
The Adjustment of the Polish Economy to Economic Checks in the XVIIth Century

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In order to narrow down the problems under consideration, this essay will be concerned only with the first half of the XVIIth century. This was the period in which the general European economic crisis was reaching a turning point, with the resulting contrasts between the needs arising from the economic situation and the economic structure itself, which had been formed and established earlier.

The nature of the economic situation is evident from the relative movement of prices, and this had assisted the country's economy during the XVIth century and led to its rapid expansion. The price scissors favoured agricultural production and saw the expansion of areas of the feudal estates reserved to the seigneur (the *folwark*) and encouraged larger scale agricultural production with a view to commercialisation, while even the peasantry were able to profit from the favourable situation of the agricultural market. And although the rising prices were apparently damaging to the towns, they in fact contributed to the expansion of the urban economies by creating huge markets in the countryside for artisan products, as well as through the expansion of domestic and foreign trade.

The first decades of the XVIIth century, however, saw a check in the rise of real agricultural prices first, and then a reversal of their relative position to the advantage of artisan production. The situation quickly became serious because of the structure of the country's foreign trade and Poland's successively deteriorating terms of trade. The inherited trade structure was based on the export of cereals (which accounted for 71-83% of all goods traded in Danzig

between 1634-1649) and the import of manufactured goods, spices, herrings, etc. (accounting for 75% of incoming goods). Although this structure had been advantageous in the previous century, it now became unfavourable and the foreign trade balance went into deficit. It should also be mentioned that the change in the gold:silver ratio, particularly marked at the beginning of the XVIIth century, also encouraged the flight of coin abroad (although this was generally under-estimated in Poland), so adding a further loss the payments account.

At the time, these phenomena were not fully understood, even though the economic difficulties were widely experienced and people were aware of the unfavourable price ratios and complained at the lack of currency in circulation. What occurred was that bad foreign correny rushed in while national currency, which was silver based, disappeared, so that large gold currency became dear -- and it was precisely this that was used for foreign trade. There were a number of proposals for economic reforms between 1604 and 1627, and while they were mostly concerned with the currency problem the remedies were very traditional, as was also true of the economic literature dealing with the problem of the currency and even at times attempting a wider analysis of the economic situation. But these writings did lead to a deeper understanding of the economic situation and paved the way for more modern and enlightened ideas.

The projects put forward proposed, in addition to driving out forgers, a government intervention to reduce the comparative value of gold coin, in order to raise export prices and achieve more profitable trading terms. The suspension of minting was also proposed in order to increase the value of silver coin and prevent their flight abroad. There were also attempts to bring foreign traders into the country in order to strengthen the position of Polish salesmen. After lengthy debates, the Diet in 1627 voted to close the mints, but clearly did not obtain the results they had hoped for. But the illusion of relying on legislative action was not shared by the writers of economic tracts, especially those from Danzig, and at times they even touched on the need for some change in the economic structure, such as the promotion of artisan and industrial production. But in the circumstances of the existing economic and social structure such proposals were hardly realizable.

As the economic policies directed at the monetary situation were unsuccessful, it was the economy itself which had to adjust to a situation which was more difficult than that of the previous century. Due to the very rigid socio-economic structure, this adjustment was not the result of any major manoeuvre but rather of changes in individual and more pliable elements of the structure. And since the country had no gold mines and even silver production was limited, it was necessarily foreign trade and the terms of trade which determined both the condition of the currency and the distribution of income.

Contemporaries were well aware of the need to increase the volume of

exports, and in particular the volume of cereal production destined for trade on the seigneurial domains, in order to maintain earlier levels of income. As a result, despite the fall in the value of agricultural production, the number of seigneurial domains increased and cereal production expanded in order to bring more cereals on to the market. On the domains of the Archbishop of Gniczno, for example, in the first half of the XVIIth century the average area of the seigneurial reserve increased by 20%; that of the domains as a whole by between 40-50%. A similar expansion of the domains also occurred in the *starostie* of Korczyn, while in Greater Poland the noble domains underwent an expansion of their cultivated area slightly less than 50%.

As well as the efforts to increase the quantity of cereals produced there were also attempts to increase the percentage that was destined for commerce by limiting domestic demand for consumption both by men and beasts. The decline in livestock rearing is evident on the smaller noble domains in Greater Poland, and also to some extent on those of the *starostie* of Korczyn and on the eastern and western parts of the domains of the Archbishopric, while the decrease in the number of horses was evident everywhere. The same tendency affected the work-force of the domains (both those paid in wages and in kind), although there were a number of reasons for this diminution. We know nothing about changes in the frequency of sowings, but one cannot exclude the possibility that they became more rare.

The reduction in the work-force may also point to another tendency, that of reducing production costs. The seasonal and permanent wage-earning workers were costly, so that reducing their number facilitated economy, especially as the *corvée* provided a means of substituting them. Contemporaries could also make economies by avoiding certain production costs such as investment in the purchase of agricultural equipment, draught animals, etc, and by giving up the more expensive forms of investment, such as the construction of artificial pools to breed fish. All these small initiatives could provide only partially effective and temporary results, and they were often difficult to implement, even though the general tendency is quite clear.

The main objective, that is the preservation of earlier income levels from agriculture, could also be pursued by other means, such as the attempts to make the trade more profitable in itself. In order to obtain the best prices, instead of sending cereals to the nearest markets they were often shipped on to Danzig for sale. The early XVIIth century saw the building of a chain of granaries along the Vistula river and an intensive river traffic in cereals often coming from the most distant provinces. Transshipment by river was obviously easiest for the great domains which possessed their own granaries, boats and free peasant transport. But this flow served to expand Danzig's cereal exports, and these reached their high-point in the years 1618-1641, while the other ports also contributed to the expansion of this type of export.

The cereal producers also looked for other solutions, of which the most profitable became the production of beer (and sometimes vodka) on the seigniorial domains, at the cost of former urban and peasant producers.

The adjustment of the Polish economy to the new economic situation had many consequences for the country's economic and social life. The increasing cereal monoculture practised on the seigniorial domains was to prove very dangerous. The extension of the cultivated area of the domains and the reductions in production costs served not to increase but rather to diminish production in general, because the soil became less fertile, was less worked and less manured. Everywhere the cereal harvests fell in relation to those of the XVIth century.

While the income of the seigniorial domains could more or less be defended, peasant farming had to carry three overwhelming burdens. First, the demographic situation and the expansion of the domains led to the dismemberment of the peasant holdings, the limited production of which made them very unprofitable. Secondly, the peasant could not take advantage of the higher prices on distant markets like Danzig, nor could he turn his grain into beer or spirits. Finally, the economic system introduced on the seigniorial domains meant that the peasant had more duties to pay, that he was forced to perform an increased *corvée*, to provide transport more frequently, and so forth in order to support the production costs of cereals on the domains.

The consequences of these adjustments for the towns were more varied, even though the disadvantages outweighed the advantages. The latter affected only certain privileged towns, especially Danzig, whereas the majority were losers. Due to the impoverishment of the peasantry and the lesser nobles, they were deprived of much of the earlier domestic market. Their richer noble clients now, because of direct commercial relations with Danzig, preferred to make their purchases there, where they were, in addition, able to find luxury import goods. The danger of ruin was clearly avoided in the towns because of the ratio between the prices of artisan and agricultural products and of the cost of living, which remained bearable even for the poor. But at the same time the urban economies lost much of their drive, and it was often the case that craftsmen left the towns for the countryside in order to combine their occupation with the cultivation of a parcel of land, which helped them survive.

The adjustment of the Polish economy to the changing economic situation did subsequently cause a major change in the social structure. The attempts to meet this difficult situation were to have very varied results depending on the functions of the groups engaged, on their economic resources, their ability to change their economic activities, and on their economic or social vulnerability. It would be wrong to see the nobles simply as a group which accommodated easily to the changes, because they included both winners and losers. It was mainly the poorer nobles who were the victims, either finding themselves shut away on their little farms which provided them with food never with

cash, or else driven off their land and forced to try their luck in the towns or in the retinues of the richer nobles.

As for the so-called middle nobility which in the XVIth century had been a dynamic group, all their drive was lost, their economic activities became more limited, as was their cultural and political activity, and they became devoted to protecting their patrimonies or else, becoming indebted, they became dependents of their richer 'brothers', the great nobles. But the latter, thanks to their vast domains, their opportunities for increasing production and shipping their cereals, as well as the fact that they often enjoyed the revenues from the royal domains (the *starostie*), were able to profit from the difficulties of others. This was the period in which the great latifundia, the great noble palaces, the troops of private retainers and retinues of dependents which were used to further the political ambitions of the seigneurs all came into being. The result was that landownership became concentrated at the apex of the social structure, at the same time that small property was being destroyed or lost, to the damage of the middling social orders.

The bulk of the costs of this adjustment were borne by the peasants. The normal process of fragmentation of peasant holdings and the increase in the number of small peasants — there were more casual and day labourers, fewer permanent wage-earners — was speeded up, but was also accompanied by other developments. First of all, the heavy reduction in the profitability of the peasant holding due to its reduction in size and the unfavourable market for agricultural products. Secondly, the increase in the *corvée* which drew on the peasant's labour, his equipment, and his stock often amounted to a burden which was quite beyond the resources of an already weakened peasant agriculture. As a result the peasant lost his economic dynamic, what was left of his social independence, and his chances of finding an occupation outside the village — all that was left for him was to try to survive.

The situation of the peasantry was not the same everywhere, of course. Even in the rural areas there were those who succeeded in profiting from the difficulties of their neighbours, as for instance the richer wage-earners, the privileged peasants, and those engaged in more specialised production (sheep rearing, linnen and hemp growing, etc.) and craft production which maintained its income potential. But for the mass of the peasantry the situation was extremely difficult, and by and large it was the peasantry who carried the greater part of the cost of the changes in the Polish economy in the face of the economic situation which developed at the start of the XVIIth century.

From this very hurried survey, certain conclusions can be drawn: a) The adjustment of the Polish economy in the face of the changes in the European economic situation in the XVIIth century did not result from any conscious economic policy, but from more or less spontaneous adjustments in the country's economic life; b) Although they were petrified in legal terms, the institutions of the feudal structure, even the *corvée* and the seigneurial domain, proved suffic-

iently supple to adapt to both favourable and unfavourable economic situations, on this occasion causing considerable losses and changes; c) Feudal economy and society cannot be explained in terms of a single, universal, structure, since it was subject to major internal transmutations and was far from immune to external influences, especially those deriving from changing economic conditions; d) The disastrous wars which ravaged Poland after the mid-XVIIth century also brought further and even more serious changes, but these remain outside the scope of the present note.