3.36, equal in fact to only 12 pennies.²³ As a result the market was flooded by the huge sum of 20 million *zlotys*, made up of farthings and *zlotys*, which created great speculation in the old currency, which was called *moneta bona* to distinguish it from the current debased coin, called *moneta currens*.²⁴ The two crises acted on each other and were aggravated by the rapid rise in the exchange rate of the larger coins, the crowns and ducats, used in international trade, or for hoarding. This rise is shown in the table in the Appendix. As one can see, the rise in the price of the ducat was greater (from 59-60 pennies in 1600 to 196-360 pennies in 1673) than that of the crown (from 36 pennies in 1600 to 102-180 in 1673). While in some cases the ducat had become six times dearer, the crown increased three to four times in value on average. This was due not only to hoarding, since all currencies were hoarded, and the crown in particular, but mainly to the variations in the relation of the prices of gold and silver on the world markets, which also affected Poland in particular way. The rise in the value of gold was sharper in Poland than in Western Europe, although there were some variations.²⁵

As the table shows, the years between 1620 and 1623 were marked by great increases in the exchange rate of the crown and ducat, which the taxes introduced by successive Diets were unable to halt. The prices of the larger coins rose most slowly at Gdansk, where Dutch and other merchants bought Polish goods and left behind large quantities of them.²⁶ The consequences of the monetary troubles and the rise in the prices of the larger coins were more serious inland. These areas are represented in the table

²² Cf. J. PELC, *Ceny w Gdansku w XVI i XVII w.* (Prices in Gdansk in the XVIth and XVIIth centuries), Lwow 1937, pp. 4-6.

²³ Cf. RUTKOWSKI, *Historia gospodarcza* (Economic history...), p. 194.

²⁴ In 1667 agio was 20%, in 1669 50%, and towards the end of the XVIIth century 100%, *ibidem*.

²⁵ The relationship between the prices of silver and gold in Poland was 13, 14 and 16 in the years 1601, 1611 and 1640, in France 11, 13 and 14 in the years 1602, 1636 and 1641, cf. Z. SADOWSKI, *Pieniadz a poczatek upadku Rzeczypospolitej...* (Money and the beginning of the fall of the Republic...), pp. 53-5.....

²⁶ Cf. M. BOGUCKA, *Handel zagraniczny Gdanska...* (Gdansk's foreign trade...), p. 35.

by two important centres of trade and credit, Lublin and Lwow. As a result monetary speculation developed on a large scale throughout the Republic. The major centres were Gdansk and Cracow, the first because it was a great trading port which supplied the country with precious metal, the second because it was the centre for trade with Silesia and the Czech lands, to which Poland exported considerable amounts of coin. Then came Lwow, which was the centre for trade with the Levant, through which silver was exported from Poland to Asia, and where Ukrainian magnates purchased crowns and ducats,²⁷ and finally the towns where fairs were held, Poznan, Torun, and Lublin, which attracted merchants and nobles. All these centres were linked by complex commercial relations, involving the settlements of accounts and agreements. Little is known of the methods of monetary speculation, but it appears that at the beginning of the XVIIth century special trading companies operated in Gdansk composed of local and foreign merchants who bought « good » crowns and exported them to the Low Countries or to Silesia or Turkey, in which case they were sent via Cracow and Lwow.²⁸ In the Low Countries and Silesia these crowns were turned into coin of less value with a lower content of precious metal, which were then re-imported into Poland.²⁹ At the head of one of the companies which became particularly famous, and much hated by the merchants, were two Dutchmen, Isaac von Eicken and Jacob Jacobson von Embden (The Master of the King's Mint) and the wholesale merchant and well known Gdansk financier, Herman Wolf. The second was under the direction of two Gdansk merchants, Krzysztof Kanter and Hans von Coldun, in collaboration with the Jewish merchants Jacob Salomon and Aaron Vogel.³⁰ Two other citizens of Gdansk, the brothers Peter and Francis von Ende, also acquired dubious fame as great speculators at that time. They operated on the river Motlawa, at Cracow, and at Olkusz, and their activities brought them not only their fortunes but also ennoblement.³¹ At Cracow the well known merchants Jerzy Wilderman and Stanislaw Szembek were the chief currency speculators.³² However it was not only the burghers who speculated: the nobility and the magnates also gambled in

²⁷ We find a report by the town-councillor of Gdansk G. Schröder (died 1703) on the massive purchase in the town of the good old silver money and its export to the Ukraine and Turkey. Cf. *Library of the Polish Academy of Sciences in Gdansk*, manuscript department, Ms. 1254, p. 144.

²⁸ Cf. M. BOGUĆKA, *Obrot wekslowo-kredytowy w Gdansku w pierwszej polowie XVII w.* (Letters of exchange and credit in Gdansk in the first half of the XVIIth century), *Roczniki Dziejow Spolecznych i Gospodarczych* 1972, vol. XXXIII, pp. 19-23. *Ibidem*, *Zur Problematik der Münzkrise* ..., pp. 65-73. Much information on the organization of these companies in the first half of the XVIIth century is given in G. SCHRÖDER's notes, *Library of the P.A.S. in Gdansk*, Ms. 1256, pp. 16-23, 43 *et seq.*

²⁹ *Ibidem*.

³⁰ *Ibidem*.

³¹ See W. N. TREPKA, *Liber generationis plebeanorum* ..., Vol. I, pp. 140, 251-252.

³² *Ibidem*, pp. 601-602.

this way, excited by the possibility of sudden, easily won gains, and were sometimes unaware of the risks they were running. « Almost all the lords and nobles began to get a taste for it. The ducat which he bought one day for 4 *zlotys*, or the crown for 75 pennies, he sold the next to someone else, the ducat for 85 groats, the crown for 90 », the noble publicist, Wojciech Gostkowski, wrote in 1622.³³ Another witness to these events, Walerian Nekanda Trepka, noted an interesting story which undoubtedly was well-known throughout Poland at the time. He wrote that in 1621 certain Cracow merchants, called Szembeks, persuaded several magnates, among them Prince Jerzy Zbaraski and the Bishop of Cracow Marcin Szyszkowski, to change ducats for Silesian *orts* at twice the current rate of exchange. They took the ducats to Silesia where they obtained an even higher rate and the Prince and the Bishop discovered, rather too late, that their « gain » was illusory, for they had become the owners of large quantities of a currency that was so weak that no one wanted to take it. In a rage the Prince of Zbaraz demanded that the merchant-speculator be imprisoned, but the latter killed himself fearing just vengeance.³⁴

These astonishingly naïve attempts made by the nobles and magnates to fill their pockets led to great losses (« we let ourselves be taken in », Gostkowski claimed bitterly)³⁵ but were only minor social effects of the crisis. In general the problems were regarded with incredulity and horror, which was intensified by the fact that the causes and the working of these events were not clearly understood. The sudden inflation which previous centuries had not witnessed, although there had been a certain drop in the currency standard, destroyed all sense of security and order, and shook the hitherto established ideas of property and the function of currency. An anonymous citizen of Gdansk wrote in 1604 in a treatise entitled *Brevis informatio de rei monetariae utilitate*: « Money which loses its original value not only ceases to be the correct measure for goods, but instead of bringing benefits to mankind it becomes an agent of numerous disasters and losses ».³⁶ Further on he wrote: « What a sovereign is to men, money is to all objects . . . and just as the sovereign must judge in the probity of his mind, money must measure the value of things through its natural probity, which it cannot do if this be lost, just as the sovereign who judges with a corrupt mind not only offers a judgement but destroys him, when he does not uphold the law or render justice, and also gives great office to all men ».³⁷ Noble publicists of the period

³³ WOJCIECH GOSTKOWSKI, *Sposob jakim gory złote, srebrne, w przeczonym Krolestwie Polskim zepsowane naprawic* (1622), (How to restore the mountains of debased gold and silver in the illustrious Kingdom of Poland), in Z. SADOWSKI, *Rozprawy o pieniadzu . . .* (Treatises on money . . .), p. 150.

³⁴ W. N. TREPKA, *Liber generationis plebeanorum . . .*, vol. I, pp. 542-550.

³⁵ W. GOSTKOWSKI, *op. cit.*, p. 147.

³⁶ Z. SADOWSKI, *Treatises on Money . . .*, p. 9-11.

³⁷ *Ibidem*, pp. 13-15.

gave free rein to the surprise and indignation which « the money madness » produced and expressed their gloomy foreboding. « States perish very quickly as a result of bad money, anyone can see with his own eyes that our Realm is perishing in this way », lamented Gostkowski.³⁸

Moreover these fears were not groundless, for the consequences of the crisis made themselves felt very quickly and painfully. The worst blow struck the nobility, which had grown accustomed to the lavish circumstances of the previous century and to a high standard of living. Almost overnight agricultural products fetched smaller returns because of the devaluation of the penny and the high cost of the larger coins. Added to this was the rapid rise in the cost of imported goods, so that the Polish nobleman's purchasing power was suddenly reduced. For the same quantity of corn he could now buy considerably less cloth, fewer furs, imported wines, and fruit from the South. The rapid rise in the price of gold resulted in the high cost of adornment, jewellery, plate, fancy goods etc. Opportunities for hoarding decreased in the same way, for not often ducats and crowns were now locked away in coffers. « Anyone in Gdansk or in any other town who will take 40 zlotys for his harvest or quit-rent will have no more than 20 zlotys when he wants to save them or buy something with them », Gostkowski complained.³⁹ « If a nobleman needs to buy anything in silver or gold for himself or his children, such as a jewel, spoon, chain, an inlaid sword or some article of clothing, he now has to cut twice as much corn than he had to a few years ago, when money was less costly » he lamented elsewhere.⁴⁰ In fact the noble was generally paid in pennies or in foreign debased money for his corn, but when he wanted to buy imported goods he had to spend crowns or ducats, and when he bought them he was once again the victim of the agents who demanded the highest rate of exchange.⁴¹ The monetary problems also increased the losses suffered by the magnates, clergy and the Royal Treasury because of the fall in the real value of all quit-rents, incomes from leaseholds and taxes.⁴² The nobles who farmed the magnates' lands should in theory have been able to enrich themselves in this situation but in practice their position was equally difficult, for the estate owners refused to draw up long term agreements which caused a state of uncertainty and a feeling of insecurity. Also the leaseholders were hit as much as the landowners by the disadvantageous terms of trade.⁴³

It would appear that the peasants, who were the least involved with the market and the money economy, might have suffered least from the crisis.

³⁸ W. GOSTKOWSKI, *op. cit.*, p. 153.

³⁹ *Ibidem*, p. 153.

⁴⁰ *Ibidem*, p. 165.

⁴¹ Cf. M. BOGUCA, *Letters of exchange and credit...*, pp. 22-23, and also W. GOSTKOWSKI, *op. cit.*, p. 146.

⁴² Gostkowski's comment is characteristic, *op. cit.*, pp. 163-167.

⁴³ Cf. Z. SADOWSKI, *Money and the beginning of the fall of the Republic...*, p. 119.

However in practice the crisis rebounded very strongly on the situation in the countryside, because there was a tendency to suppress what remained of the quit-renting economy and to increase the degree of exploitation by the nobles. The income which the peasant derived from his farm, on which he continued to produce a certain amount of corn for the market, of course decreased as a result of the monetary problems and this reduced the peasant's opportunities to purchase goods from the towns. The acts of trickery to which he was subjected in the town, where he was virtually forced to take the debased currency for his goods and to pay sound coin when he wanted to buy anything himself, were very common, and added to his problems.⁴⁴

But the town-dwellers themselves — with the exception of a small minority of lucky speculators — suffered from the crisis. The monetary problems were obviously most keenly felt in the lower strata of the towns, among the common people and the poor, the craftsmen and the wage-earners, since the real value of any wages began to fall with the depreciation of the currency and the rise in prices.⁴⁵ In 1630 complaints were made in Gdansk that because of the monetary problems the inhabitants had lost half of their possessions.⁴⁶ These complaints were undoubtedly exaggerated, but they show how acutely the crisis made itself felt even in such prosperous towns as Gdansk. Contemporaries even feared that the monetary problems would cause serious unrest in the towns.⁴⁷ In fact, in the most important centres strikes by journeymen protesting at the growing difficulty of living on their wages increased in the early XVII century.⁴⁸ In 1622-23, for example, a violent clash broke out in Cracow between the common people and the municipal council, mainly in the context of the monetary problems.⁴⁹ In Gdansk similar unrest developed later, in the middle of the century.

The poor and the working people were not the only victims of the crisis, however, for the well-to-do sections of the population of the towns,

⁴⁴ For examples see A. MACZAK, *Gospodarstwo chlopskie na Zulawach malborskich w poczatkach XVII w.* (Peasant farm in the Malbork Zulawy at the beginning of the XVIIth century), Warsaw 1962, p. 304 *et seq.* A. WAWRZYNCZYK, *Gospodarstwo chlopskie na Mazowszu w XVI i poczatkach XVII w.* (Peasant farm in Mazovia in the XVIth and early XVII th centuries), Warsaw 1962, p. 115 *et seq.*, 185 *et seq.*; J. TOPOLSKI, *Gospodarstwo wiejskie w dobrach arcybiskupa gnieznienskiego od XVI do XVIII w.* (Rural exploitation on the estates belonging to the archbishop of Gniezno from the XVIth to the XVIIIth centuries), Poznan 1958, p. 116 *et seq.*

⁴⁵ Even in a productive area as developed and rich as Gdansk, where manpower was in great demand, wages fell considerably and the wage-earners' conditions deteriorated, cf. M. BOGUCKA, *Gdansk jako osrodek produkcyjny w XIV-XVII w.* (Gdansk as a centre of production between the XIVth and XVIIth centuries), Warsaw 1962, p. 332 *et seq.*

⁴⁶ *The National Voivode Archives*, Gdansk, no. 300, 10/153, pp. 219b-220.

⁴⁷ This was stressed by an anonymous writer from Gdansk in 1604, cf. Z. SADOWSKI, *Treatises on Money . . .*, p. 21.

⁴⁸ For example in Gdansk, Cracow etc. cf. M. BOGUCKA, *Gdansk as a centre of production . . .*, p. 350 *et seq.*, J. PACHONSKI, *Zmierzch slawetnych* (The decline of the notables), Cracow 1956, p. 283 etc.

including the patrician class, also suffered disastrous consequences. Large and small scale trade was seriously affected by the reduction of outlets on the Polish market, by the blow dealt to the well-being of the nobility and by the complete disappearance of the peasantry from the trading circuit. Unrestrained speculation and the considerable rise in prices, though sometimes bringing great profits, just as often, if not more often, brought considerable losses.⁵¹ Also the merchant's tendency to compensate for the debasement of the currency by raising prices brought forth a reaction from the nobles, who fixed the price of goods, especially luxury goods, in an attempt to halt the rise in prices to some extent.⁵² The insecurity and instability that threatened the burghers did not encourage business,⁵³ and credit which was so important for the growth of trade encountered great difficulties. The interests of creditors in particular suffered considerably, since debts were settled in a less sound currency than that which had originally been loaned. This caused difficulties in obtaining credit, especially on a long-term basis, or else led to a considerable rise in the interest rate⁵⁴ with which the creditors guarded themselves from possible losses. In practice this led to usury and blatant exploitation, and the victims included both the bourgeoisie (from the most well-to-do merchants down to journeymen and labourers) as well as nobles in need of loans which were often raised against future harvests⁵⁵ and even the peasants who were frequently forced to resort to the usurers.

Another no less serious consequence of the crisis appears to have been the psychologically understandable race to hoard goods as insurance against the insecurity of the monetary market. The valuables most often stowed away were precious metals and stones (jewellery, plate etc.), the larger coins, crowns and ducats, and probably also the common coin of earlier issues which had therefore a higher silver content than the current coin. Precious metals in the form of ingots, and bullion, were also hoarded. In the XVIIth century the magnates, nobility and well-to-do burghers sank increasing amounts of capital into jewelry and luxury plate, and amassed precious

⁴⁹ J. BIENIAROWNA, *Mieszczanstwo krakowskie w XVII w.* (The burghers in Cracow in the XVIIth century), Cracow 1969, pp. 106-125.

⁵⁰ E. CIESLAK, *Walki społeczno-polityczne w Gdansku w drugiej połowie XVII w.* (Social and political unrest in Gdansk in the second half of the XVIIth century), Gdansk 1962, *passim*.

⁵¹ Cf. M. BOGUĆKA, *Gdansk's foreign trade . . .*, p. 124 *et seq.*

⁵² Cf. the laws adopted by the Diets of 1620, 1621, 1627, etc., *Volumina Legum*, vol. III, pp. 179-180, 206, 217. See A. SZELAGOWSKI, *op. cit.*, p. 238.

⁵³ Cf. M. BOGUĆKA, *W kregu mentalności mieszczanina gdanskiego w XVII w.* (On the burghers mentality in Gdansk in the XVIIth century), in the press.

⁵⁴ Cf. M. BOGUĆKA, *Letters of exchange and credit . . .*, p. 28.

⁵⁵ Cf. M. BOGUĆKA, *Gdanskie kontrakty zbozowe w pierwszej połowie XVII w.* (Corn contracts in Gdansk in the first half of the XVIIth century). *Kwartalnik Historii Kultury Materialnej*, 1969, fasc. 4, pp. 711-719.

metals and solid coin by the ton.⁵⁶ The poor burghers and even the peasants also tried to lock away valuable ornaments in their chests, and sometimes a little of the old small coin which was greatly sought after in the XVIIth century.⁵⁷ This hoarding, which until then had attracted scant concern, undoubtedly had unfavourable consequences for the country's economy, since it froze considerable capital for many years. The purchase of landed property by the rich bourgeoisie also played a similar role. This increased rapidly, it seems, throughout the XVIIth century, and was not only a proof of the snobbish desire to rise to the status of the nobility, but was also a safe means of investing a newly amassed fortune which might otherwise easily be destroyed by devaluation.⁵⁸

Hoarding as well as the investment of capital in landed property which has not been fully studied played a negative role in the whole Polish economy of the XVIIth century, by reducing productive investment and halting the growth of trade.⁵⁹ One might perhaps claim, then, that the monetary troubles had a number of serious consequences in different fields, ranging from a fall in the standard of living of various sector of the population, to the slowing down of growth in different sectors of economic life.

To conclude, then it is apparent that the whole of Polish society, with the exception only of very small groups of skilful speculators who succeeded

⁵⁶ Janusz, the Duke of Ostrog, left on his death in 1620 a sum of 600,000 ducats, 290,000 different coins, 400,000 crowns, 30 barrels of broken silver, cf. J. MACISZEWSKI, *Szlachta polska i jej panstwo* (The Polish nobility and their Estate), Warsaw 1969, p. 134. A similar treasure was left by Stanisław Niemojewski the castellan of Chelm as the inventory made on 7-IV-1621 shows, *Voivoide archives of Torun*, register of the Torun assessors, IX-23, pp. 168b-184a. Information on hoarding by burghers of jewels, coin etc. is included in the Torun inventories of the 1620's, cf. *Voivoide archives of Torun*, registers of the assessors, IX-23, pp. 488b-497a, IX-38, pp. 275-277b, 327a-329a. Cf. also ST. WISŁOCKI and J. NAWROCKI, *Inwentarze mieszczańskie z lat 1528-1635 z ksiąg miejskich Poznania* (Burghers inventories for the years 1528 to 1635 drawn from the Court registers of the Poznan mayors), Poznan 1961, *passim*. J. PACHONSKI, *Decline of the notables...*, pp. 429 *et seq.*, 455 *et seq.* *Dzieje Gniezna* (History of Gniezno), vol. I, Warsaw 1965, p. 336, etc.

⁵⁷ Cf. M. BOGUCKA, *Formy życia «marginesu mieszczańskiego» w Gdańsku połowy XVII w.* (The ways of life of the «marginal burghers», in Gdansk in the mid XVIIth century), *Zapiski Historyczne*, vol. XXXVIII, 1973, fasc. 4, pp. 55-79; *ibidem*, *Odziew mieszkancow Gdanska w XVII w.* (The dress of the inhabitants of Gdansk in the XVIIth century), *Rocznik Gdański*, vol. XXXII, 1972, pp. 175-191. ANNA SUCHENI GRABOWSKA and HIERONIM WEISS, *Materiały źródłowe do dziejów kultury materialnej chłopow w woj. sieradzkim i ziemi wielunskiej w XVI w.* (Sources for the history of the material civilization of the peasants of the voivoide of Sieradz and the Wielun lands in the XVIth century), *Studia do dziejów gospodarstwa wiejskiego* (Studies on the history of agriculture), vol. I, Wrocław 1957, pp. 317-371.

⁵⁸ Cf. M. BOGUCKA, «Atrakcyjność» kultury szlacheckiej? Sarmatyzacja mieszczaństwa polskiego w XVII w. (The «attraction» of aristocratic culture? The sarmatisation of the Polish burghers in the XVIIth century), *Acta Poloniae Historica* in the press.

⁵⁹ *Ibidem*.

in profiting from the general chaos, was affected by the monetary crisis. The collapse of the currency and the rise in value of the sound larger coins became the apocalyptic symbol of the misfortunes of the age, the apparent cause of all their worries and torments in the eyes of contemporaries. Neither the nobles nor the bourgeoisie was able to see these monetary difficulties as the product of the economic situation of their country and of Europe as a whole, but rather insisted on seeing the debased currency as the sole culprit. It is no surprise then that the debates on the monetary problem gave rise to impassioned controversy and polemic. The Diets and their members became involved in these debates⁶⁰ while the nobles (Gostkowski, Grodwagner, Zaremba, Starowolski),⁶¹ and equally the burghers (Keckerbart, Boemeln, Freder,⁶² Schröder, Krummhausen⁶³) all wrote extensively on the subject. At the outset (1604) the burghers of the Prussian towns demanded a revaluation of the penny, a demand which was opposed by the members of the Commission of Monetary Affairs which the Diet had established.⁶⁴ After 1620, when the relation between the prices of exported and imported goods suddenly changed, it was the nobles who raised the demand for revaluation, or what was termed the « reduction of silver », in the naive belief that this would provide some miraculous cure for the rising price of imports and the falling price of exports.⁶⁵ But this was opposed by the inhabitants of Gdansk who feared that increasing the price of exports would discourage the foreign merchants who dealt in Polish goods: « high prices will drive away the foreigners who will take their trade elsewhere ». ⁶⁶ Apart from these political and economic treatises and polemics, the monetary problems gave rise to a whole genre of polemical literature; tracts of every sort appeared, together with songs and verses, often satirical or mocking in tone, and which at times bordered on scarcely restrained hatred.⁶⁷

⁶⁰ Cf. *Volumina Legum*, vol. III, pp. 10,135, 179-180, 206, 217, 261-262, 320-321, 379, vol. IV, pp. 131, 209, 245, 279, 447 etc.

⁶¹ Published dissertations by Z. SADOWSKI, *Treatises on Money, passim*, and J. GORSKI and E. LIPINSKI, *Mercantile economic thought, passim*.

⁶² *Ibidem*.

⁶³ Unpublished, cf. the *Library of the P.A.S. in Gdansk*, manuscript department, Ms. 1254 and 1255. (The latter Ms. is lost and its contents known only through the catalogue).

⁶⁴ They acted on behalf of the debtors: the revaluation, the increase in the standard of the penny « would bring great harm with it ... for in paying off the debts which burden a great many people in the kingdom they would pay more than they would otherwise have to ... », cf. Z. SADOWSKI, *Money and the beginning of the fall of the Republic ...*, p. 172 et seq.

⁶⁵ *Ibidem*.

⁶⁶ Cf. Z. SADOWSKI, *Gdanczanie w polskiej myśli ekonomicznej początków XVII w.* (The citizens of Gdansk in Polish economic thought at the beginning of the XVIIth century), *Ekonomista* 1958/6, p. 1648.

⁶⁷ Cf. *Library of the P.A.S. in Gdansk*, Ms. dept., ms. 1254, p. 135. Ms. 1255, p. 384 etc.

One of the principal themes in this literature was the search for those who were responsible. *Vox populi* was unanimous in charging the « financiers » as the main culprits, together with the speculators, forgers and minters.⁶⁸ Even as early as 1601, the Diet decided « to suppress all the workshops where individuals in various towns may strike coin *in suum commodum* », at the same time giving licence to only two minting establishments (at Olkusz and Cracow) and laying down severe penalties for forgers and counterfeiters.⁶⁹ In 1611 again the Diet raised cries of indignation against the « abuses of the counterfeiters ».⁷⁰ Gostkowski and other nobles fulminated against the minters,⁷¹ while Schröder in Gdansk called them robbers and cheats, and described in great detail how the fabulous fortunes of the detested farmers of the Royal Mint, Jacob Jacobsen,⁷² Boratini and the Tymff brothers,⁷³ had been amassed. Amongst both the nobility and the bourgeoisie verses and couplets raging against the minters and counterfeiters were widely circulated,⁷⁴ and in practice the former was synonymous with the latter. It is interesting that there was no general feeling against the King, however, although it was he who had debased the currency. Public opinion limited itself to regretting that he had been too lenient and allowed himself to be tricked by the farmers of the Mint, who had known how to use gifts and presents to win the support of the King and the magnates.⁷⁵

Another cause of general indignation lay in the arrival of debased foreign coin in Poland, which flooded Polish markets and aggravated the troubles still further. The nobles assembled in different Diets raised loud cries against the merchants who introduced this debased currency.⁷⁶ Gostkowski claimed that those responsible for the troubles were not only the minters, but equally « the Bohemians, our neighbours the German dukes, and the towns of Silesia ».⁷⁷ In Gdansk the Dutch merchants were blamed for the influx of

⁶⁸ A similar situation arose in other countries during the period of monetary crises, cf. R. DE ROOVER, *Gresham on Foreign Exchange*, Cambridge 1949, p. 200.

⁶⁹ Cf. *Vol. Legum*, vol. II, p. 426.

⁷⁰ *Vol. Legum*, vol. III, p. 10.

⁷¹ Cf. Z. SADOWSKI, *Treatises on Money...*, pp. 143-145, 267-268, 291.

⁷² The town-councillor of Gdansk, Schröder, called him a wretched hard-ware merchant and rogue who knew how to gain the favour of the nobles and the king, cf. *Library of the P.A.S. in Gdansk*, Ms. dept., Ms. 1254, pp. 16-23.

⁷³ *Ibidem*, Ms. 1254, p. 135; 1256, pp. 43-52; 1255a, pp. 58-59.

⁷⁴ Most of these works were "dedicated" to the Tymff brothers and Boratini, including this prayer in verse, which freely translated reads: « But save us from Tymff and Boratini and send them to the devil, to cursed hell, for who is more to blame than they for all those *tyńfs* and *orts*, not to mention *deniers* ».

⁷⁵ See note 73.

⁷⁶ In 1620 the complaint was made « that they bring foreign money into our country by all kinds of means, artifices and contrivances and buy up and export our silver of the realm, which far surpasses foreign money by virtue of its quality and weight... », *Vol. Legum*, vol. III, p. 180; cf. also p. 379 etc.

⁷⁷ J. GORSKI, E. LPINSKI, *Mercantile economic thought...*, p. 147.

debased coin.⁷⁸ The noble memorialist Pasek thundered in 1662 against « the unworthy merchants » who had brought Wallachian *deniers* into Poland, that « cruel vengeance », the cause of « despair and horrible sufferings amongst men ».⁷⁹ There can be no doubt that monetary problems contributed to the growing xenophobia which, in the XVIIth century, became so typical of the Polish nobility.⁸⁰

Anti-Semitism as well as xenophobia was bred by the monetary crisis. Particularly violent charges of complicity in monetary speculations were laid at the door of Jewish merchants, who were often singled out as the prime source of all these evils. In an anonymous treatise written by a noble as early as 1611 we read that « all these evils come from no other source than the trickery of the Jews ».⁸¹ Gostkowski and Zaremba, seeking the causes of the high price of money, also blamed the Jews,⁸² so giving expression to the feelings of the nobles who were becoming more and more fanatical, more and more determined to reveal — and hence explain and resolve — the source on which their economic distress might be blamed. But as the difficulties increased, so it became increasingly inadequate simply to blame the Jews and foreigners, and soon the nobility came to lay the blame for their financial problems on the entire bourgeois estate. After the 1620's the noble publicists began increasingly to accuse all the inhabitants of the towns of financial speculation and of activities which were dragging the country into ruin. The anti-bourgeois feelings, which had developed in the XVIth century, quickly spread and the nobles' writings on the subject of money are full of invective and attacks on the bourgeoisie. A treatise written as early as 1611 described the merchants as fleecers and forgers, and saw the cause of all the problems in their « tricks ».⁸³ Gostkowski also railed against the enrichment of « crafty men and merchants » at the expense of the honest nobles.⁸⁴ Zaremba accused the merchants not only of demoralizing society by importing luxury goods but also of « crafty expedients and intolerable profits », of forcing prices to rise, of monetary speculation and intolerable usury; « like inquisitive dogs and bloodhounds these merchants spy on our purses », he claimed.⁸⁵ The nobles were increasingly convinced that all inhabitants of towns were their enemies, money-grubbers engaged in specu-

⁷⁸ Cf. M. BOGUCKA, *Zur Problematik der Münzkrise . . .*, p. 68 et seq.

⁷⁹ J. PASEK, *Memoires*, Wrocław 1968, p. 323.

⁸⁰ Cf. J. TAZBIR, *Ksenofobia w Polsce XVI i XVII w.* (Xenophobia in Poland in the XVIth and XVIIth centuries), in the volume *Ariante i katolicy* (Aryans and Catholics), Warsaw 1971.

⁸¹ Z. SADOWSKI, *Treatises on Money . . .*, p. 91.

⁸² J. GORSKI, E. LIPINSKI, *Mercantile economic thought . . .*, pp. 148, 267 etc.

⁸³ *Ibidem*, pp. 91, 106-107, 117.

⁸⁴ *Ibidem*, pp. 160-161.

⁸⁵ ST. ZAREMBA, *Okulary na rozchody w Koronie y z Korony . . .*, 1623 (An eye-glass through which to see the expenditure of the realm and exports from the realm . . ., 1623); J. GORSKI, E. LIPINSKI, *Mercantile economic thought . . .*, pp. 263, 267-268, 272, 291.

cultation, parasites driving the country to ruin. « They are ruining the Realm, reducing it to poverty and stripping it of all its possessions while they are enriching foreign countries and increasing their own wealth ».⁸⁶ The old antagonism between the country (or more precisely, the castle) and the town turned into furious hatred.

One of the important consequences of the monetary problems was, then, the recrudescence of class hatred and an unprecedented increase in the antagonism between various groups, which developed into a merciless struggle among various sectors of the community. This situation is reminiscent of the psychopathic states to which a society falls victim in times of great scourges or epidemics.⁸⁷ Ignorance of the way in which such situations arise and a widespread feeling of menace lead to a feverish search for guilty parties which occasionally reaches almost the proportions of collective hysteria. Because of their widespread nature such attitudes constitute a tangible force which in turn contributes to the development of the general situation. The isolation of Polish towns and the decline of their economic fortunes owing to the increasing aggression of the nobility should be certainly connected with the effects of the monetary crisis on the psychology of the population. Thus the monetary upheavals were not only the effect of the unfavourable developments taking place in the economy at that time, but also accelerated them even further. The pressure and evolution of these attitudes in turn determined the attitudes and behaviour of specific classes and social groups, so influencing their mutual relations.

⁸⁶ *Ibidem*, p. 263.

⁸⁷ Cf. R. BACHREL, *La haine de classe en temps d'épidémie* (Class hatred in times of epidemic), *Annales, Economies, Sociétés, Civilisations*, 1953, pp. 351-360.

APPENDIX

The prices of the thaler (crown) and ducat in pennies¹

Year	Gdansk		Lwow		Lublin		Official price (taxation by the Diet)	
	crown	ducat	crown	ducat	crown	ducat	crown	ducat
1600	36.5	59	36	60	36	60		
1604	37	60	37.33	61.5	37	63.7		
1611	41.45	70	36.42	70	42	65.7	40	70
1620	58.75	102.2	75	100-120	75	90-120	45	120
1623	76.87	129.35	75-120	120-180	75-120	120-180	70	120
1628	88.20	165	90	165	86.25	170		
1640	90	172.5	90	180	90	172.5		
1668	96.66	195	180	360	180	349.7		
1673	101.08	196	180	360	178	360		

¹ See W. ADAMCZYK, *Ceny w Lublinie XVI-XVIIIw.* (Prices in Lublin from XVIth to XVIIIth centuries), Lwow 1935. S.T. HOSZOWSKI, *Ceny we Lwowie XVI-XVIIw.* (Prices in Lwow), Lwow 1928. Y. PELE, *Ceny w Gdansk.* (Prices in Gdansk), Lwow 1937.