

“Sharp Practice”¹ among Merchants in Seventeenth-Century Amsterdam (1620-1632)

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ABSTRACT

King Gustav II Adolf of Sweden was dependent on the sale of copper from the Stora Kopparberg mine in Falun, Sweden, to underwrite his military campaigns in northern Europe. This article examines the ethics of the king’s representatives in Amsterdam and the prominent merchants through whom the king sold his copper. The article concludes that the king was not well served and notes several examples of outright deceit perpetrated by men he trusted. In addition to correspondence, the article relies heavily on the financial records prepared by merchants and royal servants to document copper transactions in Amsterdam. The article further concludes that historians from the last century, who examined the Swedish-Dutch copper trade, failed to notice the pervasive unethical behaviour of the participants in Amsterdam. These scholars concentrated on reports and contracts that laid out plans, but they neglecting to study the balance-sheets that specify actual quantities of copper sold or mortgaged.

1. Introduction

In the course of researching seventeenth-century copper traders in Amsterdam I encountered a most helpful source in the commercial collection of the Riksarkiv in Stockholm. Lodged bet-

¹ Axel Oxenstierna writing in 1633 “... a letter came into my hands from Elias Trip... and from it I can detect his intentions... he offers a small price and sharp conditions” Oxenstierna, *skriften* (1888 to the present), I, 8, p. 100.

ween long and exhaustive grants of company privileges and wordy purchase and sales contracts I found numerous balance sheets that recorded copper transactions from the era. This came as a surprise; I knew some existed because of sporadic references made by my distinguished predecessors in the archive². I was not prepared, however, to find such an abundance of important and largely untapped sources. It was the balance sheets that gave me access to the numbers behind the deals negotiated by a circle of merchants trading in copper from Sweden.

During the seventeenth century Sweden was the largest copper producing country in Europe, and copper was an important source of revenue to the crown. King Gustav II Adolf, who ruled from 1611 to 1632, did not, however, always sell his copper on the open market. If prices were weak, he preferred to use the copper as collateral for loans from wealthy merchants in Amsterdam. As a result, the crown's representatives located there negotiated complicated contracts to mortgage Swedish copper. In the course of analyzing the financial records of these transactions, I came to the conclusion that the Swedish crown was the victim of deceit and "sharp practice."

On May 29, 1629 one of the king's representative in Amsterdam, Conrad von Falkenberg, negotiated just such a contract. Acting for the king, Falkenberg agreed to ship 7,000 *skeppund*³ (hereafter skd) per year over the next three years to Amsterdam as collateral for loans to be provided by Elias Trip, the head of a prominent merchant family in Amsterdam. Two types of copper were involved: raw copper and refined copper. The parties agreed to collateral values of 44 *riksdaler*⁴ (hereafter RD) per skd for raw copper and RD 55 for refined

² Among others, this would include Wittrock, *Handelskompaniet* (1919), Dahlgren, *Louis de Geer* (1923), and Klein, *De Trippen* (1965).

³ A *skeppund* was the standard weight for bulk commodities in the Baltic trade. A *skeppund* of copper was approximately 136 kilograms.

⁴ The *riksdaler* was a silver-base currency issued by the Holy Roman Empire, and the standard "reserve currency" of northern Europe. The reader will also encounter Dutch guilders which I abbreviate to DG. The ratio was RD 1 = DG 2.5 during the period under discussion.

copper⁵. Without evidence to the contrary, one would assume the contract was fulfilled as negotiated. P.W. Klein, the biographer of the Trip family, even calculated that the contract would require Elias Trip to extend an annual credit of between RD 308,000 and RD 386,000 to the crown; both were massive sums⁶. The contract, however, was never executed. The balance sheets preserved at the Riksarkiv in Stockholm show that of the 21,000 skd contracted to go into the Trip deposit only 441 skd were shipped from Sweden⁷.

When the price of copper began to fall soon after the contract was negotiated Elias Trip took advantage of a minor loophole in the contract and refused to accept further deliveries⁸. The standard historical narrative regarding such transactions is based on the correspondence between the crown and its representatives in Amsterdam, and Trip's repudiation of the contract does not appear in this correspondence. While useful for other issues, such correspondence is not always helpful for understanding the quantities of copper that were shipped from Sweden to continental Europe. For that information one must go to the balance sheets.

The purpose of this article is to explore a few prominent seventeenth-century merchants and royal representatives who were active in the copper trade of the period. Historians from the last century have examined them all, either in depth or in passing. The difference is that I will judge them not by their correspondence alone, but also by their accounting records. The picture that emerges is not flattering. We will find that these men used cunning and deceit in their relationship to the Swedish crown.

Louis de Geer, a successful Walloon merchant and industrialist, was a key participant. He supplied the Protestant king of Sweden,

⁵ van Dillen (ed.), *Notarieele Acten*, 1937, p. 235.

⁶ Klein, *De Trippen*, 1965, p. 360.

⁷ Riksarkivet Stockholm, *Handel och Sjöfart* vol. 46 "Gustavus Adolphus Conick van Sweden" 1633.

⁸ "seven duysent Sweetse shipponden... wel minder maer niet meerder", see van Dillen (ed.), *Notarieele Acten*, 1937, p. 235.

Gustav II Adolf, with weapons before and during the Thirty Years War, and this relationship developed into a life-long association with the Swedish monarchy. In 1627 de Geer visited Sweden and travelled with the king to industrial sites. The result was a royal charter to finance iron and copper works in Sweden that became a catalyst for the development of the Swedish metallurgical and arms industry. De Geer is remembered to this day as the “father of Swedish Industry”⁹. But de Geer also sold the king’s copper at below market prices to his brother-in-law, Elias Trip, to the detriment of the crown. De Geer later mounted a campaign of deceit to mislead the crown about the cause of copper price increases in Amsterdam. His colleague and fellow merchant, Erik Larsson, was a Swedish subject living in Amsterdam. The crown showered Larsson with business opportunities and lucrative commissions, appointed him royal factor in Amsterdam, and gave him discretion to negotiate important contracts for the sale of copper. In return, Larsson entered into a contract on behalf of the crown with Elias Trip, which had all the symptoms of outright collusion. Yet, de Geer, Larsson, and the Trip family continued to work with the crown on industrial developments and copper exports after the incidents we will investigate. In addition to describing the culture of deceit that we encounter among the merchants doing business with the crown, we will also seek to explain the crown’s tolerance for this culture, and its willingness to suffer repeated financial loss at the hands of its business partners.

The first-half of the seventeenth century was a period of extraordinary development for the Swedish monarchy and the country it ruled. Sweden, with a population of fewer than one and a half million souls, had remained for centuries a remote rural outpost with a short growing season and limited prospects. That changed dramatically, between 1611 and 1632, during the reign of the ambitious young king, Gustav II Adolf, who led his armies into the Thirty Years War and succeeded in expanding the Swedish empire to encompass

⁹ Nováky, “Inledning,” to Dahlgren, *Louis de Geer*, 2002, p. 16.

much of northern Germany. How did this northern backwater muster the resources for such a venture? Part of the answer is that Sweden possessed the largest copper mine in Europe, the Stora Kopparberg, and it had the means to exploit and distribute its bounty. Axel Oxenstierna, the king's talented chancellor, wrote of the mine in 1630, "Copper is the noblest commodity that the Swedish crown produces and can boast of, wherein also a great part of the crown's welfare stands..."¹⁰. We will first explore the king's dependence on copper to fund his ambitious political and military goals. This will lead us to examine, in detail, the duplicity the king encountered, even among his most trusted servants, when he sought to do business directly with merchant-traders in Amsterdam.

From the beginning of his reign, King Gustav Adolf was forced to focus on crown finances. He inherited from his father, Karl IX, an unfortunate war with Denmark, the War of Kalmar (1611 to 1613), which threatened to push the royal treasury into insolvency. In January 1613, slightly over one year into his reign, the young king agreed to an onerous treaty, the Peace of Knäred. During the War of Kalmar, the Danes had captured the fortress of Älvsborg, which protected the Göteborg area and the southwestern coast of Sweden. The terms of the peace negotiated by Gustav Adolf included a ransom of RD one million payable over four years, beginning in 1616. This was so unrealistically high that the king of Denmark, Kristian IV, probably assumed that the Swedish crown would forfeit the fortress and leave the valuable Göteborg area vulnerable to future Danish incursion.

The king's most immediate concern, therefore, was to pay the Älvsborg ransom. Moreover, at the same time he took an aggressive stance toward Poland and Russia, and sent armies into the field. These military adventures obviously required further funding. With the help of the Estates General in the Netherlands, the king finished

¹⁰ Oxenstierna, *skriften* (1888 to the present), I, 1, p. 344, Translated by Roberts in *Gustavus Adolphus*, 1957, vol. 2, p. 89.

paying the Älvsborg ransom in 1620. He then considered a more permanent source of credit. His solution was the formation of the Swedish Trading Company, or the Copper Company, which he loosely based on the Dutch East India Company. In 1620 he granted the company a full monopoly on purchasing copper from the miners at the Stora Kopparberg.

The company, in existence from 1620 to 1628, oversaw a steady increase in production at the Stora Kopparberg mine. The company was also, in fact, the agent of royal policy and during its existence the king increased his influence at the mine and at the various processing facilities. Unfortunately for the company's future, the king borrowed from it incessantly and the company's debts soon became untenable. The king was forced to dissolve it in 1628. By then, however, the crown had a replacement for the company. The new method for turning copper into currency became known as the "deposit system."

2. The Deposit System and Louis de Geer's Copper Sales to Elias Trip

Our first examination of deceitful behaviour took place while the Copper Company was still active. In August 1625 the company found itself with too much stock and the king decided to involve de Geer in a transaction that became a model for the deposit system. The details of this new agreement were negotiated between de Geer, in Amsterdam, and Anthony Monier, then governor of the Copper Company, in Stockholm. De Geer agreed to finance the Copper Company's excess inventory for a short term at RD 50 per skd¹¹; the company agreed to ship 2,000 skd to Amsterdam "on consignment," where de Geer would attempt to sell it as the company's agent¹². Letters to all parties confirmed the contract on August 12, 1625. The

¹¹ Dahlgren (ed.), *brev och affärshandlingar*, 1934, pp. 86-87.

¹² "On consignment" meant that it remained the property of the company until sold.

parcel would consist of a combination of raw copper, refined copper, and copper plate.

One must remember that de Geer was not buying the copper from the company. The company retained ownership of the metal; de Geer was lending money to the company at a fixed-interest rate, and the copper was the security for the loan. The contract specified that the copper would be insured at the rate of RD 80 per skd for refined copper and copper plate, and RD 70 per skd for raw copper. A balance sheet in the de Geer family archives (Leufsta arkivet) preserves the details of the transactions¹³. The company shipped 317.2 skd of copper plate, 190 skd of refined copper, and 703 skd of raw copper, all of which arrived in December 1625 and January 1626. De Geer sold the plate to eleven different merchants, during February and March 1626, at an average price of RD 80 per skd¹⁴, which is in line with the insured value. No one examining the balance sheets then or now could fault these sales.

De Geer's sale of the remaining lots, however, raises serious issues. We emphasize that de Geer sold the copper plate at RD 80 per skd. If his buyers were willing to pay his price he was probably selling at market price. During these months de Geer also sold the refined and the raw copper. He should have sold the refined copper at the same price as he sold the copper plate. This is confirmed by any number of balance sheets that account for the Copper Company as well as private transactions. It is also the reason that the copper plate and the refined copper were both insured at RD 80 per skd. Copper plate and refined copper were invariably sold at approximately the same price¹⁵. De Geer, however, sold 190 skd of refined copper to his brother-in-law, Elias Tripp, at RD 73 per skd or nearly nine percent below the market.

¹³ RS, Leufsta arkivet, vol. 81, "Cooper Platen Debit Anno 1626, Amsterdam. Garcooper Debit Anno 1626, Amsterdam. Rouwcooper Debit Anno 1625, Amsterdam".

¹⁴ RS, Leufsta arkivet, vol. 81, "Cooper Platen Debit Anno 1626, Amsterdam".

¹⁵ RS, Handel och Sjöfart, vol. 4, "Hollendsche Kappar Conto". "Kronones Kappar Recknings". RS, Handel och Sjöfart vol. 2 part 1, "Balance oppa Kopparen i Hamburg och Lübeck". RS, Leufsta Arkivet vol. 81, "Koppar Recknings med Eric Larson 1627-1628".

It is difficult to believe that this was an arms-length transaction, because de Geer also sold 702 skd of raw copper to his brother-in-law well below the market price. The normal price differential between refined copper and raw copper was RD 10 per skd¹⁶. De Geer supplied these figures to the king in a letter in 1625. The price for raw copper, therefore, should have been about RD 70 per skd, or the price for copper plate minus RD 10 per skd. In fact, de Geer sold to Elias Trip at RD 61 per skd or 12 percent below the market price, thereby giving his brother-in-law a built-in profit at the expense of the Copper Company. Even more damning was the fact that others were selling raw copper during this same period at above RD 70 per skd. One learns from the Copper Company's balance sheets that two company employees, Mårten Wewitzer and Peter Grönenberg, together sold 1,880 skd of raw copper in northern Germany during the second half of 1625 above RD 70 per skd. This demonstrates that a price above RD 70 per skd was a prevailing price for this period in northern Europe, and not a brief phenomenon in Amsterdam¹⁷.

We do not know if de Geer and Trip split the future profits, or if de Geer was merely paying off a favour. The incident, however, indicates collusion between merchants to defraud the company and the crown. Such conduct was only possible because of the distance between Stockholm and Amsterdam; this made the pattern of misconduct possible. The crown's regulatory bodies, such as the *kammarråd* (the treasury council) and the *ränte-kammar*, the branch of government in charge of overseeing the crown's fiscal assets, were both located in Stockholm and, therefore, unable to monitor the activities of the merchants in Amsterdam. The inevitable result was that the king's servants in Amsterdam, instead of protecting the king's interests, fought among themselves for political advantage and conspired with the Trip family for monetary gain at the expense of the Swedish crown.

¹⁶ Dahlgren (ed.), *brev och affärshandlingar*, 1934, p. 76.

¹⁷ RS, Handel och Sjöfart arkivet, vol. 46, "Förslag opå Compagneidtz Stat pro Anno 1625".

3. The Larsson Negotiations

In January 1631, as the old loan agreements were about to expire, the king reappointed Erik Larsson as his factor in Amsterdam and gave him full authority to dispose of all the copper to be exported over the next three years. In this section we will explore negotiations between Erik Larsson, representing the crown, and Elias Trip. There is abundant evidence that Larsson did not negotiate in good faith, and that he profited personally from the trade.

Larsson met Elias Trip in February 1632 to begin discussions on a new copper deposit contract. Ten days earlier Larsson had written to the chancellor with a market summary. At the moment, he claimed, mortgages on copper might not be possible above RD 40 per skd for refined copper¹⁸. Larsson neglected to inform the chancellor, however, that copper prices were rising. The last published price in Amsterdam was equal to RD 45 per skd for refined copper; it appeared in the November 1631 issue of the price currents. The price published in February 1632 was equal to RD 48.4 per skd, again for refined copper. Yet Larsson was telling the king that a deposit price of RD 40 for refined copper was the best achievable. In addition, we know from Louis de Geer's accounts for the year that he sold 40 skd of refined copper to a fellow merchant for RD 51 per skd in January 1632¹⁹. Clearly, Larsson was misleading the crown on the price of copper in Amsterdam.

The negotiations lasted four days. Finally, Larsson and Trip signed a new mortgage with an annual interest charge of seven percent. As Larsson predicted, the new mortgage price for copper collateral was reduced from RD 55 per skd in the previous contract to RD 40 per skd for refined copper, and from RD 44 to RD 30.75 for raw copper²⁰. This was a 27 percent drop in the mortgage value of refined copper from the agreement in 1629.

¹⁸ Oxenstierna, *skriften* (1888 to the present), II, 11, p. 477.

¹⁹ RS, Leufsta arkivet, vol. 109, "Laud Deo Anno 1632 Amst. Jan le Thoor Credit".

²⁰ Dahlgren, *Louis de Geer*, 1923, 1, p. 203.

The evidence against Larsson was damning. Most telling was the fact that he had been misleading the crown regarding copper prices in Amsterdam. While the prices had been at RD 44 per skd for refined copper during most of 1631, de Geer's sale at RD 51 is convincing evidence that by January 1632, the price for refined copper in Amsterdam was above RD 50 per skd. Larsson agreed to a deposit price of RD 40 per skd. Making things look even worse, after completing the negotiations, Erik Larsson departed for Germany without informing the king or the chancellor about the new deposit contract with Trip.

A balance sheet compiled under Larsson's direction, listed the shipments of refined copper put into deposit during 1632 at RD 40 per skd. They total 3,498 skd²¹.

How, exactly, Larsson profited from the deceit requires an additional piece of information, supplied by Louis de Geer, who wanted the lucrative deposit contract for himself²². De Geer referred to a practice that was probably widespread at the time, but there is no reference to it in any of the secondary literature. In a letter to the chancellor, de Geer claimed that Larsson and Trip agreed between themselves to mortgage the king's copper at the low price of RD 40 per skd for refined copper. They then remortgaged the refined copper to local merchants at a collateral price of RD 55 per skd and probably at an interest rate of four percent²³, or three percent below the rate they were charging the king²⁴.

To explain de Geer's accusations let us examine the practice in detail. In accordance with the agreement between Erik Larsson and Elias Trip in 1632 the crown sent 3,500 skd of refined copper into de-

²¹ RS, Handel och Sjöfart arkivet. vol. 4, "Kopper Canto Pro Anno 1631 och Begymelsen a P 1632".

²² Oxenstierna, *skriften* (1888 to the present), II, 11, p. 596.

²³ De Geer does not mention an interest rate. Later in 1632, however, he borrowed from fellow merchants at four percent with copper as security. See Dahlgren (ed.), *brev och affärshandlingar*, 1934, p. 252.

²⁴ *Ibid.*, p. 236.

posit with Trip in Amsterdam and Lübeck. Trip then paid the crown, or granted credit in the amount of RD 140,000 (3,500 skd X RD 40 per skd). The crown used this money to fund various civil and military obligations. Trip now had 3,500 skd of copper under control. He, in turn, borrowed against it, probably at a value of RD 55 per skd²⁵; he could have borrowed then a total of RD 192,000 or RD 52,000 more than he lent to the crown. The crown was, in effect, making an involuntary interest-free loan to Tripp of RD 52,000.

In addition, without the king's knowledge, Trip was most probably borrowing from local merchants at four percent interest and lending to the king at seven percent. That would yield an additional profit of RD 4,200 per year on the RD 140,000 Trip had lent to the king. Finally, Trip now had full use of his original capital to finance other lucrative trades. We must assume, of course, that this practice was not limited to the 3,500 skd put into deposit in 1632. If the numbers made sense, the entire 23,000 skd of Swedish copper on deposit in Amsterdam, Lübeck, and Hamburg at the end of 1632, was probably remortgaged at a substantial profit to the merchants involved.

If Larsson and Trip had tried this scheme in Stockholm, the king or chancellor certainly would have learned of it. But far away in Amsterdam the crown was informed only because of political infighting between de Geer and Larsson. The king was furious with Erik Larsson and Elias Trip when he learned the terms of the new agreement, and he accused Larsson of having a secret agreement with Trip in order to benefit personally from the unfavourable agreement²⁶.

This constitutes deceit or "sharp practice", of course, because the king and chancellor were unaware that the copper was being remortgaged locally at a higher mortgage price and at a lower interest rate. If they had been aware, then de Geer would gain nothing by exposing Trip and Larsson to the crown. Moreover, if Swedish crown officials had been aware the crown would certainly have demanded

²⁵ *Ibid.*

²⁶ Dahlgren, *Louis de Geer*, Uppsala, 1923, 1, p. 203.

the higher mortgage value for the copper and the lower interest rates that Trip and Larsson were seeking locally. Once again, the distance and lack of regulation worked to the advantage of the traders.

The act of remortgaging copper was almost certainly common practice among the merchants who financed the king's deposit system, and it explains de Geer's eagerness to replace Larsson and Trip, the then beneficiaries of the system. This assumption is based on a letter de Geer wrote later that year to his assistant, Johan Le Thoor, boasting of conducting the same manoeuvre as if it were normal procedure. He described remortgaging to "great parties" 720 skd of copper he held that year as collateral from the crown. He was lending money to the crown at eight percent per annum with the copper as collateral. He then borrowed from others with the king's copper as collateral at four percent, and kept the difference²⁷. He was guilty, therefore, of the same practice that he accused Trip and Larsson of pursuing. It is also clear from the letter that de Geer had acted without the crown's knowledge²⁸.

We conclude, therefore, that by misleading the crown about copper prices in February 1632, and then by entering into a mortgage contract with Elias Trip based on false prices, Larsson was betraying the crown. There is little doubt that Trip immediately remortgaged the copper at a substantially higher price and a lower interest rate. Because of the circumstances, we assume that Larsson shared in the bounty. We conclude from this incident that the circle of Amsterdam merchants dealing with the crown did not exclude fraud and collusion from their repertoire of trading techniques. This was, of course, all the more tempting because crown officials could not monitor the activities from afar. This made deception too tempting to resist. What happened, however, when the crown decided to investigate?

²⁷ Dahlgren (ed.), *brev och affärshandlingar*, 1934, p. 252.

²⁸ *Ibid.*, p. 236.

3. Accounting, a Conspiracy of Neglect

Axel Oxenstierna, the king's chancellor, was an accomplished administrator who understood balance sheets and had sufficient knowledge and experience to understand accounting issues. On two separate occasions the chancellor, upset over problems with record-keeping for the copper deposits, sent delegations to Amsterdam to investigate suspected irregularities. Both inquiries were greeted with a lack of cooperation. In 1628, as governor of the recently occupied Prussia, Oxenstierna sent a respected treasury official, Isaac Spierinck, to investigate his hunch that Elias Trip was overcharging the crown for interest payments due on mortgaged copper. He decided to postpone any additional shipments until the matter was resolved. Predictably, the commission met with a notable lack of success, "They [the commission] have appealed to Trip for assistance, but in his typical merchant style, he ignores us"²⁹. In the end the chancellor gave up the effort. Trip and Larsson succeeded in frustrating the commission in Amsterdam and the chancellor eventually relented, and asked the commission to return. The crown was at war in northern Germany and Poland, and it desperately needed money to pay and feed its armies, so the chancellor reluctantly resumed shipments of copper to Amsterdam.

In the chaos that followed the king's death on the battlefield in 1632, the chancellor again attempted to cure the irregularities among the merchants in Amsterdam dealing with the king's copper. He again met with a complete lack of cooperation; it appears very much like a conspiracy among the crown officials and their business partners. Oxenstierna described the situation to the Riks-Råd (the privy council), "Good sirs, judge if there is any evil that merchants will not do". (Quotation is continued in footnote.) The chancellor goes on to lament that, despite his frequent requests for clarification, Falckenberg and Larsson did nothing to help. Even more disquieting, he learned that Larsson agreed to accept Trip's accounting on all pre-

²⁹ *Ibid.*, I, 4, p. 257.

vious deposits, without recourse, when he negotiated the infamous agreement of 1632³⁰.

We know from other documents that Erik Larsson was capable of keeping scrupulous records and balance sheets³¹. We must, therefore, ask why he was not passing the figures on to the chancellor. The most obvious response is that it was easier to reap illicit profits from the copper deposits in Amsterdam if the chancellor or treasury officials did not have accurate records. Larsson had compiled the records. They are now located in the Riksarkiv in Stockholm³². Based on the chancellor's comments, however, it appears that Larsson did not share them with treasury officials in Prussia. This implies that the ruthless attitudes displayed by the king's business associates in Amsterdam did not stop at fraud and collusion, but also extended to misleading the chancellor and his treasury officials on the accounting figures as well.

So, why did the crown continue to do business with a group of merchants and financiers who put their own interests before those of the crown's? The crown had no choice. It was so desperate for cash to pay and feed its army that it tolerated the malfeasance of its business associates in Amsterdam.

3. De Geer's Manipulation

In this final section we will analyze Louis de Geer's attempt to take advantage of the crown's distrust of Erik Larsson, and to re-

³⁰ I find that great wrong and damage has been done to the crown... I have now asked Conrad von Falkenberg and Erik Larsson to help clarify the situation but they do nothing. After inquiring again and again, I discovered that when Erik Larsson executed the last deposit he ratified [Trip's] accounting for the previous one, and exempted Trip from any further examination of it... Now, how can I dispute the crown's lack of profit when the crown's servants [in Amsterdam] act to obscure and discredit our efforts. Oxenstierna, *skriften* (1888 to the present), I, 9, p. 355.

³¹ RS, Leufsta arkivet, vol. 81, "Koppar Rechnings meds Erik Larsson 1627-1628".

³² RS, Handel och Sjöfart arkivet, vol. 46. "Gustavus Adolphus Coninck van Zweden 1632".

place him as the crown's factor in Amsterdam. It is perhaps the most potent example we have of the ruthless trader attitude in seventeenth-century Amsterdam; de Geer's story was a complicated fabrication designed to mislead the crown. His goal was to gain control over the flow of Swedish copper ingots in Amsterdam so that he could combine the marketing of copper ingots with the sale of finished products, such as bronze cannon, from his factories in Sweden. It would have given him a significant monopoly in Amsterdam.

We will begin by examining the claims that de Geer made to the king and the chancellor after the loan contract of 1632 was signed. He wrote to both, claiming full credit for the 1632 recovery in the copper market. Since Larsson was out of favour with the king, de Geer realized that he had an opportunity to gain control over the marketing of Swedish copper. De Geer's strategy was to invent a market manipulation to demonstrate his exceptional prowess as a trader. In August 1632, therefore, de Geer wrote to the chancellor from Amsterdam with a dramatic claim, "... through my work on copper here I managed to move [the price] from RD 45 [per skd] up to RD 57." He goes on to write that if he had "additional copper in hand," he could have moved the market up further because of the rumor that no copper will be shipped from Sweden in 1632³³. A few days later he wrote again, claiming to have moved the market up to RD 60 per skd, and on August 28, he wrote that, through buying and selling, he moved the market above RD 65 per skd in Amsterdam³⁴.

Over the years these claims have attracted the attention of historians, probably because they play into the mythology of a merchant trader, with substantial resources at his disposal, moving a market through intervention. We learn of this tale first from E.W. Dahlgren, who publicized the incident in his biography of de Geer in 1923. Dahlgren quoted the entire letter from de Geer to the king, describing the series of incidents, thereby giving birth to the modern version

³³ Dahlgren (ed.), *brev och affärshandlingar*, 1934, p. 236.

³⁴ *Ibid.*, pp. 237 and 239.

of the story³⁵. We will quote a portion of the letter because it exposes de Geer's exaggeration:

Sire,

Since I left the company of Your Majesty, I have continued to work to bolster the copper price, because it remained low. To this end I have developed a strategy; the siege of Maastricht has cut off transportation to the city of Aachen, and nothing can now be shipped there. We have "cast the ball" [or, cast the die] with a parcel of 720 [ship pounds] here [in Amsterdam] that is the property of Your Majesty... it has now been sold and resold five, six, or seven times daily, and passed from hand to hand and sold and sold again, for not one additional ship pound can reach Aachen³⁶. [The quotation is continued in the footnote.]

De Geer went on to claim that he had moved the market by selling at one price, then buying back at a higher price. Accordingly, he first sold 50 skd at DG 45.62 (RD 50.20 per skd). He bought it back at DG 46, and then at DG 49 (RD 54 per skd), knowing that he was

³⁵ Dahlgren, *Louis de Geer*, 1923,1 p. 205.

³⁶ "This caused pressure... the price is now DG 55 per hundredweight [the reader is reminded that RD 1 was equal to DG 2.5 during this entire period] or RD 60 per skd, and that is up from DG 45 per hundredweight. My plan was to make several sales and then to buy back at a higher price. We now sell at DG 55. Twice as much copper as is located in town [Amsterdam] and its environs...has been sold by other merchants as well, who sell among themselves. I began by selling 50 skd at DG 45.62, which is roughly equivalent to RD 46 [actually it was above RD 50 per skd]. I then bought back [copper] first at DG 46 and then raised [the price] to DG 49 [per hundredweight]. I sold 125 ship pounds at DG 49 and bought back 20 ship pounds at DG 50, then sold 500 ship pounds at DG 50.50 and DG 51 [per hundredweight]. I bought back at DG 51 and resold at DG 52.50 and DG 53, and now large parcels sell for DG 54 and small ones for DG 55. I now estimate that there are 2,000 skd in this city". [Amsterdam]. Dahlgren (ed.), *brev och affärshandlingar*, 1934, p. 237.

paying more than was necessary. His stated goal was to create the appearance of a shortage, and he wanted other traders to believe that he thought the market was moving up. He wrote that this created a buying frenzy with twice as much copper sold as was available in Amsterdam at the time; each parcel was sold five, six, or seven times back and forth among traders³⁷.

Some of the references require explanation; for example, the city of Maastricht was a fortress town held by a Spanish garrison at that time. It sits on the river Maas, a key route to Aachen, the early modern center of copper casting and bronze fabrication. The Aachen area was, in fact, the largest consumer of copper ingots in Europe. As part of the endless wars of Dutch independence from Spain, a coalition army of Dutch, French, and English troops under the Dutch commander, Frederick Henry, Prince of Orange, arrived on June 9, 1632, to lay siege to the city. The city surrendered on August 28, 1632. During the siege all traffic on the Maas River ceased, cutting off Aachen by river from Amsterdam. Another point deserving explanation is de Geer's mention in the first paragraph that twice as much copper was sold as was in the city of Amsterdam. One does not need to own copper in order to sell copper. One can always sell for future delivery, so that on any given day twice as much copper could be sold as exists above ground.

E. W. Dahlgren took de Geer at his word and presented the letter, uncritically, as established fact. Dahlgren also mentions, however, that in April Erik Larsson reported a rumour circulating in Amsterdam to the king. The rumour stated that contributions from the newly conquered Swedish territories in Germany were not sufficient to fund the crown's military expenses. There was now speculation that the king would be forced to liquidate some of his vast copper assets in Amsterdam to pay current expenses. The king's reaction to this report from Larsson was to forbid Trip from selling any of the mortgaged copper. The result, according to Dahlgren, was: "... Gu-

³⁷ *Ibid.*, p. 237.

stav Adolf's financial policy finally began to bear fruit. His restrictive measure had created a shortage, because consumers must buy"³⁸. Dahlgren, therefore, argued that while the king's actions had created the conditions for a price increase, it was de Geer's manipulation that precipitated it.

Because of the scope of his multi-volume economic history of Sweden, published in 1936, the renowned Swedish economic historian, E.F. Heckscher, did not devote many pages to the incident. Yet, he did summarize the manipulation and gave de Geer a favourable review of the results, "De Geer reported that he had driven up the copper market in 1632 from around RD 45 per skd to RD 72, which was a 60 percent increase..." Heckscher proceeds to describe de Geer's technique of forcing prices to climb by buying small lots at constantly rising levels. He, thereby, easily overshadowed his rivals for the king's favour – Trip, Falkenberg and Larsson³⁹.

George Wolontis, the historian of Swedish copper currency, also relied heavily on Dahlgren's account of the manipulation. In fact, he quoted the letter published by Dahlgren, at length, without questioning its validity. Yet, he clearly understood that de Geer did not move the market without some underlying change in the supply and demand ratio. He explains that de Geer "cast the ball," and de Geer's action may have been the proximate cause for a market movement; Wolontis adds that it could not have happened, however, without the latent demand caused by the kings policy of depositing copper rather than selling it⁴⁰.

The point of this condensed summary of the literature on the manipulation myth is to show how pervasive it was in Swedish economic historiography. We should not be surprised to learn that it also migrated into mainstream English and Dutch historical literature as well. In his classic biography of Gustav Adolf, published in 1958, Michael Roberts described the events in English: "The price of

³⁸ Dahlgren, *Louis de Geer*, 1923, 1 p. 204.

³⁹ Heckscher, *historia*, 1936,1 pp. 453-454.

⁴⁰ Wolontis, *Kopparmyntingen*, 1956, pp. 38-39.

copper in Amsterdam took an upward turn, and this trend was made more pronounced by the brilliant manipulations of the market for which Louis de Geer was responsible"⁴¹. According to Roberts, Gustav Adolf took the price increases as a sign that his copper policy was finally paying dividends.

P.W. Klein, who wrote the most recent account in his 1965 history of the Trip family, joined Roberts in repeating Dahlgren's narrative. Klein even borrowed a term from Dalghren, calling the manipulations de Geer's "house manoeuvre"⁴² during which he purchased copper anonymously and sold it back into the market at higher prices through straw men. "De Geer had a high opinion of his efforts, "I have greatly changed the market here to the upside," he proudly wrote"⁴³.

This was a rather a deceptive story. The first notification that de Geer gave of his market manipulation was in a May 19, 1632 letter to Pieter Spierinck, a Dutch merchant serving as financial adviser to the chancellor in Elbing. The letter concerned bills of exchange that de Geer was helping Spierinck float in Frankfurt for the chancellor. Almost as an after thought, de Geer described his manoeuvre stating that he had changed the copper market by causing prices to increase from RD 44 per skd to RD 57 per skd. He projected that prices would soon reach RD 60. He asked Spierinck discretely to tell the chancellor what he had accomplished and asked that the chancellor relate the news to the king⁴⁴.

De Geer's "good news" either never reached the chancellor or he had other concerns, because he did not mention the incident to the king in any letters that have survived. The crown was, moreover, otherwise occupied. In March 1632 Gustav Adolf defeated the Imperial Army under Count Tilly at the Battle of Rain; after plundering Bavaria the king marched into Munich. This galvanized the Catholic

⁴¹ Roberts, *Gustavus Adolphus*, 1957, 1, p. 103.

⁴² Dahlgren, *Louis de Geer*, 1923, 1, p. 205.

⁴³ Klein, *De Trippe*, 1965, p. 375.

⁴⁴ Dahlgren (ed.), *brev och affärshandlingar*, 1934, p. 226.

forces and by summer a new Imperial army under Duke Wallenstein was in the field, and the crown had to prepare for yet another campaign⁴⁵.

By good fortune, the balance sheet showing the details of the transactions that de Geer publicized in his series of letters has survived in the de Geer family archives (Leufsta arkivet). In 1629 the king had asked de Geer to put 720 skd into deposit in Amsterdam⁴⁶. Since de Geer was still in Sweden he used Elias Trip as the banker for the transaction. The relevant balance sheet, labelled "His Majesty's Copper Accounting," is figure 1. The copper arrived in February, March, April and May. Then, in March 1631 de Geer added 55.8 skd to the inventory. The crown probably sent the extra 55.8 skd as collateral for the interest on the mortgage.

The credit side (see figure 2) is especially useful because it allows us to test the veracity of de Geer's letters to the crown. Note that the weights are in Amsterdam pounds. This is because the prices are in Dutch guilder per hundredweight. The first issue is the dates. Note that the first recorded sale was in April to Pieter Schlyn at DG 45.3 per hundredweight or RD 49.6 per skd.

The last sale was on June 30 to Gunbert Ganternde de Worl at DG 53 per hundredweight or RD 58.3 per skd. Now we begin to see the discrepancies between the letter de Geer wrote to the king on August 21 and the balance sheet. In his letter de Geer explained to the king that the siege of Maastricht by the Dutch commander, Frederick Henry, Prince of Orange, had cut off Aachen from any copper supplies from Amsterdam; this created the conditions that allowed de Geer to manipulate the market. In addition, de Geer told the king that it was the 720 skd of copper mortgaged in 1629 that he sold and bought back to make the market move. But the siege of Maastricht did not begin until June 9, and de Geer made only four sales of copper from the 720 skd after June 9; and these were among the smaller sales.

⁴⁵ Parker, *Thirty Years*, 1974, p. 131.

⁴⁶ Dahlgren (ed.), *brev och affärshandlingar*, 1934, p. 196.

FIGURE 1
His Majesty's Copper Accounting 1632 Debit

Year	January	
1629	Refined copper received from wellborn Herr Raentekammar and Maartin Wewitzer shipped from Nykoepping and received in Amsterdam by Elias Trip	
	In February, March, April and May received in skd	SKD
		720.0
	In March anno 1631	55.8
	Total in skd	775.8
	Paid out in Amsterdam in March, April and May 1631 by Elias Trip	RD
1630	Mayor Knipquyler	16,344.0
	Ouirste Mitsaal	6,000.0
	Camerarius	4,000.0
	Admiral Clerck	3,000.0
	Ernst Ruyter	2,000.0
	Freight and expenses	6,904.0
	Total	38,248.0
	October 6 months interest at 7%	1,338.8
	6 months storage at RD 4 per	24.0
	Paid out as specie	980.0
1631	April 6 months interest at 7%	1,420.8
	6 months storage at RD 4	24.0
	October 6 months interest	1,471.3
	6 months storage	24.0
1632	April 6 months interest	1,523.0
	6 months storage	24.0
	February Transfer from E. Trip	42.0
	City tax	78.0
	Labour tax	17.0
	Land tax	40.0
	3 months storage	12.0
	3 months interest	500.0
	Total	45,766.8
	Preceding November Total in RD	45,767.3
	Commission on RD 45,767.25 at 2%	915.2
	Illegible	124.5
	Total in RD	46,807.0
Total in DG	117,014.8	

RS, Leufsta arkivet, vol. 81, "Con. Mat. Coperreecken".

FIGURE 2
His Majesty's Copper Accounting 1632 Credit

Day	Amst. lbs	Total in DG
23 April. Pieter Schlyn at DG 45.3 (or RD 49.6)	12,070.0	5,506.5
23 Gans van Aspers at DG 46 (or RD 50.3)	8,224.0	3,783.0
23 Volquin Momma at DG 46	4,484.0	2,062.0
11 May. Momma at DG 49 (or RD 53.6)	10,003.0	4,901.3
11 Larz Clockner at DG 49	5,989.0	2,934.3
24 Casper Engelbrecht at DG 49	5,005.0	2,452.2
25 Gans van Aspers at DG 49	8,000.0	3,920.0
27 Pierre Gabin at DG 51 (or RD 55.7)	49,500.0	25,245.0
1632 27 Pierre Gabin at DG 50.5 (or RD 55.2)	89,757.0	45,327.2
2 June. Casper Engelbrecht at DG 51.5 (RD 56.33)	4,001.0	2,060.3
17 Illegible at DG 52 (or RD 56.9)	2,847.0	1,480.0
17 Illegible at DG 52.5 (or RD 5.8)	4,000.0	2,100.0
28 Janz Courct at DG 53 (or RD 58)	2,400.0	1,272.0
30 Gunbert Ganternde de Worl at DG 53 (or RD 58.3)	2,487.0	1,318.0
Total	208,767.0	104,361.8
Preceding November total	208,767.0	104,361.8
Interest on the sold Gaarkoppar		12,653.0
Total		117,014.8

RS, Leufsta arkivet, vol. 81, "Con. Mat. Coperreecken".

I pointed out earlier that the first letter de Geer wrote to Pieter Spierinck announcing his successful price manipulation was dated May 19. Yet, when he wrote that letter he had made only four sales of copper from the 720 skd parcel and he had succeeded in achieving a price equivalent to RD 53.9 per skd, not RD 57 per skd as he claims in the letter to Spierinck. I think the letter to Spierinck was an attempt to curry favor with the crown and de Geer probably would have let it drop if he had not realized, later in August, there was more at stake.

The first 14 entries in figure 2 are sales de Geer made to individuals. On June 28 and June 30 de Geer made the last two sales to

Amsterdam merchants, Janz Courct and Gunbert Ganternde de Worl, at guilder 53 per hundredweight or RD 58.3 per skd. He did not begin his torrent of letters to the king and to the chancellor emphasizing his manipulation until almost two months later on August 21, 1632. Why did he wait almost two months after he made sales at the equivalent of RD 58.3 skd to inform the king and the chancellor, and why did he not mention the date of the sales? Probably de Geer only recognized in August that the king's expensive programme of mortgaging copper in Amsterdam was beginning to have an effect on prices, despite the continued presence of copper stocks in Amsterdam. He also realized that both Larsson and Trip were out of favour; he concluded, therefore, that there was a good chance the king could be persuaded to grant him full authority over the crown's copper position. From there, de Geer believed, it would be a short step to taking over all or part of the lucrative mortgaged copper from Trip. These two events would make him the dominant figure⁴⁷ in the Amsterdam copper market.

Let us now evaluate de Geer's manipulation claims by asking the following questions:

- 1) Did de Geer actually make the purchases and sales he described?
- 2) If yes, could they really have had the effect that de Geer described to the king and the chancellor?
- 3) Why do the dates not correspond?
- 4) Would the blockade of Maastricht affect the copper price in Amsterdam?

The most accessible record of de Geer's copper activities in 1632 are his letters to Pieter Spierinck, the king, and the chancellor because they were included in the published letters collected by E.W. Dahlgren from the Leufsta arkiv. This archive is named for the de Geer family estate in Sweden and contains the de Geer family documents. It is now located at the Riksarkiv in Stockholm. The ba-

⁴⁷ Or, in contemporary trader slang, "a big macher".

lance sheet for the sale of the 720 skd (figure 1 and figure 2 above), is a separate document in the unpublished part of the Leufsta arkiv⁴⁸. De Geer was acting as the king's agent when he sold from this inventory. This meant that the copper remained the property of the crown until de Geer sold it. Figure 1 and figure 2 reflect the transactions de Geer made as a sales agent for the king. Once de Geer sold the lots listed, however, they were no longer part of the king's inventory. If he had bought them back and resold them five, six, or seven times, as he claimed, he would have been trading for his own account, and these transactions would have been listed separately on de Geer's own balance sheets and ledgers in the Leufsta collection. A search of de Geer's balance sheets and ledgers for 1632, however, yielded no paper trail for the manipulation he claimed to have engineered. A search of the Handel och Sjöfart (Trade and Shipping) archive was equally fruitless⁴⁹. In January he sold 40 skd at RD 51 per skd to one Adam Floris⁵⁰. There is no record, moreover, of de Geer making a single purchase of copper ingot in Amsterdam in 1632. He did, however, purchase copper ingot in Sweden, but that lot remained in Sweden for consumption at his metal works in Norrköping⁵¹. He also sold copper wire and sheet to Elias Trip.

What makes the lack of entries such convincing evidence against de Geer's claim to have manipulated the market was the great quantity of detail for all the other transactions that he really did process in Amsterdam that year; all were meticulously recorded by his assistant, Johan le Thoor. These entries include everything from sales of bronze cannon from the Norrköping works, to payments of salaries, and the purchase of wine for DG 125. The records are too detailed and complete for a series of critical trades to have been accidentally excluded.

⁴⁸ RS, Leufsta arkivet, vol. 109 "Laus Deo Anno 1632 Amsterdam".

⁴⁹ This archive contains much of the available Copper Company sources.

⁵⁰ Leufsta arkivet, vol. 109, "Laus Deo Anno 1623, Amst. Jan Le Thoor, Credit".

⁵¹ Dahlgren (ed.), *brev och affärshandlingar*, 1934, p. 237.

There is hard evidence that de Geer sold the king's copper at ever-increasing prices during April, May, and June in 1632. This is reflected in the fourteen transactions listed in the balance sheet (see figure 2)⁵². It certainly appears, however, that he was guilty of deception in his letters to the king and the chancellor during the "copper campaign," especially in the details of buying back and reselling copper to make the price go up. We reiterate, his records for the real transactions are complete. If he had actually made the sales and purchases he claimed, those records would have been preserved as well.

There are other considerations that lead to this conclusion. The kind of manipulation that de Geer described is possible, but any change in price would be short lived, without a real change in the fundamentals of a market. Commodity markets, like copper in Amsterdam, do not move without activity. If in any given month there were no transactions, the market would just sit at the last trade, and the published report of the market in the price currents would have remained unchanged. In the meantime, however, the fundamentals might change. If the king of France, for example, circulated a large inquiry for bronze cannons in Aachen with deliveries into the future, there could be an upward shift in the demand curve. De Geer told the crown that there were 2,000 skd of copper in Amsterdam inventories, not including Trip's deposit. Suppose the king of France's order to Aachen would consume 2,100 skd of copper. Given this series of circumstances, de Geer could move the market by selling and buying back because he would be moving the price to reflect the new supply / demand curves. Without the large order from France, however, the kind of artificial demand that de Geer was claiming to create would only last as long as he continued to buy. It would take, moreover, an infinite amount of money to sustain an upward trend without a real increase in demand. As the price continued to rise, more and more copper would come onto the market in Amsterdam, and de Geer would be forced to continue purchasing to prevent a

⁵² RS, Leufsta arkivet, vol. 81, "Con. Mat. Coperreecken".

fall in price. The manipulator would, therefore, confront a dilemma. If he stopped buying, the market would fall. If he continued to buy, he could keep the market up, but he would be increasing his risk position by continuing to add inventory at an inflated price. The most famous recent incident of this kind was the Hunt Brothers' notorious attempt to manipulate the silver market in the late 1970s. As long as they continued to buy, the market went up. Then, in January 1980, when the market peaked at just below US\$ 50.00 per troy ounce, they ran out of credit and stopped buying. Two months later, the market bottomed out around US\$ 11.00 per troy ounce⁵³. De Geer was much too cagey for this type of manoeuvre. He made some astute sales, and then created a myth about the sales to further his own ends; remarkably, the myth has survived among historians.

The issue of de Geer pointing to the siege of Maastricht (mentioned earlier) as the proximate cause for the copper market being susceptible to manipulation is also curious. First, the siege of Maastricht began on June 9, and de Geer announced to the king on August 23 that no copper could get through and that was causing chaos in the market. Why did de Geer wait so long after the beginning of the siege to tell the king about the disruption of copper shipments? Another problem for de Geer was that a supply problem in Aachen should have had no effect on the market in Amsterdam. The reason that the copper markets in London and New York move in almost perfect tandem is precisely because copper moves freely between both the LME⁵⁴ in London and Comex in New York. If the London market is higher by a fraction of a cent over the freight costs, copper is shipped from the US and the price evens out⁵⁵. This is called arbitrage, and the trader who moves the metal takes the difference as a profit. Synchronized markets, however, are only possible with a free-

⁵³ Coffey, *Hunt Brothers*, 2012.

⁵⁴ London Metals Exchange.

⁵⁵ This is an oversimplification. In fact the LME has warehouses all over the world so nothing is actually shipped back to London. It may be shipped from a producer to an LME warehouse in Rotterdam or Baltimore.

and-open exchange. If a market were completely cut off, like Aachen, it would operate under separate conditions, and would probably be quite different from the market in Amsterdam. De Geer was rather specific that he was manipulating the market in Amsterdam, so we can count the Aachen story as a fabrication. If Aachen, the most important market for copper consumption in Europe, were fully cut off from Amsterdam one would expect prices in Amsterdam to suffer rather than rally. De Geer's story of trading at constantly increasing prices because of the siege would only be believable if he were buying and selling "in-warehouse-Aachen". Then one could believe that the siege was a factor in the prices, but then the prices "in-warehouse-Aachen" would have been quite different from those in Amsterdam.

During the "copper campaign," de Geer wrote five letters to the king and two to the chancellor over two months. In these letters, de Geer claimed sole responsibility for pushing the copper market from below RD 50 per skd to RD 75 per skd, and he repeatedly advised the king to sell into the rally. Granted the king and the chancellor were busy fighting a war, but all his efforts to gain their attention, even his manipulation claim, failed to elicit a response until October 27. The king finally replied on that date: "Our mercy and appreciation goes to you, honoured and special friend. We read with interest your letter of 9/19..." Realizing the complexity of the market, the king wanted a face-to-face meeting with de Geer. Because of "an emergency" the king could not leave his headquarters; he requested that de Geer travel first to Hamburg and then catch up to him in the field⁵⁶.

This was exactly the answer de Geer had hoped for. The king was ready to talk to him about a more integrated copper policy, and he had a great advantage over his competitors: extensive production facilities in Sweden where he could consume refined copper and trading connections in Amsterdam where he could move quantities if

⁵⁶ Dahlgren, *Louis de Geer*, reproduced opposite page 1, p. 206.

necessary. Regrettably for de Geer, his planning and manoeuvring suddenly unravelled. On November 6, 1632, King Gustav Adolf was killed on the battlefield at Lützen, while fighting the Imperial Army under Duke Albrecht von Wallenstein.

4. Conclusion

What do we learn from this extraordinary tale of cunning and disinformation?

To summarize, we examined three examples of seventeenth-century merchant traders who lived in Amsterdam and worked for the Swedish Crown as commissioned agents or representatives: Louis de Geer, Elias Trip and Erik Larsson. They rewarded the royal favour with deceit and commercial betrayal. We witnessed de Geer selling Copper Company copper to his brother-in-law at below market price; we observed the crown's factor in Amsterdam, Erik Larsson, enter into a copper mortgage at a price so far below the market that observers were aghast⁵⁷. We noted de Geer reporting to the crown that Erik Larsson and Elias Trip, the mortgagors, had remortgaged the copper at a substantially higher price⁵⁸. They had, in reality, colluded to establish a low price and in doing so, defrauded the crown. Finally, after denouncing Erik Larsson and Elias Trip to the crown for malfeasance, Louis de Geer wrote a series of letters to a treasury official, and later to the king and the chancellor, claiming to have, on his own, increased the price of copper in Amsterdam by more than 50 percent. Although he succeeded in convincing a generation of historians, the manoeuvre was a hoax from the beginning. We conclude that all of the above was possible because the crown and its financial institutions were too far away from Amsterdam to oversee and regulate transactions.

All of Germany shuddered when Gustav Adolf began the inva-

⁵⁷ Oxenstierna, *skriften* (1888 to the present), II, 11, p. 596.

⁵⁸ Dahlgren (ed.), *brev och affärshandlingar*, 1934, p. 236.

sion of Prussia in 1628 and then returned to campaign in northern Germany in 1630. His military might, however, did not improve Gustav Adolf's position against the merchants in Amsterdam. On the contrary, the king's military obligations shifted the power relationship in favour of the merchants. The crown came to realize that as long as copper was sent to Amsterdam, far away from royal scrutiny, it would have to accept the culture of deceit that was part of the trader attitude at that time and place. The crown, after all, needed the financial resources offered by the combination of Trip, Larsson, and de Geer, to pay its armies and to pursue its military and political goals.

We discovered the pattern of deception, described above, by examining balance sheets from the Riksarkiv. There are other examples, involving de Geer, Larsson, Trip and Conrad Falkenberg, for which balance sheets and financial records tell us more than correspondence. After the February 1632 negotiations between Elias Trip and Erik Larsson, mentioned above, Conrad von Falkenberg wrote to the king. His object was to discredit Larsson because he also wanted Larsson's position for himself. In the letter, he states that all the refined copper and copper plate will "stand" in the Trip deposit at RD 40 and that all the raw copper will "stand" in the deposit at RD 30.75. The letter gives the impression that the new, much lower price, applies to all the copper in stock. In fact, the 3,757 skd of copper that was put into deposit in 1629 remained in Trips deposit at the original prices of RD 55 per skd for refined copper and RD 44 for raw copper. If, as suggested by Falkenberg, the price for these lots had reverted to the lower price negotiated in 1632, it would have meant an immediate loss to the crown of RD 53,961⁵⁹, which would be added to the debt. The balance sheets for the transaction show, moreover, that the interest was still accumulating in 1632, and the calculation was based on the original deposit price of RD 55 for the refined copper and RD 40 for the raw copper⁶⁰. Falkenberg obviously was exaggera-

⁵⁹ Oxenstierna, *skriften* (1888 to the present), II, 11, p. 596.

⁶⁰ RS, Handel och Sjöfart arkivet, vol. 4, "Koppar Canto pro Anno 1631 och Begyymelsen a P Anno 1632".

ting the scope of the price reduction to the king for his own purposes.

Another contribution from the balance sheets to our knowledge of the copper trade was that Trip made frequent sales from the deposits. The correspondence from the king and the chancellor were full of admonishments against selling anything from the deposits, leaving the impression that copper went into the deposits and never came out⁶¹. In 1627, 1628, 1629 and 1632, however, Trip sold significant quantities, to cover the unpaid interest due on the mortgage. If Gustav Adolf's purpose in using the deposit system was to prevent copper from reaching the market, he was only partially successful. Again, the earlier historians have not recognized the dynamic nature of the deposits. Roberts credits the deposits for the price increase in 1632: "The stint began to take effect; copper was once more briskly in demand". The king had held out than the traders and the consumers, and, according to Roberts, the result was higher prices⁶².

We know from the balance sheets that Gustav Adolf was, in fact, not able to hold out. In 1632 alone, Trip sold 1,992 skd from the deposit⁶³. This was slightly more than half of the copper put into deposit that year.

The chief advantage of using balance sheets as a primary source is that they present a more complete and objective picture of transactions than correspondence or written contracts. The fact that a contract was committed to paper is no guarantee that any copper was, in fact, shipped. Financial records are a reliable measure of performance on a contract. Personal correspondence, especially, among sovereigns, chancellors, and royal commissioner is less reliable for the details of commodity transactions. Too often such correspondence tells us what the participant wanted to happen rather than de-

⁶¹ Dahlgren, *Louis de Geer*, reproduced opposite page 1, p. 206. And, Oxenstierna, *skriften* (1888 to the present), II, 11, p. 662.

⁶² Roberts, *Gustavus Adolphus*, 1, p. 103.

⁶³ RS, Handel och Sjöfart arkivet, vol. 4, "Koppar Canto pro Anno 1631 och Begymelsen a P Anno 1632".

scribing actual events. A stunning example was Louis de Geer's letters to royal officials describing copper trades than never took place. Balance sheets, on the contrary, are a record of both copper and money changing hands; as such they depict what the actors did rather than what they said.

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