

DEBASEMENT DEBACLE

Swedish Fiat Fiasco

In dire financial straits after years of fighting, Sweden devalued its currency during the Great Northern War.

➤ At the age of 15, Charles XII became king of the Swedish empire. When he inherited the throne, Sweden ruled over large portions of the Baltic region and was on the verge of becoming a major force in Europe. Surrounding nations feared Sweden's growing power and wanted its land. Taking advantage of King Charles's young age, Denmark-Norway organized an anti-Swedish coalition. In 1700 Augustus II the Strong, king of Poland-Lithuania and elector of Saxony; Frederick IV, king of Denmark-Norway; and Peter I the Great, tsar of Russia, attacked Swedish territory in numerous locations, thus beginning the Great Northern War. The Swedes were victorious against Denmark-Norway and Russia, but the nation spent six

years fighting against the Poland-Lithuanian army. In 1706 Augustus II signed a treaty agreeing to remove himself from the throne and break the Poland-Lithuanian alliance with Russia.

Meanwhile, Peter the Great had spent this time rebuilding the Russian military. Charles XII resumed his attack on Russia in 1707, only to be defeated in several battles. He fled to Turkey for protection and successfully persuaded the Turkish military to fight Russia. After the Turks defeated the Russians, they signed a peace treaty and withdrew from the war, much to the Swedes' dismay.

▼ At the start of the Great Northern War, Sweden ruled over key territories in the Baltic region. Issued in 1715, the cronan depicts the Swedish crown. Not Actual Size



Years of fighting had taken its toll financially, and Sweden had depleted its money supply. To fund the war and restore wealth to the royal treasury, Swedish diplomat and chief minister Georg Heinrich von Görtz, baron of

Schlitz, debased Swedish currency. Under Görtz's direction, the Swedish mint drastically reduced the size of the *daler* and struck copper pieces that were given a nominal value of 1-daler silver. All silver coins in circulation were collected by the government, which replaced them with the copper *nödmynt* ("emergency money") and promised to exchange them at face value in the future.



▲ The second token issued by the Swedish government during the Great Northern War was the Publica Fide design.

Not Actual Size

With the devaluation, the Swedish government made an immense profit and replenished some of its monetary supply. Swedish dalers issued in copper *platmynt* ("plate money") or in silver possessed real intrinsic value and cost much more to produce than the new *nödmynt*. A typical silver daler was worth 32 öre; the new copper piece possessed a fraction of that value. In other words, Görtz's daler was a token rather than a coin.

A royal warrant issued in March 1715 mandated the coining of the fiat dalers at Sweden's Stockholm mint. Provisions in 1716, 1717, 1718 and 1719 authorized the production of different designs. The *cronan* ("crown") Görtz daler was struck in 1715. It contained $3 \frac{6}{10}$ g of copper, which was less than a half-percent of the 771g copper *silvermynt* daler *platmynt* of 1715. Cronans were

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recalled by the government to be redeemed by government bonds or smaller notes. The value of the tokens was lowered from 1 daler silvermynt to 3 öre kopparmynt (1 öre silvermynt).

The augmented warrant of 1716 mandated the minting of the Publica Fide (“Public Trust”) design at a mintage of 3,808,600 and a weight of 7 ²/₁₀g copper. The 1717 warrant directed the Stockholm mint to produce 9,059,000 tokens of the new Wett Och Wapen (“Sense and Weapon”) design. It also lowered the weight of the fiat dalers to 4 ¹/₂g of copper; all Görtz dalers struck in 1717-19 weighed 4 ¹/₂g. The Publica Fide pieces were exchanged for the Wett Och Wapen tokens in 1718, and the value of the 1716 pieces was lowered to 4 öre kopparmynt, but was then raised to 6 öre kopparmynt (2 öre silvermynt).

In 1718 six designs were struck

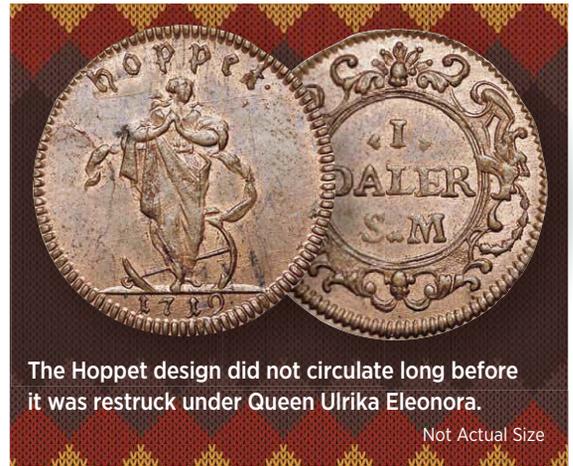
with various mint-ages: Flink Och Färdig (“Quick and Ready”), 7.368 million; Jupiter, Saturnus, Phoebus and Mars, 3 million; and Mercurius, 6 million. The Wett Och Wapen pieces were recalled for exchange for the 1718 pieces until April 1719. The six 1718 tokens were billed for withdrawal in April 1719, at which time they could be redeemed for 16 öre silvermynt. The Swedish treasury, however, had insufficient silver to redeem the tokens, so it exchanged them for 2 öre silvermynt and 14 öre in paper money. Later inflation in paper money caused the tokens’ redemption value to decrease to 1 öre per daler. After the deadline for redemption, the crown dalers were worth 1 öre kopparmynt, and the rest were worth 2 öre kopparmynt.

The last augmented royal warrant was issued in 1719 for minting 1.5 million pieces of the Hoppet (“Hope”) design. Hoppet tokens were never allowed their stated value, as their value was placed at 2 öre silvermynt after having been struck. An 11th daler design was produced but was

never struck for circulation.

The baron was beheaded three months prior to the striking of the Hoppet tokens as a result of unproven accusations unrelated to coinage depreciation. After the death of King Charles, Ulrika Eleonora assumed the Swedish throne and ordered the redenomination of the Görtz dalers at 1 or 1/2 öre kopparmynt.

The Great Northern War ended in defeat for Sweden. The country spent a large amount of money to finance its military and was forced to give up some of its territory. Although the conflict is a low point in Sweden’s history, it provides the numismatic community with a unique opportunity to remember this tragic episode. Through its nödmynt, the loss and hardship of the Great Northern War will never be forgotten by collectors. —**Gabe Workman**



The Hoppet design did not circulate long before it was restruck under Queen Ulrika Eleonora.

Not Actual Size



This 1718 Flink Och Färdig (“Quick and Ready”) piece depicts a warrior with a lion companion. Not Actual Size

THIS MONTH IN HISTORY

A LOOK BACK

The United Kingdom adopted the decimal system on February 15, 1971.

➤ On February 15, 1971, Britain’s currency of hundreds of years was made obsolete overnight when the United Kingdom switched to the decimal system. New denominations were issued in multiples of 10 and 100. Previously, 12 pennies equaled a shilling and 20 shillings equaled a pound. Under the simplified system, the pound consisted of 100 pence.

France and the United States had embraced decimalization nearly 200 years earlier. Britain first considered

adopting the new system in the 1820s, but to no avail. The introduction of the florin (worth 24 old pence, 10 new pence) in 1849 made decimalization seem like a remote possibility, but the decision to abolish the traditional monetary system was not made until 1966. Because the transition of currencies was gradual, the process was not officially completed until five years later. The sixpence (worth 2.5 pence) continued to circulate for another nine years after a public campaign to keep it, but it too came to an end in 1980. Shown here is a 1743 George II sixpence.



Not Actual Size