

Inequality Challenged and Restored

The Political Economy of War Finance

in Sweden, c. 1715–1721

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The great wars of the twentieth century had a leveling effect on the social distribution of wealth in much of Europe. Industrialized warfare demanded the total deployment of resources, and the wealthiest parts of the population had to accept declining fortunes. Mass mobilization and postwar reconstruction meant that workers' real wages improved markedly, while the holding of financial assets, in particular war bonds, was extended to much broader parts of the population.¹ In the early modern period, however, warfare tended to have the opposite socio-economic effect. European societies of that period were characterized by radical inequality and social groups were set apart by formal hierarchal privileges. The rise of fiscal-military states accentuated these structures. As states increased their fiscal capacity and raised public debts to finance wars, the beneficiaries were small

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1. Hew Strachan, *Financing the First World War* (Oxford: Oxford University Press, 2004); Thomas Piketty, *Capital in the Twenty-First Century*, trans. Arthur Goldhammer (Cambridge: The Belknap Press of Harvard University Press, 2014), 146–55; Nicolas Delalande, “The Financial Challenges of Total War: Britain, France, and Their Empires in the First World War,” in *A World of Public Debts: A Political History*, ed. Nicolas Barreyre and Nicolas Delalande (Cham: Palgrave Macmillan, 2020), 261–86.

elites, typically noble military officers, civil servants, government contractors, and creditors. At the same time, taxation was highly regressive.²

This article provides a study of an early modern episode that went against the predominant pattern, with a socioeconomic impact that came to resemble the dynamics of the twentieth century. In Sweden in the 1710s, under pressure from a series of setbacks in the Great Northern War of 1700–1721, the absolute king Charles XII implemented a number of fiscal and monetary measures that displayed a disdain for traditional privileges and carried a potential for social change. Obviously, the economy of eighteenth-century Sweden was very different from that of twentieth-century Europe. Nevertheless, some of these measures were distinctively modern. Taxation was made progressive and, as credit became more important to finance the war, revenue was to a large extent used for interest payments on loans. Liquidity was radically expanded, most significantly by the release of very large amounts of fiat coins (*mynttecken*). The precarious military situation also called for a mobilization of a much larger part of the population than was customary in the early modern period. Not only was military recruitment intensified, but parts of the civilian workforce were assigned to directly assist the military. Fiscal and monetary innovation thus pointed in the same direction. But it was the release of the fiat coins that posed the real challenge to the social order. Following the death of Charles XII in November 1718, there was a political reaction against the war policies and the fiscal and monetary measures were reversed, resulting in the dismantling of royal absolutism and a partial government default.

After a contextual introduction, this study consists of two parts. In the first, we aim to confirm the hypothesis that the war policy and monetary measures of Charles XII's regime resulted in a redistribution of resources in Swedish society, especially in the years 1715–1718. To that end, we have consulted two types of rarely used source material, which allow us to study the value of property and the holding of ready money for all sections of the population at an individual level. Such detailed sources are very rare in a comparative European perspective. The first set of records originates from the king's decision in 1712 to issue a new type of

2. E. Ladewig Petersen, "From Domain State to Tax State: Synthesis and Interpretation," *Scandinavian Economic History Review* 23, no. 2 (1975): 116–48; John Brewer, *The Sinews of Power: War, Money and the English State, 1688–1783* (Cambridge: Harvard University Press, 1988); Geoffrey Parker, *The Military Revolution: Military Innovation and the Rise of the West, 1500–1800* (Cambridge: Cambridge University Press, 1988); Jan Glete, *War and the State in Early Modern Europe: Spain, the Dutch Republic and Sweden as Fiscal-Military States, 1500–1660* (London: Routledge, 2002); William D. Godsey, *The Sinews of Habsburg Power: Lower Austria in a Fiscal-Military State 1650–1820* (Oxford: Oxford University Press, 2018); Guido Alfani and Matteo Di Tullio, *The Lion's Share: Inequality and the Rise of the Fiscal State in Preindustrial Europe* (Cambridge: Cambridge University Press, 2019), 174–80. See also Patrick K. O'Brien, "The Political Economy of British Taxation, 1660–1815," *Economic History Review* 41, no. 1 (1988): 1–32; Philip T. Hoffman et al., "Sketching the Rise of Real Inequality in Early Modern Europe," in *Living Standards in the Past: New Perspectives on Well-Being in Asia and Europe*, ed. Robert C. Allen, Tommy Bengtsson, and Martin Dribe (Oxford: Oxford University Press, 2005), 131–72.

property tax that was to replace all other extraordinary levies, the *kontribution*.³ All subjects were to assess the value of their movable and immovable property at public meetings held late in the years 1712, 1714, and 1715. An equal percentage of the assessed value would then be levied the following years. Focusing on the records of the assessed value of movable property in a number of small towns and rural parishes in the years 1714 and 1715,⁴ we have divided the population into three social groups and calculated their respective shares of the total value. This has provided us with a socioeconomic baseline.

The second set of sources has never before been the object of research. After the default of 1719, all fiat coins in circulation were to be exchanged for so-called assurance notes (*försäkringssedlar*). This exchange was meticulously documented, and the comprehensive ledgers created in the process record the holdings of all individuals, from field marshals and councillors of the realm to farmhands and maids. We have thus been able to compare the assessed value of movable property in 1714 and 1715 to the holdings of ready money in the form of fiat coins in 1719—in the same locations and among the same social groups. Obviously, movable property was a much wider category than money. It included ready money, but also possessions such as tools, furniture, and livestock, and the two categories cannot be compared directly. However, our focus here is on the relationships between movable property and ready money, between countryside and towns, and between various social groups. Alterations in those relationships observed between the two sets of sources can reveal the combined socioeconomic consequences of the war policy, resource extraction, and the surge of liquidity. As the distribution of fiat money was to an extent contingent on the operations of the military, the liquidity surge was not evenly spread throughout the realm. Geographic variations must therefore also be taken into account.

The second part of the article focuses on how these socioeconomic changes were addressed by political agents during the time between the death of Charles XII and the default of 1719. To this end we have consulted the minutes of the Council of the Realm, along with those of the four estates of the *Riksdag* (the nobility, the clergy, the burghers, and the peasantry) and its powerful Secret Committee. We can thus trace how a political struggle developed around the changed socioeconomic situation outlined in the first part of the study. The combination of a quantitative investigation of the distribution of resources with a qualitative analysis of contemporary political discourses will shed new light on the political and social forces at play. This in turn makes it easier to identify what was at stake in 1719, and how the Swedish case compares to similar European developments.

3. The main part of the extraordinary taxes that were levied each year throughout the seventeenth century and up to 1713 was also called the *kontribution*. This was thus a new form of *kontribution*.

4. We have tried to use the protocols from the 1714 assessment meetings. If a protocol from that year has not been preserved, we have used the protocol from 1715.

Credit, War, and Swedish Society in the Early Eighteenth Century

As a background for our empirical study, what follows will provide some key context. First, we consider some theoretical perspectives on the role of credit in early modern societies. Second, a survey of previous research on the Great Northern War and war finance provides a fuller historical picture, while at the same time clarifying the origins of our sources. Finally, a description of the structure of Swedish society substantiates the social categories used in the quantitative study.

Credit, Politics, and Social Change

Early eighteenth-century Europe witnessed an increasing institutionalization of public debt, with new financial instruments accompanied by new taxes to fund government borrowing. The driving force was the escalating costs of warfare, resulting in mounting government arrears. This required transfers of resources to government creditors, which in turn created incentives to restructure the debt. Rising tensions in the political arena signaled a changing balance of power.⁵ As Nicolas Barreyre and Nicolas Delalande have pointed out, public debt is always political as it is closely related to the distribution of power and resources within a given society. Each state establishes a borrowing regime contingent on the political influence of different social groups and their interests and ideas, and on the political settlement in society. Given the close ties between political regimes and borrowing regimes, alterations in the political system such as changing relationships between social groups or between the sovereign and the political elite often lead to changes in a country's borrowing regime.⁶

The best-known case of public debt renegotiation and the subsequent alteration of power relationships is probably John Law's restructuring of the French public debt in 1719 and 1720. Law's debt reduction scheme was designed to eliminate most interest-bearing papers issued during the War of the Spanish Succession, while expanding liquidity and credit by issuing paper money.⁷ These objectives

5. Brewer, *The Sinews of Power*, 88–134; Larry Neal, *The Rise of Financial Capitalism: International Capital Markets in the Age of Reason* (Cambridge: Cambridge University Press, 1990); Godsey, *The Sinews of Habsburg Power*.

6. Nicolas Barreyre and Nicolas Delalande, introduction to Barreyre and Delalande, *A World of Public Debts*, v–xxvii. See also Anush Kapadia, "The Structure of State Borrowing: Towards a Political Theory of Control Mechanisms," *Cambridge Journal of Regions, Economy and Society* 10, no. 1 (2017): 189–204.

7. For example, Herbert Lüthy, *La banque protestante en France, de la Révocation de l'Édit de Nantes à la Révolution*, vol. 1, *Dispersion et regroupement, 1685–1730* (Paris: SEVPEN, 1959), 275–350; Antoin E. Murphy, *John Law: Economic Theorist and Policy-Maker* (Oxford: Clarendon Press, 1997); Larry Neal, "How It All Began: The Monetary and Financial Architecture of Europe during the First Global Capital Markets, 1648–1815," *Financial History Review* 7, no. 2 (2000): 117–40, here pp. 123–36; Francois R. Velde, "French

highlighted the government's power in controlling the money supply, but they also created tensions between those who believed that the measures went too far and led to a new social order, and those who thought that they were not radical enough.⁸ This struggle sparked lively discussion in pamphlets and in political deliberations. Polemicists often focused on how credit led to a loss of virtue as the corrupting practices of commercial interests threatened the influence of landed groups, who were seen as promoters of stability and justice. There was also a concern about giving public opinion, central to creating credibility in financial markets, an important role in determining public policy. Still, the usefulness and necessity of government borrowing meant that it had its supporters. There was simply no other efficient method to finance large increases in expenditure.⁹ In Sweden, no pamphlets or newspapers discussed the strengths and weaknesses of alternative borrowing systems. Instead, most discussions took place within the various bodies of the government and, from early 1719, at the *Riksdag*.¹⁰

The Great Northern War and the Push for Fiscal and Monetary Reforms

In the seventeenth and eighteenth centuries, Sweden displayed all the characteristics of a fiscal-military state, and it extracted resources from local society with comparative efficiency. From the 1680s, direct and indirect taxes were accompanied by the so-called allotment system (*indelningsverket* and *ständiga knektehållet*), in which each item of expenditure, civilian and military, was provided for by a pre-ordained source of income. The most important part of the system was that nearly all farmsteads in Sweden and Finland were organized into *rotar*, each of which had

Public Finance between 1683 and 1726," in *Government Debts and Financial Markets in Europe*, ed. Fausto Piola Caselli (London: Pickering & Chatto, 2008), 135–66; Arnaud Orain, *La politique du merveilleux. Une autre histoire du Système de Law, 1695–1795* (Paris: Fayard, 2018).

8. Michael Sonenscher, *Before the Deluge: Public Debt, Inequality, and the Intellectual Origins of the French Revolution* (Princeton: Princeton University Press, 2007), 109.

9. Julian Hoppit, "Attitudes to Credit in Britain, 1680–1790," *Historical Journal* 33, no. 2 (1990): 305–22; Thomas E. Kaiser, "Money, Despotism, and Public Opinion in Early Eighteenth-Century France: John Law and the Debate on Royal Credit," *Journal of Modern History* 63, no. 1 (1991): 1–28; Istvan Hont, *Jealousy of Trade: International Competition and the Nation-State in Historical Perspective* (Cambridge: Harvard University Press, 2005), 325–53; Sonenscher, *Before the Deluge*; Carl Wennerlind, *Casualties of Credit: The English Financial Revolution, 1620–1720* (Cambridge: Harvard University Press, 2011); Koji Yamamoto, "Piety, Profit and Public Service in the Financial Revolution," *English Historical Review* 126, no. 521 (2011): 806–34; William Deringer, *Calculated Values: Finance, Politics, and the Quantitative Age* (Cambridge: Harvard University Press, 2018).

10. Åsa Karlsson, *Den jämlike undersåten. Karl XII:s förmögenhetsbeskattning 1713* (Uppsala: Studia Historica Upsaliensia, 1994), 57–84; Peter Ericsson and Patrik Winton, "The Rise and Fall of a New Credit System: Transnational Financial Experiments and Domestic Power Struggles in Sweden 1710–1720," in *Boom, Bust, and Beyond: New Perspectives on the 1720 Stock Market Bubble*, ed. Stefano Condorelli and Daniel Menning (Berlin: De Gruyter, 2019), 23–44, here pp. 25–30 and 37–42.

to provide and equip a soldier. As the regiments suffered losses, these were to be continuously replaced by the same *rotar* that had recruited the original soldiers. This ongoing liability constituted the largest part of the ordinary taxes levied on the peasant population.¹¹

The Great Northern War broke out in 1700. It raged for twenty-one years and resulted in Russia's emergence as a great power and Sweden's decline. The war can be divided into four phases. The first, which lasted from 1700 to 1709, was, from a Swedish point of view, fought in the "ordinary" way, by deploying the army on the continent. This phase ended with the devastating rout of the field army at the battle of Poltava in Ukraine in 1709. The second phase, from the autumn of 1709 to 1714, was characterized by Charles XII seeking refuge in the Ottoman Empire, from where he struggled to form an alliance against Russia. It was during this phase that he proposed a number of fiscal and monetary innovations, including a new tax, the *kontribution* that started to be collected in 1713, and a system of paper money. A new Swedish field army was drummed up but, after some initial victories, it was forced to surrender in Tönning in Holstein-Gottorp in May 1713. All of Sweden's Baltic possessions were lost during this phase, and Finland was occupied by Russian forces.¹²

Before the new *kontribution* was introduced, the system of extraordinary taxation had consisted partly of taxes specific to each of the four estates of the *Riksdag* and partly of a mixture of income, property, and personal taxes. After its introduction in 1713, the new method was also used in 1715 and 1716. In these years, all subjects regardless of previously granted privileges were taxed according to the property they owned. The value of their real and movable property was declared by the subjects themselves at local assessment meetings, where neighbors were expected to monitor one another's declarations to ensure that property was not undervalued. In this way, the regime strove to increase transparency and reduce discontent.¹³ Even before the new *kontribution* of 1713, persons of rank had paid twice as much in extraordinary taxes as the peasantry. That was perhaps most evident in the levies on noble or other landed properties that were exempt from ordinary taxation. These had been taxed moderately from the beginning of the war, but by 1718 the initial levies had tripled. The nobility further had to accept billeted soldiers not only on the farmsteads of their peasants but also in their manors. Later in the war, persons of rank were obliged to provide loans and provincial governors would systematically pressure them for "voluntary" donations.¹⁴ Yet although the peasants and other commoners were largely spared increased taxation, the growing burdens levied on persons of rank were not enough to challenge their social standing. This would

11. Peter Ericsson, *Stora nordiska kriget förklarar. Karl XII och det ideologiska tilltalet* (Uppsala: Studia Historica Upsaliensia, 2002), 23–28 and 173–91.

12. Karlsson, *Den jämlike undersåten*; Robert I. Frost, *The Northern Wars: War, State and Society in Northeastern Europe, 1558–1721* (Harlow: Longman & Co., 2000), 226–95; Ericsson and Winton, "The Rise and Fall of a New Credit System."

13. Karlsson, *Den jämlike undersåten*, 99–184.

14. Ericsson, *Stora nordiska kriget förklarar*, 173–230.

change in the next phase of the war, when the government turned to public credit to support skyrocketing military expenditure.

The return of Charles XII to his realm in 1715 initiated the third phase of the war, in which military efforts were renewed and increased. An attack against Norway in 1716 had to be aborted due to logistical difficulties. After meticulous planning and rearmament, including recruitments bordering on general conscription, a new campaign against Norway was launched in the autumn of 1718. The organization of this campaign posed severe problems. The terrain was difficult, there were substantial forces defending the country, and the Danish navy controlled the seas. To conquer Norway would require a large army, but such an army could not be sustained by local resources. Thus, supplies would have to be brought in from Sweden.¹⁵ Three army detachments with a combined force of over 60,000 men and 30,000 horses had to be maintained for more than six months. Some sea transport could be carried out inside the skerries, but most of the supplies had to be hauled overland. Jan Lindegren has calculated that 75 percent of the 120,000 wagonloads of provisions and fodder required had arrived at the Norwegian border depots when the death of the king brought the campaign to a halt. Such quantities could not be transported by the army alone, but called for the mobilization of the civilian workforce. By law, the Crown could order the peasants to provide transport and other services for the army, but the extent and complexity of the operation called for a content workforce that would not stall the campaign. Therefore, the peasants had to be paid for their work.¹⁶

The government used credit to pay for the necessary supplies and transports. The basis for the system was the sale of government bonds starting in 1715. In the same year, so-called salary bills were issued to civil servants and military officers as a substitute for their regular wages. Bonds and salary bills yielded an annual interest of 6 percent, and circulated on a secondary market. In the end, bonds with a nominal value of 2.5 million *daler silvermynt* (dsm) and salary bills for 1.2 million dsm were issued. However, the bulk of the liquidity was released in the form of very light fiat coins made of copper, with a stamped value of 1 dsm that did not correspond to their metallic content. Nor were they backed by any specie assets. Production and distribution of these coins took off in 1716 and accelerated in 1718. By the end of 1718, around 21.5 million dsm of fiat coins were in circulation. This figure can be compared to the mean annual release of metal coins between 1680 and 1714, which was 728,000 dsm.¹⁷

15. Jan Lindegren, "From Ystad to Frederikshald: Charles XII and the Great Northern War, 1716–1718," in *Perspektiver på Den store nordiske krig 1700–1721: 300 år etter Carl XII:s fall*, ed. Knut Arstad (Oslo: Forsvarsmuseet, 2018), 307–36, here pp. 316–36.

16. Jan Lindegren, "Karl XII," in *Kungar och krig. Tre essäer om Karl X Gustav, Karl XI och Karl XII*, ed. Anders Florén, Stellan Dahlgren, and Jan Lindegren (Stockholm: Atlantis, 1992), 163–210, here pp. 197–206; Lindegren, "From Ystad to Frederikshald," 323–36.

17. Jonatan Julén, *Om Sveriges statsskuld 1718 och betalningen av densamma* (Gothenburg: Wettergren and Kerber, 1916), 27 and 90; Gösta Lindeberg, *Svensk ekonomisk politik under den Görtzka perioden* (Lund: Gleerup, 1941), 108–109; Jan Lindegren, "Krig och skuld. Den svenska statsskuldens historia ca. 1600–1800," *Kungl. Vetenskapssamhällets i Uppsala*

This naturally leads to the question of inflation. The period 1715–1719 saw price increases on many goods, but these varied between commodities and geographic locations. If such increases had been caused by the release of fiat coins alone, prices on commodities would have risen uniformly and at the same rate in all localities. Instead, the price hikes were predominantly driven by military demand before and during the Norwegian campaign. The costs of foodstuffs and transports rose considerably, while those of building materials and iron grew more slowly. Prices also increased dramatically in regions where the army operated, while other parts of the country were less affected. Moreover, prices did not immediately fall after the removal of the fiat coins from circulation in 1719. In other words, there was no simple correlation between the amount of liquidity in circulation and inflation, as claimed by proponents of monetarist theory. The fiat coins remained a viable means of payment in all types of transactions, including tax payments, as long as the royal regime remained in power and the war policies were pursued.¹⁸

The death of Charles XII on November 30, 1718, initiated the fourth phase of the war. The Norwegian campaign was immediately canceled. In a proclamation on December 11, the Council announced that the fiat coins should be replaced. However, it was not clarified when this would occur or on what terms.¹⁹ This added to the uncertainty over whether the new regime would honor the commitments of the previous one, and negatively affected the value of the fiat coins. When the four estates of the *Riksdag* convened in January 1719, the decision was taken to end royal absolutism. Ulrika Eleonora, sister of the deceased king, was elected queen, while real power was transferred to the *Riksdag* and in particular to its Secret Committee. In April, the *Riksdag* decided to initiate a 50 percent default on the fiat coins. In the first week of June, all holders of the coins were ordered to exchange them for assurance notes at 14/32 of their nominal value (there were 32 *öre* to a *daler*). More than 200,000 transactions were executed as a result, in which more than 20 million dsm of fiat coins were exchanged for assurance notes.²⁰ After a week, each holder received their coins back, but now they were effectively small change with a value of 2/32 dsm. The assurance notes could only be liquidated as payment for a new customs duty levied on foreign trade. They would thus have to be sold on a secondary market in order to flow into the hands of merchants.²¹ The credit crisis of 1719 meant that the navy could not equip its ships, and the last years

Årsbok 37 (2007–2008): 92–101, especially p. 97; Ericsson and Winton, “The Rise and Fall of a New Credit System,” 31–37; Peter Ericsson and Patrik Winton, “Surge, Retraction, and Prices: The Performance of Fiat Coins in Sweden, c. 1715–1720,” *Financial History Review* 27, no. 2 (2020): 256–82, here pp. 260–61.

18. Ericsson and Winton, “Surge, Retraction, and Prices,” 263–79.

19. Årstrycket, *Placat Angående Myntteknens och Ständernes Mindre Zedlars öwägerlige emottagande til des annat redbart Mynt blifwer anskaffat*, Stockholm, December 11, 1718; Ericsson and Winton, “Surge, Retraction, and Prices,” 263–73.

20. See table 1 below.

21. Årstrycket, *Kongl. maj:ts nådige Förordning, Angående Myntteknens Och Mynte-Zedlarnes Indragande och Afsättiande*, Stockholm, April 23, 1719.

of the war were generally characterized by passivity on the part of the Swedish army and navy even as Russian marine forces pillaged the east coast of the country. Peace was settled in 1721, with Sweden conceding all its Baltic possessions but retaining Finland.²²

Social Composition and Inequality

At the beginning of the eighteenth century, more than 90 percent of the Swedish population lived in peasant households that predominantly consumed their own production. There were economic variations within the realm: some regions produced a surplus of grain, while others, especially the towns and iron-producing regions, required its regular inflow. The towns were small and few in number. With a population of around 60,000, Stockholm was the only urban area to have more than 10,000 residents.²³

The country's population was traditionally divided into four estates—the nobility, the clergy, the burghers, and the peasantry—which were represented at the *Riksdag*. The division into estates, however, was a poor reflection of social reality. The most important divide was in fact that between persons of rank and commoners. Persons of rank included the nobility, the clergy, wealthy merchants, the proprietors of ironworks, large landowners, military officers, and civil servants, though there could be significant differences between them in terms of status, power, and resources. All in all, persons of rank made up about 5 percent of the population.²⁴

There were also significant differences among the commoners. These groups included propertied freeholders and the peasants working Crown lands, who made up around two thirds of the population and who were represented at the *Riksdag*, but also peasants working land belonging to the nobility (not represented at the *Riksdag*), plus artisans, crofters, cottagers, and servants. The second most important divide in eighteenth-century Swedish society ran between those commoners who had the resources to get married and establish an independent household and those who did not. As the household was the most fundamental institution of society, marriage and the status of head of a household provided a certain degree of independence from both the authorities and other households, and a position of power

22. Frost, *The Northern Wars*, 294–96.

23. Sven Lilja, *Historisk tätortsstatistik*, D. 2, *Städernas folkmängd och tillväxt: Sverige (med Finland) ca 1570-tal till 1810-tal* (Stockholm: Stads- och kommunhistoriska institutet, 1996), 30f; Janken Myrdal, *Det svenska jordbrukets historia*, B. 2, *Jordbruket under feodalismen 1000–1700* (Stockholm: Natur & Kultur, 1999), 233–45; Carl-Johan Gadd, *Det svenska jordbrukets historia*, B. 3, *Den agrara revolutionen 1700–1870* (Stockholm: Natur & Kultur, 2000), 22–42, 185f, and 361f.

24. Sten Carlsson, *Svensk historia 2. Tiden efter 1718* (Stockholm: Svenska bokförlaget, 1961), 55–62; Carlsson, *Ståndssamhälle och ståndspersoner 1700–1865. Studier rörande det svenska ståndssamhällets upplösning* (Lund: Gleerup, 1973), 15–24 and 233–39; Kaarlo Wirilander, *Herrskapsfolk. Ståndspersoner i Finland 1721–1870* (Stockholm: Nordiska Museet, 1982), 12–22, 29–32, and 56–63.

in relation to those in service. Although the married man typically represented the household in public, marriage afforded status to both sexes.²⁵

To many commoners, serving in somebody else's household was a transitional phase between childhood and establishing a household of their own. But others remained in servitude their entire lives. Servants of both sexes made up a considerable portion of the population, with figures between 6 and 21 percent registered for both rural areas and towns, depending on the economic structure and ownership of land. There was also a part of the rural population who lived in independent households but whose access to land was insufficient to sustain them, obliging them to perform supplementary labor for ironworks, manors, or propertied peasants.²⁶

Like most European societies at the time, early modern Sweden was characterized by inequality, typically perceived as natural, God-given, and necessary to society. Inequality in status normally corresponded to inequality in economic terms. Moreover, inequality tended to increase throughout the early modern period in Europe, regardless of economic performance. Recent research has primarily attributed this to the rise of the fiscal-military state, as higher taxation for military purposes hit those who could least afford it the hardest. Within Sweden, however, there was a certain degree of regional variation. Erik Bengtsson, Mats Olsson, and Patrick Svensson have demonstrated that Stockholm's wealth was very unevenly distributed. The richest 10 percent of residents owned almost 94 percent of the city's wealth in 1715, with the top 1 percent alone holding 62 percent.²⁷ Stockholm was privileged compared to the rest of the realm, and inequality would naturally have been more pronounced in the capital with its concentration of both wealthy and destitute people. But rural Sweden would also have been an unequal social environment. Even setting aside persons of rank, households had uneven access to the means of production—especially land, but also other resources. As a result, economic margins varied between households.

25. Sofia Ling et al., "Marriage and Work: Intertwined Sources of Agency and Authority," in *Making a Living, Making a Difference: Gender and Work in Early Modern European Society*, ed. Maria Ågren (Oxford: Oxford University Press, 2016), 80–102.

26. Börje Harnesk, *Legofolk. Drängar, pigor och bönder i 1700- och 1800-talens Sverige* (Umeå: Almqvist & Wiksell, 1990), 25–31 and 216–18; Hanna Östholm and Cristina Prytz, "Less Than Ideal? Making a Living Before and Outside Marriage," in Ågren, *Making a Living, Making a Difference*, 103–106; Jonas Lindström and Jan Mispelaere, "Interdependent Living: Labouring Families and the Swedish Mining Industry in the Late Seventeenth Century," *History of the Family* 22, no. 1 (2017): 136–55; Jonas Lindström, "Labouring Poor in Early Modern Sweden? Crofters and Lodgers in Västmanland in the 17th Century," *Scandinavian Journal of History* 44, no. 4 (2019): 403–29; Paul Borenberg, *Tjänstefolk. Vardagsliv i underordning i Stockholm 1600–1635* (Gothenburg: Göteborgs universitet, 2020), 4–26, 70–76, and 275–91.

27. See Erik Bengtsson, Mats Olsson, and Patrick Svensson, "Mercantilist Inequality: Wealth and Poverty in Stockholm, 1650–1750," *Economic History Review* 75, no. 1 (2022): 157–80.

The Geographic Distribution of Movable Property and Fiat Money

In the early eighteenth century, some parts of Sweden were market-dependent, while others were more self-sustaining. This fact would have had an impact on the distribution of fiat money in 1719. Fiat money also entered into circulation along the marching routes of the army. Our quantitative investigation will thus begin with the study of the geographic distribution of fiat money and relate it to the assessed value of movable property in 1714 and 1715.

The records created during the assessments for the *kontribution* in 1714 and 1715 are organized by county, as are those of the exchange of fiat money for assurance notes in June 1719. The two sets of sources thus allow us to map the geographic distribution of resources on the two occasions. The result is summarized in table 1, where the numbers are also related to the size of the population in each county.²⁸ The ledgers containing the assessments for the counties of Älvsborg, Västernorrland, Malmöhus/Kristianstad, Uppsala, Halland, and the city of Stockholm do not include detailed information at the individual or household level. Similarly, the ledgers recording the 1719 exchange of fiat money in the counties of Malmöhus/Kristianstad and Uppsala consist of a collection of working papers used by the royal bailiffs. The total sums of exchanged fiat coins are recorded, but not the numbers of transactions.

As table 1 shows, the value of the transactions in 1719 surpassed 20 million dsm for a population of 1.4 million. These figures are not an exact representation of the distribution of fiat money: some transactions were carried out on behalf of collective funds (such as poor relief in churches, the membership funds of guilds, or the undivided estates of deceased persons), and some holders probably conducted multiple exchanges. Nevertheless, they provide a very reasonable estimate. As we can observe, a substantial amount of fiat money was exchanged in all the regions studied. Even those counties with the smallest amounts of fiat money relative to the assessed value of movable property, such as the populous Kopparberg, Närke and Värmland, Östergötland, and Skaraborg, record remarkably high amounts of coins, ranging from 29 percent of the value of movable property in Kopparberg to 71 percent in Östergötland. Given that movable property also included many types of possessions other than cash, these figures highlight the wide availability of ready money in 1719. In some counties, such as Blekinge, Göteborg and Bohuslän, and Södermanland, the fiat money exchanged in 1719 accounted for more than the total value of movable property a few years earlier—the inflow of fiat coins had been exceptionally abundant in these areas due to a heavy military presence and the

28. The translation of the Swedish administrative unit *län* as “county” can be slightly misleading. The *län* was geographically larger than an English county; one of the largest, Västernorrland, situated in the north, was only slightly smaller than England itself. Finland was under Russian occupation from 1714 to 1721, and was not affected by the process studied here.

Table 1. Value of movable property in 1714/1715 relative to the amount of fiat coins exchanged in 1719 (dsm)

County	1714/1715 movable property	1719 exchange of fiat money	Diff.	1718 population	1714/1715 (\bar{x})	1719 (\bar{x})	Diff. (\bar{x})
Stockholm city	n/a	4,369,837	n/a	57,000	n/a	77	n/a
Göteborg and Bohuslän	868,060	3,163,489	+2,295,429	57,586	15	55	+40
Närke and Värmland	2,750,480	1,605,457	1,145,023	126,277	22	13	9
Östergötland	1,859,170	1,324,083	535,087	90,164	21	15	6
Älvsborg	n/a	1,079,552	n/a	96,783	n/a	11	n/a
Västernorrland	n/a	971,880	n/a	87,833	n/a	11	n/a
Södermanland	847,500	928,361	+80,861	70,102	12	13	+1
Blekinge	363,900	889,744	+525,844	35,638	10	25	+15
Malmöhus and Kristianstad	n/a	834,909	n/a	152,430	n/a	5	
Kalmar	924,485	761,600	162,885	74,836	12	10	2
Skaraborg	1,608,600	699,342	909,258	96,875	17	7	10
Jönköping	1,171,580	698,216	473,364	67,107	17	10	7
Västmanland	962,430	652,127	310,303	59,227	16	11	5
Uppsala	n/a	542,498	n/a	55,500	n/a	10	n/a
Kronoberg	727,880	457,261	270,619	42,267	17	11	6
Stockholm county	600,198	420,958	179,240	68,303	9	6	3
Halland	n/a	348,880	n/a	48,597	n/a	7	n/a
Kopparberg	861,860	250,644	611,216	77,965	11	3	8
Västerbotten	126,300	161,817	+35,517	25,345	5	6	+1
Gotland	200,410	119,744	80,666	17,997	11	7	4
Total		20,280,399		1,407,832		14	n/a

Legend: diff. = difference, \bar{x} = mean value.

Sources: Stockholm, Swedish National Archives, Riksens ständers kontor, Kammarkontoret, Nummerlistor över 14-öres försäkringssedlar, vol. 1775–1795; Lennart Andersson Palm, *Folkmängden i Sveiges socknar och kommuner 1571–1997. Med särskild hänsyn till perioden 1571–1751* (Gothenburg: L. Palm, 2000), 198.

attendant costs for the authorities in terms of supplies and transports.²⁹ The county of Göteborg and Bohuslän was dominated by the town of Gothenburg, which, with a population of 7,000, became the logistical hub for the Norwegian campaign of 1718. Many regiments stopped in or near the town as they marched toward the border, and imported grain and other foodstuffs, as well as military equipment, were accumulated there. A similar logic explains the high numbers of fiat coins in the small southeastern county of Blekinge, which harbored Sweden's main naval base in the town of Karlskrona. The county of Södermanland was no military hub, but its high concentration of fiat coins is explained by the fact that it served as a thoroughfare for the army on its way to Norway. Närke and Värmland also constituted transit routes for the army, but this did not have as large a monetary impact as it did in Södermanland, probably because the state did not mobilize as many local resources.³⁰ Interestingly, the vast and sparsely populated northern county of Västerbotten seems to have been more affected by the campaign of 1718 than its neighbors, as the volume of fiat coins in circulation in 1719 exceeded the value of movable property in 1714/1715. Although it was not on the main military route, Västerbotten was key to preparations for the northern army's advance against Trondheim.

When the movable property values of 1714/1715 are related to the size of the population, we can see that the populous counties of Närke and Värmland and Östergötland have the highest averages, of 22 and 21 dsm respectively, while the northern county of Västerbotten has the lowest average of just 5 dsm. When the same operation is performed for the exchange of 1719, the town of Stockholm stands out by its high average of 77 dsm, followed by the county of Göteborg and Bohuslän with 55 dsm. The county with the lowest average is Kopparberg, with only 3 dsm. The fact that the major towns Stockholm and Gothenburg, which combined administrative and mercantile activities with a strong military presence, attracted so much fiat money is not surprising. However, the vast copper mine at Falun in the county of Kopparberg was also the site of many market transactions, as the mining community demanded an inflow of goods, especially grain. This is an indication that general economic activity alone cannot explain the distribution of fiat coins. Instead, it seems that economic activity generated by the military was decisive. This conclusion is reinforced by the fact that miners in Falun were excluded from military service.³¹

29. Lindegren, "From Ystad to Frederikshald," 316–22.

30. On Närke as a transit route for the army in 1718, see Martin Linde, *Statsmakt och bondemotstånd: allmoge och överhet under stora nordiska kriget* (Uppsala: Studia Historica Upsaliensia, 2000), 216–29.

31. On the copper mine in Falun, see Hedvig Widmalm, *Exploring the Mores of Mining: The Oeconomy of the Great Copper Mine, 1716–1724* (Uppsala: Uppsala Studies in Economic History, 2018), 53–65.

Map 1. Towns and Parishes mentioned in the article

Both movable property and fiat money were spread unevenly across the realm. To explore this further, we have selected four small towns: Norrköping, Kalmar, Arboga, and Uddevalla, and six rural parishes: Vingåker, Normlösa and Herrberga, Norberg, Rydaholm, Stenkyrka, and Delsbo, and compared the amounts exchanged in 1719 to the assessed value of movable property in 1714/1715. The selected towns and parishes were all substantially affected by the expansion of liquidity, but their role in the military campaign of 1718 differed. From the assessments and exchanges conducted in these locations, we have built a database containing around 9,500 entries. However, it should be noted that we have not attempted to achieve statistic representativity on a national level. Since geographic and economic conditions differed so widely within Sweden, our ambition is rather to let some descriptive statistics provide the basis for a qualitative analysis.

Norrköping, situated on the east coast in the grain-producing county of Östergötland, was the largest of the towns with a population of around 4,000. It was a chartered town, whose burghers had been granted privileges to trade with foreign ports.³² Kalmar had a population of around 1,600 people. Situated further to the south on the east coast, it was also a chartered town and was relatively wealthy even though it had been economically stagnant since its late medieval heyday.³³ Arboga was the smallest of the four with a population of around 1,200 residents and was not a chartered town. Its burghers were traditionally mediators between the iron-works of the Bergslagen region and merchants in Stockholm. Arboga was situated at a crossroads with good access to water transport, and was on one of the marching routes for army contingents heading for the assembly points on the Norwegian border.³⁴ The town of Uddevalla had a population of 1,550 people and was located on the west coast close to the Norwegian border. Lastly, for the exchange of 1719, we have also considered Borås. A town with around 2,000 residents, situated some seventy kilometers inland from Gothenburg, it was on the main transit route for the army. Unfortunately, the records of the tax assessment in 1714/1715 have not been preserved, so a comparison over time is not possible. Nevertheless, the numbers recorded in 1719 justify our attention.

The twin parish of Vingåker, with around 5,300 residents, was situated in the western part of the relatively prosperous county of Södermanland, and was comparable in size to a major town. Unusually for Sweden, it consisted of two congregations and two churches; it covered both woodlands and sizable arable lands, and contained a substantial number of freehold farmsteads along with some noble estates.³⁵ Normlösa and Herrberga are two very small parishes in the county of Östergötland, located west of the town of Linköping and encompassing a mix of

32. Björn Helmfrid, *Norrköpings historia*, B. 3, avsnitt 6, *Tiden 1655–1719* (Stockholm: Norrköping stads historiekommitté, 1971), 6–11 and 523–27; Lilja, *Historisk tätortsstatistik*, D. 2, 30f; Lennart Andersson Palm, *Folkmängden i Sveriges socknar och kommuner 1571–1997. Med särskild hänsyn till perioden 1571–1751* (Gothenburg/Visby: L. A. Palm, 2000), 371. Calculations of the numbers of residents in towns and parishes may differ slightly between researchers. For the sake of consistency, we have used the numbers from the latest and the most comprehensive study: Andersson Palm, *Folkmängden i Sveriges socknar och kommuner*.

33. Göran Nilzén, “Befolkning, ekonomi och politik i 1700-talets Kalmar,” in *Kalmar stads historia*, ed. Ingrid Hammarström, B. 3 (Kalmar: Kulturnämnden, 1984), 13–17; Lilja, *Historisk tätortsstatistik*, D. 2, 30f; Andersson Palm, *Folkmängden i Sveriges socknar och kommuner*, 267.

34. Carl-Fredrik Corin, *Arboga stads historia*, B. 2, *Från 1500-talets mitt till 1718* (Arboga: Arboga Kommun, 1978), 523–27; Lilja, *Historisk tätortsstatistik*, D. 2, 30f; Jan Lindegren, “Generalmajor och landshövding. Länsstyrelsen i Örebro och 1718 års norska fälttåg,” in *Krigsmakt och bygd. Soldater, ryttare och befäl i Örebro län under indelningsverkets tid*, ed. Lars-Otto Berg, Sören Klingéus, and Hans Norman (Örebro: Stiftelsen Nerikes regementen, 1997), 329–51, here pp. 329–30 and 337–49.

35. Uppsala, Landsarkivet i Uppsala (hereafter “ULA”) Landskontoret i Södermanlands län, Mantalslängder, Oppunda härad 1715, Vingåker.

freeholders and farmsteads owned by the Crown and the nobility.³⁶ Norberg, in contrast, was situated in the iron-producing district of Bergslagen. Its residents were mainly occupied in the mining and refining of iron products, and its farmsteads were almost exclusively freehold.³⁷ Rydaholm is located in the southern part of the forested region of Småland, in the county of Jönköping, on the road to the fertile region of Scania in the far south of the country. Almost all of its farmsteads were freehold and generally small.³⁸ The parish of Stenkyrka is situated on the large west coast island of Tjörn. Many of its residents worked farmsteads owned by the Crown, but there were also a number of freeholders and a few farmsteads owned by the nobility.³⁹ It was close to the marching routes to Norway, but given its island location it would not have been a major thoroughfare. Finally, the parish of Delsbo is located much further to the north, in the county of Västernorrland. Situated on the main road some thirty kilometers inland from the east coast, it was rather poor. As in many northern parishes, its residents were almost exclusively freeholders, who paid little in taxes but were heavily burdened by recruitment obligations.⁴⁰

Table 2 shows the number (n) of assessments in 1714/1715 and transactions in 1719, the value of movable property and holdings of fiat money in dsm, and the mean of those values (\bar{x}). The respective populations in 1718 are also given. As can be seen in the table, the population of the towns and parishes in our sample totaled around 20,000 people. In 1714/1715, between a quarter and a third (5,768) assessed their movable property at public meetings to give a total value of 691,642 dsm, with a mean value of 120 dsm per person. This assessment included all movable property, from money, furnishings, and personal belongings to work equipment and livestock. Four or five years later, the same population carried out 3,817 transactions, in which they exchanged fiat coins to a total value of 548,773 dsm, with a mean of 144 dsm. The amount of fiat money exchanged thus represented almost 80 percent of the combined value of movable property in 1714/1715, which shows that these locations had experienced a very rapid inflow of liquidity. Table 2 also makes clear that there was far more movable property and fiat money in the towns than in the parishes (a ratio of almost 5:1 on the first occasion and 4:1 on the second). However, the value of the fiat coins relative to movable property was higher in the rural parishes than in the towns, at 95 percent compared to 76 percent. These numbers indicate very large increases in the availability of ready money in both types of location, but also show that the change was more pronounced in the countryside than in the towns.

36. Vadstena, Landsarkivet i Vadstena, Länsstyrelsen i Östergötlands län, Skattningskontributionens handlingar 1715, Normlösa, Herrberga.

37. ULA, Landkontoret i Västmanlands län, Kontributionsböcker 1716, Norberg.

38. Stockholm, Swedish National Archives (hereafter "SNA"), Kopia av Kontributionsrätteriet 1714–1719, Jönköpings län, Skattningslängder 1716, Rydaholm.

39. SNA, Kopia av Kontributionsrätteriet 1714–1719, Göteborgs län, Skattningslängder 1715, Stenkyrka.

40. SNA, Kopia av Kontributionsrätteriet 1714–1719, Gävleborgs län, Skattningslängder 1716, Delsbo; Knut Nilsson Lenaeus, *Delsbo Illustrata* [1764], ed. Anne Brügge (Hudiksvall: Winberg, 2008), 130–32 and 146–50.

Table 2. Value of movable property and holding of fiat money in towns and parishes

	1714/1715 (n)	1719 (n)	1714/1715 (dsm)	1719 (dsm)	1714/1715 (\bar{x} dsm)	1719 (\bar{x} dsm)	Pop. 1718
Towns							
Norrköping	1,487	1,046	334,445	216,404	225	207	4,003
Kalmar	665	607	140,216	144,604	211	238	1,620
Arboga	444	393	59,530	38,464	134	98	1,192
Uddevalla	353	135	40,551	37,793	115	280	1,548
Total towns	2,949	2,181	574,742	437,265	195	200	8,363
Parishes							
Vingåker	1,223	669	50,840	55,249	42	83	5,319
Normlösa/ Herrberga	169	109	3,810	9,419	23	86	695
Norberg	504	226	31,320	6,218	62	28	1,317
Rydaholm	330	206	7,830	7,870	24	38	1,407
Stenkyrka	225	166	9,390	6,634	42	40	1,064
Delsbo	368	260	13,710	26,118	37	100	1,698
Total parishes	2,819	1,636	116,900	111,508	41	68	11,500
Total	5,768	3,817	691,642	548,773	120	144	19,863

Sources: Stockholm, Swedish National Archives, Rikens ständers kontor, Kammarkontoret, Nummerlistor över 14-öres försäkringssedlar, vols. 1778, 1779, 1781, 1782, 1787, and 1794; Kopia av Kontributions ränteriet 1714–1719, Kalmar län, Skattningslängder 1716; Jönköpings län, Skattningslängder 1716; Göteborgs län, Skattningslängder 1715; Gävleborgs län, Skattningslängder 1716; Uppsala, Landsarkivet i Uppsala Landskontoret i Södermanlands län, Mantalslängder, Oppunda härad 1715; Landskontoret i Västmanlands län, Kontributionsböcker 1716; Vadstena, Landsarkivet i Vadstena, Länsstyrelsen i Östergötlands län, Skattningskontributionens handlingar 1715; Lennart Andersson Palm, *Folkmängden i Sveriges socknar och kommuner 1571–1997. Med särskild hänsyn till perioden 1571–1751* (Gothenburg: L. Palm, 2000).

If we consider individual towns and parishes, in absolute numbers the sample is dominated by the relatively large town of Norrköping and the even more populous parish of Vingåker. But the tendencies in these two locations diverge. In Norrköping the value of movable property in 1714/1715 exceeded the value of the fiat money by some 118,000 dsm. Even so, there was a lot of ready money in Norrköping in 1719. At around 216,000 dsm, it represented 65 percent of the value of the movable property evaluated in 1715. In Vingåker, however, the value of the fiat money exchanged in 1719 exceeded the value of the movable property assessed in 1715 by almost 4,500 dsm, representing no less than 108 percent of its value. In an early

modern Swedish context, such amounts of ready cash, even in a populous parish like Vingåker, was very unusual.

It is also informative to look at the means in table 2 (\bar{x}). The town of Uddevalla, with its proximity to Norway, displayed the highest mean of 280 dsm at the exchange of 1719, whereas Arboga, with a mean of 98 dsm, was much lower, on par with the most prosperous rural parishes. In 1718, it was reported that the vicinity of Arboga was depleted after large army contingents had marched through the area. As the army generally paid for its sustenance with fiat coins, this relatively low volume indicates that there were limited resources available locally.⁴¹ Of the rural parishes, Delsbo and Normlösa and Herrberga also had comparatively high means at the exchange of 1719. The former would have played a part in the preparation for the northern army's advance on Trondheim, while the residents of the latter two were able to sell their surplus grain at a very favorable price.⁴² The parish of Norberg stands out for the opposite reasons. Here, the value of movable property was much higher than the amount of fiat money exchanged. At 6,218 dsm, the value of the fiat coins only reached 20 percent of that of the movable property (31,320 dsm). This suggests that Norberg was not heavily involved in the Norwegian campaign. Fiat money was available, but as an iron-producing locality Norberg was exempt from extraordinary recruitments and the army was not deployed in its vicinity. Fiat money would thus have found its way to Norberg through ordinary exchanges between individuals rather than via the army.

These results show that although all the communities studied were affected by the surge of fiat money, there were significant local differences. These discrepancies depended more on the operations of the military than on the ordinary workings of markets. Higher amounts of cash were concentrated in the towns than in the rural parishes. But the towns were small in both size and number, and there would have been more than 2,000 parishes. We can therefore conclude that the bulk of the fiat money was dispersed in the countryside.

The Social Distribution of Property and Fiat Money

The fact that the surge of liquidity was geographically unevenly distributed suggests that it might also have been unevenly distributed socially. Fortunately, the ledgers produced in 1714/1715 and 1719 allow for a social classification of taxpayers and holders of fiat money. Their names are always specified, and frequently also their titles, along with the assessed value of their movable property or the amount of fiat money exchanged. We have divided the individuals into three groups that correspond to the major social distinctions of eighteenth-century Swedish society, as sketched above. Group 1 consists of persons of rank, typically identified by the titles attributed to them; though a few titles are difficult to assign to one group or another, they are not so numerous as to alter the overall results. Not all titles

41. Lindegren, "Generalmajor och landshövding."

42. For grain prices in Östergötland, see Ericsson and Winton, "Surge, Retraction, and Prices," 268–69.

belonged to group 1. Master craftsmen, for instance, are classed in group 2, which contains heads of households. This is by far the largest group and comprises both peasants in the countryside and craftsmen and their equals in the towns. When no title is attached to a patronymic name, that person has been sorted into this category. Group 3 consists of male and female servants, but also other low-ranking members of society such as private soldiers, laborers, and people explicitly designated as poor. Mobilized units of the armed forces do not appear in the sources, but individual officers, soldiers, and sailors sometimes do. The ordinances regulating both the tax assessment and the exchange of fiat money specifically stated that property and fiat coins belonging to servants should be recorded separately.⁴³ It appears, however, that servants' property in 1714/1715 was often, though not always, evaluated at a standard amount of 10 or 20 dsm. Women are placed in the same group as their fathers or husbands when the latter are specified. When no title is given for a woman, it has been assumed that she was the head of a household. Women explicitly identified as widows are also placed in group 2, as they would typically have replaced their husbands as heads of households, unless they are obviously persons of rank or poor. Finally, group 4 contains collective funds.

Table 3. Social distribution of movable property in 1714/1715 and exchanged fiat money in 1719 in the towns

Social category	1714/1715 (n)	1719 (n)	1714/1715 (%/n)	1719 (%/n)	1714/1715 (Σ dsm)	1719 (Σ dsm)	1714/1715 (%/Σ)	1719 (%/Σ)	1714/1715 (x̄ dsm)	1719 (x̄ dsm)
Persons of rank	204	270	7 %	12 %	380,354	218,887	66 %	50 %	1,864	811
Heads of households	1,542	1,298	52 %	60 %	141,133	129,490	25 %	30 %	92	100
Servants, soldiers, etc.	1,140	452	39 %	21 %	22,130	9,641	4 %	2 %	19	21
Collective funds	63	160	2 %	7 %	31,115	79,247	5 %	18 %	494	495
Total	2,949	2,181			574,742	437,265			195	200

Sources: Stockholm, Swedish National Archives, Kopia av Kontributionsrånteriet 1714–1719, Kalmar län, Skattningslängder 1716; Göteborgs län, Skattningslängder 1715; Uppsala, Landsarkivet i Uppsala Landskontoret i Västmanlands län, Kontributionsböcker 1716; Vadstena, Landsarkivet i Vadstena, Länsstyrelsen i Östergörlands län, Skattningskontributionens handlingar 1715; Stockholm, Swedish National Archives, Riksens ständers kontor, Kammarkontoret, Nummerlistor över 14-öres försäkringssedlar, vols. 1779, 1782, 1787, and 1792.

43. *Publication och Förklaring /på hwad sätt Contributionerna efter en billig jämlikhet skola utgiöras til undersåtarnas lindring*, Stockholm, June 4, 1712; *Kongl. maj:ts nådige Förordning, Angående Mynteteknens Och Mynte-Zedlarnes Indragande och Afsättiande*, Stockholm, April 23, 1719.

Table 3 shows the number (n) of assessments and exchanges recorded for the towns in our sample and their value in dsm, both in absolute numbers and as a percentage of the total (Σ), as well as the mean value of the transactions (\bar{x}). Overall, this table makes it possible to consider how these numbers were allocated between the social groups. As would be expected, the category of persons of rank displays the highest values in both 1714/1715 and 1719. Their mean values for the 1719 exchange (811 dsm) are quite high relative to those for movable property (1,864 dsm). However, although they held the most fiat money and their means on both occasions were much higher than those of the other groups, their percentage share of the total value of the fiat coins (50 percent) was smaller than their share of the assessed property four years before (66 percent). Heads of households are the group that occurs most frequently in both sets of sources. In 1714/1715, they were involved in 52 percent of the tax assessments, despite holding only 25 percent of the total value of movable property. But in 1719, heads of households not only conducted a higher percentage of the transactions but also held a greater share of the value, at 60 percent and 30 percent respectively. On this occasion they exchanged on average a higher amount of fiat money (100 dsm) than the mean value of their movable property four years earlier (92 dsm). This indicates that urban heads of households had accumulated a relatively large share of the fiat money, much of which would have been payments to craftsmen commissioned to meet military demands. Finally, servants and other relatively poor people made up a substantial proportion of the urban population. This group represents a large percentage both of those assessed for taxation (39 percent) and of those who exchanged fiat money (21 percent)—the particularly high number in the former case reflecting the government's demand that all servants be taxed and the bill settled by their masters.⁴⁴ Nevertheless, the values were low on both occasions. The movable property of servants and their equals made up just 4 percent of the total, and their share of the fiat money was only 2 percent.

The town of Borås stands out when it comes to amounts of fiat money exchanged in 1719. Although the absence of sources for 1714/1715 means that it is not possible to make a comparison over time, the sums involved merit closer attention. As a precaution, it is important to note that a few merchants could be concealed behind patronyms without titles in the Borås records, and thus encoded as heads of households. However, several persons of rank are explicitly identified as merchants in the registers, so this would not be a systematic inaccuracy in the sources. Moreover, the high mean values recorded for the servant group in Borås may be explained by the presence of merchants' employees with skills in trading.

The population of Borås was 2,156 in 1718, which was only half that of Norrköping.⁴⁵ A comparison between table 2 and table 4 nevertheless reveals that the total amount of fiat money exchanged in Borås was larger, at roughly 270,000 dsm compared to 216,000 dsm. As demonstrated in table 4, those high numbers almost exclusively originate from transactions conducted by heads of households.

44. *Publication och Förklaring I på hwad sätt Contributionerna efter en billig jämlikhet skola utgöras til undersåtarnas lindring*, Stockholm, June 4, 1712.

45. Andersson Palm, *Folkmängden i Sveriges socknar och kommuner*, 354.

Table 4. Social distribution of exchanged fiat money in 1719 in Borås

Social Category	1719 (n)	1719 (%/n)	1719 (Σ dsm)	1719 (%/Σ)	1719 (\bar{x} dsm)
Persons of rank	25	7 %	30,724	11 %	1,229
Heads of households	318	85 %	231,876	86 %	729
Servants, soldiers, etc.	20	5 %	5,304	2 %	265
Collective funds	10	3 %	2,132	1 %	213
Total	373		270,036		724

Source: Stockholm, Swedish National Archives, Riksens ständers kontor, Kammarkontoret, Nummerlistor över 14-öres försäkringssedlar, vol. 1787.

While persons of rank on average exchanged higher amounts, the total value is almost eight times higher for heads of households. Moreover, the mean amounts exchanged by this category in Borås are remarkably high at 729 dsm, a figure comparable to the annual pay of a lieutenant colonel, a member of the Swedish elite at the time.⁴⁶ The corresponding average for heads of households in Norrköping, at 98 dsm, was only a seventh of that in Borås.⁴⁷ The mean for transactions conducted by servants and their equals in 1719 is also surprisingly high in Borås, even if the transactions were few (20). Moreover, the mean for servants (265 dsm) was more than twice as high as those of the socially superior heads of households in Norrköping (98 dsm) and Kalmar (99 dsm), and slightly larger than that observed in Uddevalla (246 dsm).⁴⁸ These extraordinary numbers are, in all likelihood, explained by the fact that Borås was not only on the marching route to Norway but economically and socially dominated by itinerant small-scale tradesmen. They, in turn, employed servants who also conducted trade, both on behalf of their masters and on their own account, which may explain the remarkably high numbers for that category. Their services were highly sought after by the Crown and its contractors to provide large quantities of goods, especially textiles and cloth for uniforms.⁴⁹

46. Fredrik Thisner, *Indelta inkomster. En studie av det militära indelningsverket 1721–1833* (Uppsala: Studia Historica Upsaliensia, 2014), 56.

47. SNA, Riksens ständers kontor, Kammarkontoret, Nummerlistor över 14-öres försäkringssedlar, vol. 1779.

48. SNA, Riksens ständers kontor, Kammarkontoret, Nummerlistor över 14-öres försäkringssedlar, vols. 1779, 1782, and 1787.

49. Nils Forssell, *Borås stads historia*, D. 1 (Borås: Borås stad, 1952), 175–85 and 341–47; Forssell, *Borås stads historia*, D. 2 (Borås: Borås stad, 1953), 12–18; Lennart Andersson Palm, *Borås stads historia*, D. 1, *Stad och omland fram till 1800-talets mitt* (Lund: Historiska media, 2005), 59–67 and 109–11.

Table 5. Social distribution of movable property in 1714/1715 and exchanged fiat money in 1719 in Uddevalla

Social category	1714/ 1715 (n)	1719 (n)	1714/ 1715 (%/n)	1719 (%/n)	1714/ 1715 (Σ dsm)	1719 (Σ dsm)	1714/ 1715 (%/ Σ)	1719 (%/ Σ)	1714/ 1715 (\bar{x} dsm)	1719 (\bar{x} dsm)
Persons of rank	35	25	10 %	19 %	22,959	11,518	57 %	30 %	656	461
Heads of households	219	88	62 %	65 %	16,422	12,485	40 %	33 %	75	142
Servants, soldiers, etc.	97	5	27 %	4 %	1,010	227	2 %	1 %	10	45
Collective funds	2	17	1 %	13 %	160	13,563	0 %	36 %	80	798
Total	353	135			40,551	37,793			115	280

Sources: Stockholm, Swedish National Archives, Kopia av Kontributionsrånteriet 1714–1719, Göteborgs län, Skattningslängder 1715; Riksens ständers kontor, Kammarkontoret, Nummerlistor över 14-öres försäkringssedlar, vol. 1787.

A comparison between Borås and the town of Uddevalla reveals some interesting features. The latter is situated between Gothenburg and the Norwegian border and was also on the army's marching routes. Given these geographic conditions, one would expect Uddevalla to display dramatic numbers similar to those of Borås. Table 5 shows, however, that although there was a considerable amount of fiat money in and around Uddevalla in 1719, the social distribution was comparable to the other towns in our study.

The mean value of fiat money exchanged by heads of households in Uddevalla in 1719 was considerably higher than that of their movable property in 1714/1715, at 142 compared to 75 dsm. However, the numbers are much lower than the corresponding ones for Borås, in terms of both percentage and means. Moreover, the total amount of fiat money exchanged in Uddevalla was only about one seventh of that exchanged in Borås. Although Uddevalla had a smaller population at around 1,500 residents, table 5 shows that the overall mean in 1719 was 280 dsm per transaction, still a high number but dwarfed by the mean of 724 dsm per transaction in Borås. Even if the numbers for Uddevalla in 1719 are somewhat warped by the presence of a couple of large collective funds, there was significantly more fiat money available in Borås than in Uddevalla.

This comparison suggests that although an intensive military presence in certain areas resulted in a high influx of fiat money, the outcome was also affected by the existing economic infrastructure and local market conditions. Localities like Uddevalla could provide the regiments with billeting, foodstuffs, and fodder, while a few like Borås could also mobilize their putting-out industry on behalf of the army. In this case, fiat money flowed into the hands of contractors and producers. The vast influx of ready money into Borås is not explained by the existence of a

commercialized economy alone, but rather by the presence of a specific market for the type of commodities demanded by the military.

If we turn from the market-integrated towns to the rural parishes, a slightly different picture emerges. In table 6 the numbers for the assessment of movable property and the exchange of fiat coins are displayed according to the same principles as for the towns.

Table 6. Social distribution of movable property in 1714/1715 and exchanged fiat money in 1719 in the parishes

Social category	1714/ 1715 (n)	1719 (n)	1714/ 1715 (%/n)	1719 (%/n)	1714/ 1715 (Σ dsm)	1719 (Σ dsm)	1714/ 1715 (%/ Σ)	1719 (%/ Σ)	1714/ 1715 (\bar{x} dsm)	1719 (\bar{x} dsm)
Persons of rank	38	28	1 %	2 %	13,130	5,870	11 %	5 %	346	210
Heads of households	1,658	1,407	59 %	86 %	77,480	96,357	66 %	86 %	47	68
Servants, soldiers, etc.	1,097	161	39 %	10 %	16,860	3,022	14 %	3 %	15	19
Collective funds	26	40	1 %	2 %	9,430	6,229	8 %	6 %	363	156
Total	2,819	1,636			116,900	111,478			41	68

Sources: Stockholm, Swedish National Archives, Kopia av Kontributionsrånteriet 1714–1719, Jönköpings län, Skattningslängder 1716; Göteborgs län, Skattningslängder 1715; Gävleborgs län, Skattningslängder 1716; Uppsala, Landsarkivet i Uppsala Landskontoret i Södermanlands län, Mantalslängder, Oppunda härad 1715; Landskontoret i Västmanlands län, Kontributionsböcker 1716; Vadstena, Landsarkivet i Vadstena, Länsstyrelsen i Östergötlands län, Skattningskontributionens handlingar 1715; Stockholm, Swedish National Archives, Rikens ständers kontor, Kammarkontoret, Nummerlistor över 14-öres försäkringssedlar, vols. 1778, 1779, 1781, 1787, 1792, and 1794.

Persons of rank played a much smaller economic role in the rural parishes. There were fewer of them than in the towns, and their share of the total values was much smaller, at 11 percent of the assessed value of movable property and only 5 percent of the fiat money exchanged. The means for this group were higher than those of the other rural categories. But, as a comparison with table 3 reveals, they represented only about a fifth and a quarter, respectively, of those registered for their counterparts in the towns. Instead, the total values in parishes were dominated by heads of households. Their assessed share of movable property was 66 percent, and their part of the fiat money amounted to as much as 86 percent. Furthermore, the value of the fiat money held by heads of households actually exceeded the value of their movable property a few years earlier, at 96,357 compared to 77,480 dsm. A comparison with table 3, however, reveals that the means on both occasions were lower for heads of households in rural parishes, at 47 and 68 dsm, than they were in the towns, where they came in at 92 and 100 dsm. In both the towns and the rural

parishes, the mean value of the fiat money exchanged by this group was higher than that of the assessed value of their movable property. Although the values were lower in the rural parishes, the discrepancy between the two occasions was much larger than in the towns. This suggests that the economic impact of the surge of liquidity was more pronounced in the countryside than in urban areas. Table 6 also reveals a large difference in the number of servants and their equals assessed for taxation in 1714/1715 (1,097) and the number that exchanged fiat money in 1719 (161). This is due to the fact that whereas all servants were subjected to taxation, not all of them held fiat money. In terms of both absolute and relative numbers, the values held by these groups were low and broadly similar to those recorded for their counterparts in the towns.

Just as with the towns, there were substantial differences between the rural parishes in our sample. One parish that stands out on account of the high amount of fiat money exchanged in 1719 is Vingåker, as detailed in table 7.

Table 7. Social distribution of assessed value of movable property in 1714/1715 and exchanged fiat money in 1719 in the parish of Vingåker

Social category	1714/ 1715 (n)	1719 (n)	1714/ 1715 (%/n)	1719 (%/n)	1714/ 1715 (Σ dsm)	1719 (Σ dsm)	1714/ 1715 (%/ Σ)	1719 (%/ Σ)	1714/ 1715 (\bar{x} dsm)	1719 (\bar{x} dsm)
Persons of rank	15	17	1 %	3 %	6,480	2,873	13 %	5 %	432	169
Heads of households	693	591	57 %	88 %	37,370	49,184	74 %	89 %	54	83
Servants, soldiers, etc.	512	45	42 %	7 %	5,920	1,306	12 %	2 %	12	29
Collective funds	3	16	0 %	2 %	1,070	1,886	2 %	3 %	357	118
Total	1,223	669			50,840	55,249			42	83

Sources: Uppsala, Landsarkivet i Uppsala Landskontoret i Södermanlands län, Mantalslängder, Oppunda härad 1715; Riksens ständers kontor, Kammarkontoret, Nummerlistor över 14-öres försäkringssedlar, vol. 1778.

There were some persons of rank in Vingåker, but their numbers were low. Instead, both the assessment of 1714/1715 and the exchange of 1719 were dominated by heads of households. For a rural parish the values recorded for this group are quite striking, especially the high amount of fiat money exchanged. At the tax assessment, the total value of movable property for heads of households was 37,370 dsm, while a few years later they held as much as 49,184 dsm in fiat money. As demonstrated in table 7, these numbers account for 74 and 89 percent of the respective totals, producing means of 54 and 83 dsm. There had thus been a large inflow of fiat money into Vingåker, and that money had predominantly found its way into the hands of heads of households. The numbers for servants and their equals reinforce these

results. This group made up 42 percent of taxpayers in 1714/1715, but their share of the value of movable property was only 12 percent. The property of servants was often assessed at a flat rate of 10 dsm, which roughly corresponds to the total value of their movable property, while their holdings of fiat money were much smaller in both absolute and relative terms. As the number of transactions recorded for servants in 1719 was much smaller (45), than the number of servant taxpayers in 1714/1715 (512), it appears that few of them held fiat money.

Table 8. Social distribution of assessed value of movable property in 1714/1715 and exchanged fiat money in 1719 in the parish of Norberg

Social category	1714/ 1715 (n)	1719 (n)	1714/ 1715 (%/n)	1719 (%/n)	1714/ 1715 (Σ dsm)	1719 (Σ dsm)	1714/ 1715 (%/Σ)	1719 (%/Σ)	1714/ 1715 (\bar{x} dsm)	1719 (\bar{x} dsm)
Persons of rank	7	4	1%	2%	2,790	515	9%	8%	399	129
Heads of households	249	158	49%	70%	14,380	4,017	46%	65%	58	25
Servants, soldiers, etc.	246	52	49%	23%	7,050	332	23%	5%	29	6
Collective funds	2	12	0%	5%	7,100	1,354	23%	22%	3,550	113
Total	504	226			31,320	6,218			62	28

Sources: Uppsala, Landsarkivet i Uppsala Landskontoret i Västmanlands län, Kontributionsböcker 1716, Norbergs socken; Stockholm, Swedish National Archives, Riksens ständers kontor, Kammarkontorer, Nummerlistor över 14-öres försäkringssedlar, vol. 1792.

The iron-producing parish of Norberg represents an interesting contrast to Vingåker, even though it was not as populous. A comparison between tables 7 and 8 reveals that the distribution of movable property in 1714/1715 between the social groups was similar in Vingåker and Norberg. Persons of rank were few, and although their mean numbers were quite high, their share of the total values were small on both occasions. In Norberg, servants and their equals made up around half of the taxpayers in 1714/1715, a similar proportion to their counterparts in Vingåker. But the value of their movable property was higher, both as a share of the total, at 23 percent, and in the mean value, at 29 dsm. In 1719, however, this group exchanged much smaller amounts of fiat money, with a mean of only 6 dsm compared to 29 dsm in Vingåker. The difference between Vingåker and Norberg is even more pronounced when it comes to the numbers for heads of households. In Norberg, this group held 46 percent of the assessed value of movable property and exchanged 65 percent of the fiat money. In 1714/1715, heads of households in Norberg assessed their movable property at a mean of 58 dsm, compared with 54 dsm in Vingåker. In 1719, on the other hand, the heads of households in Norberg exchanged fiat money at a mean of only 25 dsm, less than a third of the mean for heads of households in

Vingåker (83 dsm). This discrepancy can be partly explained by a small number of collective funds that held a substantial part of the fiat money in the parish of Norberg, especially church endowments and the poor fund.⁵⁰ However, the overall reason for the low numbers of fiat coins held by heads of households in Norberg is in all likelihood the fact that the region of Bergslagen, where Norberg was situated, was comparably little affected by military activities. Even so, the total amount of fiat coins exchanged in Norberg amounted to more than a fifth of the total assessed value of the movable property in the parish a few years earlier.

Debating Credit and its Social Distribution

The dramatic changes explored above did not go unnoticed by the political elite in Sweden. The death of Charles XII on November 30, 1718, triggered a political struggle in which the social distribution of fiat money became a core issue. The decision to abolish royal absolutism was not nearly as controversial as the problem of what to do with the fiat money: this was the question around which many other matters revolved, including the military capacity of the state and the economic footing of a broad spectrum of the population.⁵¹ During the reign of Charles XII, the war had always been the first priority. The repeal of traditional corporate privileges and the fiscal favoring of propertied peasants in order to facilitate their recruitment of soldiers meant that a wedge had been driven between the traditional elite and the royal regime.⁵² The political struggle that ensued must be understood against that background.

The political institutions that had to deal with the pressing matters of the war, the new constitution, and financial issues including the fiat coins in the wake of the king's death were the Council of the Realm, the four estates of the *Riksdag*, and the Secret Committee. The Council was made up of the heads of the central administration, the governors-general of the provinces, and the most senior military officers. They had all been appointed by the late king, and had formed the executive branch of government when Charles XII resided in the Ottoman Empire. In the latter part of his reign, they had been deprived of many of their responsibilities due to their lack of enthusiasm for the war effort. In the turmoil following the king's death, the political initiative moved to the *Riksdag* and the Council had to adhere to decisions taken there. Each of the *Riksdag*'s estates convened separately and for a decision to take effect, three of them had to agree. Theoretically, they were equal, but hierarchies existed between and within them. The nobility was the most powerful estate, while the peasantry was marginalized.

50. SNA, Riksens ständers kontor, Kammarkontoret, Nummerlistor över 14-öres försäkringssedlar, vol. 1792.

51. For example, SNA, Sekretä utskottets protokoll 1719, vol. R2384; Lennart Thanner, *Revolutionen i Sverige efter Karl XII:s död. Den inrepolitiska maktkampen under tidigare delen av Ulrika Eleonora d.y:s regering* (Uppsala: Almqvist & Wiksell, 1953).

52. Ericsson, *Stora nordiska kriget förklarar*, especially 22–49 and 172–230.

Power was concentrated in the Secret Committee, which consisted of fifty members from the nobility, twenty-five from the clergy, and twenty-five from the burghers, but none from the peasantry. It decided on such crucial issues as foreign policy, the allocation of government resources, and the governance of the Bank of the Estates (*Riksbens ständers bank*), which were in principle kept secret from the rest of the estates and the general population. A system of patronage affected its political decisions, since high-ranking noblemen had both nobles and commoners as clients, while bishops were often patrons to vicars. Similarly, merchants and magistrates from Gothenburg and Stockholm were more influential than burgo-masters from smaller towns.⁵³ In the following sections, we shall deal first with debates on public debt and the question of what to do with the fiat coins, and second with discussions on the socioeconomic consequences of the release and retraction of the fiat money.

Fiat Money and the Credit of the State

The question of what to do with the fiat coins was discussed at some length by the Council in late 1718 and early 1719. Some councillors were concerned about the supply of imported goods, such as grain and salt, and increasing prices. They worried that military demand could not be met with the revenues available to the regional tax authorities. Chancellor Arvid Horn considered it necessary to strengthen the credit of the fiat coins by continuing to accept them in all tax payments, and by encouraging their circulation. If they were hoarded, their value would be reduced. Such arguments were in line with the previous regime's policies. Horn contended that the fiat coins should only gradually be withdrawn from circulation. When peace was achieved, government revenue and expenditure would stabilize, and at that point the fiat coins could be redeemed. Nils Stromberg and Nils Gyllenstierna agreed, stressing that it was necessary to keep the fiat coins in circulation and acceptable in all transactions because they could not be replaced rapidly enough. In particular, their continued use was required to keep the state operating.⁵⁴ Other councillors did not share this opinion. Gustaf Cronhielm claimed that if the state continued to rely on fiat coins, the country would be swamped by bad coins that would be impossible to remove. Their volume could easily increase along with state demand and exacerbate an already difficult situation. Likewise, Nicodemus Tessin claimed that a lack of political supervision might lead to an uncontrollable increase in liquidity that could ruin the realm.⁵⁵

Although the Council wanted to shift responsibility for the fiat money onto the *Riksdag*, they still considered potential solutions to the situation. But there

53. Patrik Winton, "La hiérarchie contestée: la reconfiguration de l'équilibre des pouvoirs au sein et entre les ordres du *Riksdag* suédois, 1750–1772," *Revue d'histoire nordique* 10 (2010): 31–47, here pp. 32–37.

54. SNA, Det odelade kansliet, Rådsprotokoll vol. 127, December 15, 1718, December 22, 1718, and January 30, 1719.

55. SNA, Det odelade kansliet, Rådsprotokoll vol. 127, January 30, 1719.

was no consensus. On February 11, 1719, Cronhielm argued for making it a criminal offense not to accept fiat coins as payment. At the same time, he stressed that it was necessary to introduce specie coins as an alternative. Later that month, he suggested that 25 percent of the value of the fiat coins could be written off, 50 percent exchanged into paper notes, and the last 25 percent left in circulation. Horn mentioned the possibility of using a lottery system to gradually remove the coins from circulation without having to default on them. He warned that a default would severely reduce government revenues and make it impossible to pursue the ongoing war. The secretary of state for foreign affairs, Daniel Niklas von Höpken, who had been deeply involved in the former regime, argued that the fiat coins could not be exchanged for specie coins because there were simply not enough of the latter. A default would be disastrous, he claimed, and would ruin the state's credit both domestically and abroad. Instead, that credit could be strengthened by transforming the fiat coins into liabilities. Holders would receive a government bond, yielding 1.5 percent annually, to the value of the fiat coins they surrendered. When peace was achieved and state expenditure reduced, the bonds could be gradually removed from circulation without defaulting.⁵⁶

Thus, some councillors argued for caution, minimizing economic disruption, and allowing military operations to proceed. However, the fact that the political initiative had passed to the *Riksdag* was apparent in March 1719, when councillors expressed their concerns to the speaker of the estate of the nobility and the Secret Committee, Per Ribbing. Ribbing simply replied that the estates would take sufficient action to fund necessary expenditures, without going into detail.⁵⁷ When the Secret Committee had discussed the fiat coins just one day earlier, it was evident that many representatives wanted to remove them from circulation, despite the Council's warnings. The foremost advocate of such a move was the brother of Per Ribbing, Conrad, a civil servant and landowner, and spokesman for many nobles and clergymen in the Committee. He argued that it was highly damaging for the realm to have false coin in circulation as it led to a loss of credit, excessive price increases, falling exchange rates on international capital markets, and the flight of capital.⁵⁸ He stressed the need for a drastic default by pointing to the huge public debt and the lack of specie assets. Other state resources, such as land, were insufficient to pay the creditors, he claimed. It was therefore impossible to allocate resources to fund an exchange of the fiat coins. Speaker Per Ribbing added that a default was not a threat to the realm's credit since the debt had been accrued by the previous regime. He even observed that if a quick decision was taken, the *Riksdag* could blame the default on the late king's adviser, Georg Heinrich von Görtz. But, if the decision was drawn out, the new regime would have to take full responsibility. According to Per Ribbing, the previous regime had expanded revenue, expenditure, and debt in an unnatural way without consulting the estates.

56. SNA, Det odelade kansliet, Rådsprotokoll vol. 127, February 11, 1719, February 17, 1719, and March 6, 1719.

57. SNA, Det odelade kansliet, Rådsprotokoll vol. 127, March 6, 1719.

58. SNA, Sekreta utskottets protokoll 1719, vol. R2384, March 5, 1719.

Consequently, the realm had, like a man with no honor, lost its ability to pay its creditors. A rapid default would enable the estates to regain their capacity to handle the state's expenditure.⁵⁹

Although many representatives agreed with the Ribbing brothers, there was no unanimity as to how and when to proceed with a withdrawal. One critic of a quick default was the nobleman and civil servant at the Board of Mines, Jonas Cederstedt. He agreed that the fiat coins were like a cancer in society, but also pointed out that credit, goods, and monetary instruments sustained all of the country's households. The iron-producing region of Bergslagen needed to buy 150,000 barrels of grain and 100,000 barrels of salt in the first half of 1719. The merchants who sold these goods would then bring the region's bar iron to the international market. Since this trade required credit, a default on the fiat coins would cause a complete standstill of the iron industry, resulting in a loss of government revenue. Cederstedt also stressed that the military required supplies procured by credit. In short, credit was an essential part of society, and the state needed to protect its creditworthiness.⁶⁰ Another nobleman and civil servant at the Board of Mines, Adam Leijel, argued that it was better to pursue a slow process of repudiation than a sudden default. If the long-drawn-out war were to come to an end and normal commercial activity be resumed, it would be possible to remove the fiat coins over a twenty-year period by using a lottery system or by transforming them into annuities. Thus, rather like Horn and von Höpken before the Council, Leijel claimed that there were options less harmful than a default. He added that he preferred an indebted realm in which the subjects lived well to a state free from debt but with ruined subjects.⁶¹

Noblemen in leading positions in the army and navy were acutely aware of the fiat coins' crucial role in maintaining military capacity. General Hans Henrik von Liewen reported that 300,000 fiat coins had been sent to the main naval base in Karlskrona, but that he had received letters testifying that the coins were not being accepted after rumors of a default. In the town of Malmö, soldiers in the garrison were said to be dying of hunger because the officers could not buy food with fiat coins. Von Liewen stressed that resources were needed to pay for supplies and salaries, and it was not possible to reduce spending. Admiral Claes Sparre confirmed this, and pointed out that since nothing could be done with fiat coins in Karlskrona, the navy's ships could not be dispatched. Despite these warnings, the Secret Committee insisted that the only available resources in March 1719 were fiat coins.⁶²

The debate showed that a clear majority of the Secret Committee supported the withdrawal of fiat coins, but there were disagreements about how and at what pace such a policy should be implemented. Although concerns were raised that a sudden alteration would cause severe economic problems, very few supported the

59. SNA, Sekreta utskottets protokoll 1719, vol. R2384, March 5, 1719.

60. SNA, Sekreta utskottets protokoll 1719, vol. R2384, March 5, 1719.

61. SNA, Sekreta utskottets protokoll 1719, vol. R2384, March 5, 1719.

62. SNA, Sekreta utskottets protokoll 1719, vol. R2384, March 9, 1719.

policies of the previous regime. Thus, even if the war was still raging, many members of the parliamentary regime were eager to create a fiscal and monetary system in line with the new political situation.

Social and Political Consequences

Closely related to the question of what to do with the fiat coins were disputes over which social groups had been hardest hit by the war policies, and which, if any, had profited from the fiat money. These debates reflected a struggle over the social distribution of the cost of withdrawing the fiat money, and over whether compensation should be granted. Although some members of the Council touched on these difficult issues, they were not willing to take responsibility. Instead, they blamed the previous regime or the *Riksdag* for the problems.⁶³

Discussions were more heated in the Secret Committee, where the stakes were higher and more diverse interests were represented. Noble civil servant and landowner Carl Wattrang argued against the proposal, made by von Höpken before the Council, to exchange fiat coins for government bonds. That would only open up opportunities for speculation and enable a few to profit from trading in bonds at the government's expense. Wattrang claimed that merchants had profited from the financial system of the previous regime and could afford to rebuild their businesses after a default. Much fiat money was held by foreign merchants, he added, who could likewise afford a default given the profits they had made during the war. Per Ribbing argued that retailers in particular had sold goods at such high prices that they could well withstand a default. Conrad Ribbing stressed that the burghers used profits from selling commodities to the other estates to pay their taxes. They were therefore in a much better position than the nobility and the clergy, who had received salaries and other revenues in fiat coins, with which they then had to pay their upkeep and taxes.⁶⁴ For Conrad Ribbing, it was the peasants and the burghers who had profited most from the previous financial system, while the nobility and clergy had been disadvantaged. The fiat coins had thus destabilized the hierarchy between the estates, and had to be removed to restore the order of society.

This fear of the social consequences of financial developments, articulated by the Ribbing brothers in particular, was shared by other traditional elites in early eighteenth-century Europe. Leading politicians and writers argued that the hierarchy of the social fabric was threatened by an increasingly commercialized society, in which virtue and deference were replaced by corruption and self-interest. Governments' reduced dependence on landed interests and increasing reliance on trade and financial dealings were thus seen as a cause of instability. In England, the bustling financial activities of the City of London were compared with idealized rural settings by members of parliament with close connections to the traditional

63. SNA, Det odelade kansliet, Rådsprotokoll vol. 127, December 15, 1718, and February 11, 1719.

64. SNA, Sekreta utskottets protokoll 1719, vol. R2384, March 5, 1719.

landed elite.⁶⁵ In Sweden, however, the broad social and geographic distribution of fiat coins in 1719 meant that it was not just mercantile activities in Gothenburg and Stockholm that were perceived as a threat. Swedish noblemen could see even ordinary peasants being drawn into a commercialized society that seemed to undermine the established order. The Ribbing brothers thus had a wider definition of the problem than English backbenchers, and this vision called for more drastic action that affected the entire population.

The peasants were so flush with cash, Conrad Ribbing declared, that they would rather consume their produce than sell it on the market. For the same reason, they were not interested in performing labor or providing transports, whether for ironworks or the army. Per Ribbing argued that the peasants had so much fiat money that they could pay their taxes and dues for several years without working.⁶⁶ For the Ribbing brothers, this was a matter not just of finance but of the functioning of a hierarchical society. In their view, the fiat coins had disrupted normal social relations between laboring peasants and landowners and proprietors of ironworks. These relationships were essentially feudal in character, but the relationship between peasants and the Crown had become increasingly monetized. In order to prevent further commercialization of peasant activities and remove the competition for labor from the state, the fiat coins had to be removed, even if it meant a default.

Like the critics of fiat coins, the nobleman and civil servant Gabriel Stierncrona argued for dividing their holders into subgroups who would enjoy different terms of exchange. Peasants, retailers, brewers, and bakers could afford a 75 percent reduction of their holdings because of the profits they had made, while poor people in the towns and the countryside should be allowed to keep at least 50 percent. Public institutions such as schools, churches, and hospitals, on the other hand, should receive full payment, as should those who had delivered assets to the state in exchange for fiat coins.⁶⁷ Stierncrona thus recognized the benefits of an expansion of liquidity for state capacity while at the same time trying to manage the social consequences. The profits earned by small producers in conjunction with the new financial practices were seen as unjust. Socially subordinated groups could therefore be targeted in a default.

Some burghers, especially contractors and merchants, disputed that they had profited from the fiat coins. According to Stockholm merchant Johan Paul Heublein, traders had lost 50 percent of their commerce because they had to accept prices set by the authorities in fiat coins. Merchants had not been able to compensate for losses or rising costs but had still shared in the burdens of the war, and were not

65. For example, J. G. A. Pocock, *Virtue, Commerce, and History: Essays on Political Thought and History, Chiefly in the Eighteenth Century* (Cambridge: Cambridge University Press, 1985), 75–82 and 129–40; Hoppit, “Attitudes to Credit in Britain,” 307–11; Wennerlind, *Casualties of Credit*, 161–62; Yamamoto, “Piety, Profit and Public Service,” 806.

66. SNA, Sekreta utskottets protokoll 1719, vol. R2384, March 5, 1719.

67. SNA, Sekreta utskottets protokoll 1719, vol. R2384, April 8, 1719.

in any advantageous market position.⁶⁸ Although many burghers agreed about the need to withdraw the fiat coins, they disagreed with the nobility and the clergy on the terms of the withdrawal. The speaker of the burghers, Anders Hyltén of Stockholm, argued that any default could only entail a reduction of 33 percent on the value of the fiat coins.

Although the peasantry collectively owned the bulk of the fiat coins, their representatives at the *Riksdag* were excluded from the deliberations of the Secret Committee. In early April 1719, these representatives sent a delegation to the Committee to complain about the plan to default. They considered it unacceptable, and refused to sign any such agreement on behalf of their fellow peasants. They had accepted the coins' nominal value, and would therefore return them on the same terms. They had exchanged all their other coins and received fiat coins as payment for their produce; it would be impossible to pay taxes in any other coinage because no other coins were available.⁶⁹ The peasants thus portrayed themselves as fully integrated into a financial system in which the fiat coins dominated transactions. The delegation's statements were reinforced by grievances about their inability to pay for food and lodging in the capital with fiat coins. As no one would accept their money, they pleaded with the queen to aid them. They also admitted that they feared for their personal safety should they return home with a decision to default on the fiat coins.⁷⁰

Despite their attempts, the peasants were unable to gain support. The prevailing narrative that they had benefited from high prices meant that their demands could be dismissed as unjustified. The speaker of the nobility, Anders Leijonstedt (who had succeeded Per Ribbing after his death in April 1719), replied that they would have to "bite a sour apple" and accept a default: the other estates, who would also suffer losses, had agreed to a partial default since it was the only way to remove the fiat coins from circulation. Nobleman Germund Cederhielm Jr. remarked that if there were no default, the peasants would have to accept higher taxes for a long time in order to remove the coins from circulation.⁷¹ Although there were other groups in society and at the *Riksdag* who shared their views, including both noblemen and burghers, it was impossible for the peasants to build a political alliance to prevent a default.

When the news of the default reached the Council in late April, some members expressed concern that it would spark rebellion and uproar among peasants, soldiers, and other groups in the lower strata of society. They were also concerned about the ability to continue the war effort, and that the Council would be held responsible even if it did not receive sufficient resources from the *Riksdag*.⁷² Although representatives from the Secret Committee assured the councillors that resources would be available for both the army and the navy, financial difficulties

68. SNA, Sekreta utskottets protokoll 1719, vol. R2384, March 5, 1719.

69. SNA, Sekreta utskottets protokoll 1719, vol. R2384, April 9, 1719.

70. SNA, Sekreta utskottets protokoll 1719, vol. R2384, April 16, 17, and 21, 1719.

71. SNA, Sekreta utskottets protokoll 1719, vol. R2384, April 16, 1719: "bita uti et surt äple."

72. SNA, Det odelade kansliet, Rådsprotokoll vol. 128, April 22, 1719.

following the default stalled the navy's operations in 1719. No alternative means of payment to the fiat coins could be obtained, and the navy was unable to deploy its ships. As a result, the coastline from Gävle to Norrköping was ransacked and destroyed by Russian forces, including the town of Norrköping and several iron-works in Uppland.⁷³

Despite widespread dissatisfaction with the default among peasants, there were no major rebellions. But many voiced concern about the new parliamentary system. They complained that the weak role of the monarchy gave too much power to the nobility, meaning that the peasants could not make their voices heard. This had been proven, to their mind, by the peasantry's exclusion from the Secret Committee during the events of 1719, and the subsequent default on fiat coins. It was therefore no wonder that at the 1723 meeting of the *Riksdag* the peasantry presented plans to strengthen the king's political prerogatives and demanded that taxes be paid as during the war.⁷⁴ It could even be argued that the new parliamentary regime faced a crisis of legitimacy among the lower orders of society at the beginning of the 1720s.

Inequality Challenged and Restored

The flow of fiat money into the hands of the propertied part of the lower strata of Swedish society in the years 1715 to 1718 was a consequence of policies linked to the war. The determination of the royal regime to continue the conflict meant that large parts of the civilian workforce had to be mobilized. This was only made possible by the radical move to pay large sums to the peasants, artisans, and merchants who provided the military with services and commodities. These payments were the driving force behind the redistribution of resources investigated in this article. Taxation was also part of this process, as resources flowed from persons of rank, via the state, to peasants, artisans, and merchants. But it was the release of fiat money that proved conclusive.

As we have shown, this fiat money permeated the entire economy and reached all social groups. There were, however, strong concentrations of fiat coins in locations where the army and, to some extent, the navy, operated. The release of huge quantities of liquidity was not unique to Sweden. Britain and France also expanded liquidity to finance the contemporary War of the Spanish Succession and then to consolidate their public debts after the signing of the peace treaties. In Sweden, however, the relative amounts were larger and the population and economy smaller, meaning that the socioeconomic effects of the surge of liquidity were much more pervasive. Moreover, the release of fiat coins was never intended to restructure an existing debt, but to finance ongoing warfare. In some locations,

73. On the assurances, see SNA, Det odelade kansliet, Rådsprotokoll vol. 128, May 13, 1719. On the military situation, see Herman Wrangel, "Svenska örlogsflottan 1719 och dess förhållande till ryssarnes härjningar," *Historisk tidskrift* (1892): 103–46 and 289–330, passim.

74. Ericsson, *Stora nordiska kriget förklarar*, 75–277.

for instance the town of Borås or to a lesser degree the parish of Vingåker, the distribution of fiat money carried the potential to upset the prevailing social order. Though the inhabitants faced price increases, particularly in 1718, they were able to use their money in all types of economic exchanges until the fiat coins collapsed in value after the king's death. The overall outcome was quite exceptional in an early modern context, where it was extremely rare for a war to lead to a higher degree of economic equality.

As we suggested in our introduction, such developments are typically associated with warfare in the twentieth century. Industrialized wars demanded universal conscription, high levels of taxation, and the raising of large public debts. Postwar European societies retained high levels of taxation and public debt that assured government spending on welfare projects. The key difference is that after the Great Northern War, such developments in Sweden came to a sudden halt. Taxation was slashed, and the liquidation of the public debt began even before the war was concluded. As in the twentieth century, the lion's share of the public debt had been raised domestically and was held by a broad spectrum of the population. In Sweden, however, peasants and other low-ranking groups were largely deprived of their assets by the default of 1719. As the debates of the Secret Committee show, their holdings were overtly targeted by the representatives of the new regime. Furthermore, after the default, the nature of the liquidating process meant that there was a huge surplus of "assurance notes" in circulation. Their value plummeted, and the remaining assets of peasants and artisans flowed into the hands of merchants with very little compensation. In this way, the new government did not have to deal with large numbers of low-ranking creditors. Nor were the consequences for the state's future creditworthiness a concern. The staunch peace policy of the new regime meant that there were no plans to raise domestic loans from commoners in the foreseeable future. Instead, their preoccupation was to reimburse and compensate persons of rank for the economic distress suffered during the war.

The socioeconomic backlash against the previous regime's system of war finance was facilitated by the structure of Swedish politics. Even though the peasantry was represented as one of the four, in theory equal, estates at the meetings of the *Riksdag*, they were excluded from the Secret Committee where the important decisions were taken. Nor did the arguments formulated by the estate of the peasantry find any concrete support among the other estates. War weariness played a crucial role, and it became impossible to create a political alliance based on the monetary policies of the previous royal regime. The plight of low-ranking creditors shows that the mere existence of a representative body is not enough to protect the interests of government creditors, or, for that matter, the socioeconomic position of vulnerable groups.

Finally, economic discourse also mattered. The fiat coins were a variety of the type of money that we use today. They were based on trust and had no metallic value. However, at the *Riksdag* in the spring of 1719, there was a strong conviction that there was an essential difference between true and false money, and that it was imperative to reintroduce "true" coins. When this conviction was made official policy and the fiat coins branded as "false," a financial crisis ensued, and

the government's military capacity was curtailed. This course of events was easily predictable, even in the midst of heated debates—indeed, several representatives made this argument at the time. Nonetheless, for leading actors at the *Riksdag*, typified by the Ribbing brothers, it was more important to quash increased economic equality than to keep the military operational.

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