

# POSTAL ROUND TRIP TO AMSTERDAM. THE PRIVATE ENTREPRENEURSHIP WITHIN THE SWEDISH POSTAL ORGANIZATION IN 1716

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In the winter of 1715, the Swedish Baltic Empire lay in ruins. Since the defeat of the army at Poltava in 1709, all the provinces outside the Swedish heartland had fallen into the hands of enemy troops. Even Finland was occupied by the Russians. When the Swedish King Charles XII landed in Ystad, in the south of Sweden, he had many problems to deal with.<sup>1</sup> One of the most urgent ones was to establish a postal route to the rest of Europe. With the country surrounded by enemies, all the postal routes to the outside world were cut off. The Government was in desperate need of information from Europe, and eager to get in contact with the few remaining allies of the Swedish Crown.

This article is a case study of the organization of the Swedish postal route to Europe in 1716. In that year, the correspondence was sent via a postal route by sea between Gothenburg (Göteborg), on the Swedish west coast, and Amsterdam, in the Netherlands. The administration of the postal traffic was given to a private consortium of eight merchants. With privilege from the king, they were given full responsibility for the only state-organized, and publicly run, postal route from Sweden to the rest of the world in 1716.

The literature on the Swedish postal service in the seventeenth and eighteenth centuries has mostly dealt with its internal organization. This is

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<sup>1</sup> After the Battle of Poltava in 1709, and the following capitulation of the army, Charles XII fled to Bender, Turkey. There he stayed for four years, making unachievable plans for a joint operation with the Turks against the Russians. During this period, the king ruled Sweden by mail correspondence with the Council in Stockholm. A brief introduction to Swedish history during the seventeenth and early eighteenth century can be found in Paul Douglas Lockhart, *Sweden in the Seventeenth Century* (Basingstoke: Palgrave Macmillan, 2004). The military development and its consequences for the region are covered in Robert I. Frost, *The Northern Wars: War, State and Society in Northeastern Europe, 1558–1721* (Harlow: Longman, 2000).

similar to the majority of the research about the postal services in Europe, and the rest of the world, which has mainly focused on the development in particular countries. These studies have mostly tried to explain the background to the emergence of the post, and after that, the ongoing organizational development.<sup>2</sup> From such a perspective, the postal route from Gothenburg in 1716 is a peripheral event, especially since it only lasted for half a year. However, if we analyze it at a more abstract level, separated from its practical solution, the organization of the postal route can be seen as an attempt to introduce a different economic and organizational policy into the Swedish Government. This policy, summarized further down in the text, called, among other things, for the participation of private merchants. It is divergent to the common way of solving the Crown's affairs at this time, and the solution with the merchants is to be viewed as an attempt to use private capital to solve state affairs.

In this article, it will be argued that the postal route from Gothenburg to Amsterdam in 1716 was a direct outcome of the military pressure put on the Swedish state in the winter of 1715. The isolation of the country called for extreme measures. It will also be argued that the postal route can be seen as a large-scale change in the economic policy advocated by the Swedish Crown. The use of a private consortium for the mail transportation is, in fact, a return to an older form of financing state affairs. This second explanation shall be viewed as a hypothesis of a partly new and tentative way of looking at the reform policies of the latter part of the reign of Charles XII. Very little research has been done on the economic and organizational changes in comparison with the massive amount of research about the king's wars and major policies. For that reason, our understanding of the Swedish civil administration in the final part of the Great Northern War (1700–21) is still incomplete.

<sup>2</sup> Examples of the literature on the development of postal services are Teodor Holm, *Sveriges allmänna postväsen: ett försök till svensk posthistoria*, vol. I–V (Stockholm: Postverket, 1906–1929); Nils Forssell, *Svenska postverkets historia*, vol. I–II (Stockholm: Kungl. General-poststyrelsen, 1936); Otto Madsen, *Et nyttigt og gavnligt Postværk: Pø-Ts historie til 1711* (Copenhagen: Generaldirektoratet for Post- og Telegrafvæsenet, 1991); Finn Erhard Johannessen, *Alltid underveis: Postverkets historie gjennom 350 år, 1647–1920* (Oslo: Elanders, 1997); Wolfgang Behringer, *Im Zeichen des Merkur: Reichspost und Kommunikationsrevolution in der Frühen Neuzeit* (Göttingen: Vandenhoeck & Ruprecht, 2003); Philip Beale, *A History of the Post in England from the Romans to the Stuarts* (Aldershot: Ashgate Publishing, 1998); Richard R. John, *Spreading the News: The American Postal System from Franklin to Morse* (Cambridge, MA: Harvard University Press, 1995). All of these authors focus on the development in their separate countries or land areas. No syntheses of the European development of written communications, transported via postal organizations, have been written so far.

Seen from that perspective, the postal route to Amsterdam is an interesting organizational exception that raises many questions. How shall we understand the unusual form that was chosen for the postal route? Why were private merchants engaged to solve the problem of mail transportation? In Sweden, the development of the postal service was closely linked to the state administration and the postal system was foremost arranged to suit the requirements of the Crown.<sup>3</sup> Another interesting question is whether the postal route to Amsterdam was an attempt to test new forms of organization for the Swedish Post Office intended to be developed in the whole organization later on?

### *Instructions for a new postal route*

Traditionally, the Swedish postal service used two alternatives for the mail correspondence to Europe: the postal road via Denmark, used since the Middle Ages, and the sea route from Ystad to Stralsund on the northern coast of Swedish Pomerania, established in the 1680s. The military situation, with the Swedish heartland surrounded by enemies, made both these postal routes unusable. When Charles XII landed in Sweden in the winter of 1715, one of his first measures was to reopen the postal routes to the rest of Europe. From his quarters in Ystad, he sent a letter to the Governor of Gothenburg, Carl Gustaf Mörner, with orders to have the postmaster in the city supply some postal yachts for Holland.<sup>4</sup> Later on the same day, the king sent a second letter to Mörner, instructing him to organize the aforementioned postal route with the help of some private persons. The king also sent a letter to the Chancery Board in Stockholm, letting it know about his orders to Mörner and instructing it to take measures to organize the postal route.<sup>5</sup> The king's second letter to Mörner reads:

As we find it necessary to arrange the foreign mail from Gothenburg to Holland, and as we think it is best that it will be done through some private persons, who can investigate and arrange the postal yachts, therefore, it is our gracious command that you seek to arrange a lease contract with someone in Gothenburg, by which the same person under

<sup>3</sup> See Magnus Olsson, "The development of the Swedish post office: A historical overview of the postal organization c. 1600–1721", *The Swedish Empire and the Baltic Postal Experience in the 17th and Early 18th Centuries*, ed. by Heiko Droste & Kekke Stadin (Huddinge: Södertörns högskola, forthcoming, preliminary title).

<sup>4</sup> Riksarkivet [RA], The government's registry (RR), Kanslikollegium, inkomna Kungl. Maj:t brev, allmän serie 1711–1718, vol. E1a:6, Letter from Charles XII to Governor Mörner, 16 December 1715.

<sup>5</sup> RA, Letter from Charles XII to the Chancery Board, 16 December 1715.

certain privileges and advantages will take on the investigation of the postal yachts and at least once a week send one to Holland.<sup>6</sup>

Mörner is accordingly instructed to find private persons in Gothenburg who are willing to take on the organization and operation of the postal route. These private persons would be rewarded with some kind of privileges from the king. In his orders to Mörner, it is not clear what these will be. The aim of the king's orders seems to be clear, though. If some private persons in Gothenburg could organize the postal route, the Crown would have reopened the postal routes to Europe without having to pay for it. This way of financing state affairs seems to fit in with the changes in the economic policy advocated by the king and his advisers.

After the Scanian War (1675–79), Sweden enjoyed the longest era of peace in the seventeenth century. During this period, the Crown's finances were strengthened due to economic reforms and the reduction of fiefs from the nobility. All in all, the Crown's financial apparatus was in relatively good shape when the Great Northern War broke out in 1700. The reform period beginning in the 1670s was influenced by so-called German cameralism. This was an economic theory, first developed in the 1650s, that was marked by its focus on the role of the state and its efforts to enhance the productivity. The origins of these ideas were foreign, and the Austrian Wilhelm von Schröder has been described as one of the theorists who most influenced the Swedish administrators.<sup>7</sup> Cameralism has some elements in common with mercantilism, but differs in the way that it was used as a concept by its contemporaries. It is more of a social system, with its main focus on the well-being of the people, provided by a strong state authority.<sup>8</sup>

From the beginning of the war, in 1700, the economic strategy practised by the Swedish Crown had the sole purpose of financing the war. Up to 1709, this was very much done with the help of the existing administration. Given the development in the previous decades, the economic policy had been turned into a state-controlled economy, following the legacy of the cameralistic

<sup>6</sup> RA, RR, Letter from Charles XII to Governor Mörner, 16 December 1715.

<sup>7</sup> Cameralism is described in detail in Stellan Dahlgren, "Karl XI:s envælde – kameralistisk absolutism?", *Makt & vardag*, ed. by Stellan Dahlgren, Anders Florén and Åsa Karlsson (Stockholm: Atlantis, 1993), 113–132; Åsa Karlsson, *Den jämlike undersåten: Karl XII:s förmögenhetsbeskattning 1713* (Uppsala: Uppsala universitet, 1994), 62–66; about Schröder, Daniel Almqvist, "Feifs finansiella reformer och Wilhelm von Schröders 'Fürstliche schatz- und rent-cammer'", *Karolinska förbundets årsbok 1922* (Lund: Karolinska förbundet, 1923), 233–253. For a different view on cameralism and its importance to the economic theory, see Eli F. Heckscher, *Mercantilism* (London: Routledge, 1935; repr. 1994), vol. II, 263.

<sup>8</sup> Dahlgren, "Karl XI:s envælde", 118–121.

influences. Because of that, the war was initially financed without access to foreign capital and by using the state's own resources.<sup>9</sup> The financial policy during the reign of Charles XI had been turned into what can be described as state capitalism. Radical changes had been implemented towards state-controlled export and price regulations. It was also characteristic that foreign moneylenders ceased to provide the Swedish state with loans.<sup>10</sup>

After the Battle of Poltava the Crown's finances faced an unprecedented challenge. A new field army had to be recruited and great financial pressure was put on the country. The period from 1709 up to the king's death in 1718 is, therefore, characterized by a new period of financial and organizational reforms. Most of them, if not all, focused on generating more money to carry on the war.<sup>11</sup> The introduction of a property tax in 1713, viewed as strongly influenced by Schröder's works,<sup>12</sup> the new ordinance for the Chancery in 1713, and the ordinance for the merger of the postal service and the innkeepers in 1718 are the examples of this.

From 1714, the economic leadership in Sweden was marked by the king's close collaboration with the Holstein baron Georg Heinrich von Goertz. At this time, the resources of the Crown to finance the war were virtually depleted. The economic organization developed in the second half of the seventeenth century had concentrated the economic tools in the hands of the Crown. The introduction of the property tax in 1713 is a good example of this. When this form of financing did not suffice, other ways of generating money had to be used. Goertz wanted to improve the finances with the help of a large bond loan, with security in the Crown's income. This idea required the participation of merchants who, with a good supply of capital, could easily contribute with money. The whole idea failed in its initial design, even before it was implemented, mostly due to the merchants' unwillingness to participate in its organization. Nonetheless, loans became the dominant solution for the Swedish Crown to cover its costs. The strategy increased the national debt and when the king died in 1718, the debt of the Swedish state was estimated at sixty-five million silver dalers.<sup>13</sup>

<sup>9</sup> James Cavallie, *Från fred till krig: de finansiella problemen kring krigsutbrottet år 1700* (Uppsala: Uppsala universitet, 1975), 101.

<sup>10</sup> Eli F. Heckscher, *Sveriges ekonomiska historia från Gustav Vasa. Före frihetstiden*, 2 vols. (Stockholm: Bonnier, 1936), 288.

<sup>11</sup> Karlsson, *Den jämlike undersåten*, 78–83; Gösta Lindeberg, *Svensk ekonomisk politik under den Görtzska perioden* (Lund: Lunds universitet, 1941), 3–5.

<sup>12</sup> Almqvist, "Feifs finansiella reformer", 233–253; Karlsson, *Den jämlike undersåten*, 24–25.

<sup>13</sup> Lindeberg, *Svensk ekonomisk politik*, 372–373; Jan Lindegren, "Karl XII och det totala kriget", conference paper from a session at Svenska historikermötet 2005 (Uppsala,

Nevertheless, Goertz's ideas have similarities with the organization of the postal traffic from Gothenburg to Amsterdam. Also here, private merchants were needed to organize the affairs of the Crown. To finance the postal route, Charles XII engaged private merchants – people with capital and means to start the traffic. A plausible hypothesis is that this way of organizing the postal route in 1716 has the same background as the changes in the larger economic and organizational policy advocated by the king and his advisers. When the state-controlled economic policy failed due to the war, the use of private capital was a way out of the crisis. In one way, this was a return to older forms of economic thinking. In the previous century, “war by credit” had been the traditional way for the Swedish Crown to finance its wars. As in most European states the use of mercenaries and private armies was the standard way of financing military campaigns during the first half of the seventeenth century.<sup>14</sup> The method of using private entrepreneurs is also found in the previous system of tax farming in the early 1600s, used throughout Europe. Also then, the Crown's need for ready money led to the involvement of private merchants.<sup>15</sup>

With his letters to Mörner, the king had taken almost the same actions as his state administrators in Stockholm had done. The Chancery Board discussed the problem of the postal isolation during the autumn of 1715. Just three days before the king's letters to Mörner, the Board, through the general director of the Swedish Post Office, Henrik Bunge, sent a circular to the country's post offices. In the letter, the administration of the Post Office informed its postmasters that a postal route should be established between Gothenburg and Holland. The post should leave Gothenburg once a month, and the postmasters were instructed to forward their foreign mail to the

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2005), <[http://www.hist.uu.se/historikermote05/program/sta\\_na\\_mil](http://www.hist.uu.se/historikermote05/program/sta_na_mil)>, (30.5.2008). In 1718, the total budget of the Crown was thirty-five million dsm.

<sup>14</sup> The system of armies organized by private military entrepreneurs are discussed in David Parrott, “Cultures of Combat in the Ancien Régime: Linear Warfare, Noble Values, and Entrepreneurship”, *The International History Review*, 27:3 (Toronto: University of Toronto Press, 2005), 526–527; Hans Landberg, “Krig på kredit. Svensk rustningsfinansiering våren 1655”, *Det kontinentala krigets ekonomi: studier i krigsfinansiering under svensk stormaktstid*, ed. by Landberg, et al. (Stockholm: Stockholms universitet, 1971), esp. 136–141; Sven A. Nilsson, “Kriegsfinanzierung während der schwedischen Grossmachtzeit”, *Det kontinentala krigets ekonomi: studier i krigsfinansiering under svensk stormaktstid*, ed. by Landberg et al. (Stockholm: Stockholms universitet, 1971), 453–479.

<sup>15</sup> Mats Hallenberg, *Statsmakt till salu: arrendesystemet och privatiseringen av skatteuppbörden* (Lund: Nordic Academic Press, 2008), 53; Margaret Levi, *Of Rule and Revenue* (Berkeley: University of California Press, 1988), 95–121.

post office in Gothenburg.<sup>16</sup> Three days later, Bunge sent a letter to inform the Swedish commissioner in Hamburg, Barthold Huswedel, that all of the mail to Sweden would be sent by sea from Amsterdam to Gothenburg.<sup>17</sup>

The idea of a postal route from Gothenburg to Amsterdam was not entirely new. During the Great Northern War, the postal routes to Sweden were frequently interrupted. As an example, Swedish warships during 1709 transported mail from Gothenburg to the mouth of the Weser River in the North Sea. In the same way, mail was transported on a Crown vessel from Gothenburg to Holland in 1711. Both of these communication lines were unreliable.<sup>18</sup>

The king and his Chancery Board had, thus, independently it seems, been planning similar solutions to the postal problems. The king was a bit more optimistic in his plans with a post yacht leaving Gothenburg once a week, whereas the Board planned for one yacht a month. In his letters to Mörner, Charles XII assigned the commissionaire secretary in The Hague, Joakim Fredrik von Pries, responsibility for the letters when they arrived in Holland. In the Board's plans, the merchant Adrian Werwer was assigned to take care of the letters in Holland. At their meeting on 31 December 1715, the Board decided to write to the king and inform him of its measures to enhance the postal routes from Gothenburg.<sup>19</sup>

The result of the efforts in 1715, however, was that the Chancery Board revised its plans to follow the king's orders. The Board concluded at its meeting on 3 January 1716 that the postal route should be started and that Commissionaire Secretary von Pries in The Hague was to be given orders to "not only arrange about the conveyance of the letters, each to its city, but also inform his Majesty's servants abroad about it [the postal route via Amsterdam]".<sup>20</sup> At the same time, the Board decided to transfer a sum of five hundred silver dalers to von Pries for "the payment of the postage rates".<sup>21</sup>

<sup>16</sup> *Såsom Kongl. Cantsselij Collegium har för godt funnit at låta inrätta en Siöpost emellan Gjötheborg och Amsterdam...*, circular from the general postmaster, 19 December 1715 (Stockholm, 1715).

<sup>17</sup> RA, Överpostdirektören, huvudarkivet, registratur, vol. BIA: 17, 1715–1716, Letter from the general director of the Post Office to Commissioner Huswedel, 22 October 1715.

<sup>18</sup> Johannes Rudbeck, *Svenska postverkets fartyg och sjöpostförbindelser under tre hundra år* (Stockholm, 1933), 282–288.

<sup>19</sup> RA, Kanslikollegium, renskrivna protokoll, allmän serie, vol. AIIa: 26, 1715, Protocol, 31 December 1715.

<sup>20</sup> RA, Kanslikollegium, renskrivna protokoll, allmän serie, vol. AIIa: 27, 1716, Protocol, 3 January 1716.

<sup>21</sup> *Ibidem*.

### *The contract with private entrepreneurs*

During the spring of 1716, eight merchants in Gothenburg showed an interest in taking on the postal traffic. It must be assumed that their initial contact was with Governor Mörner, who on behalf of the king was to organize the postal route. The merchants, or the “entrepreneurs”, as they were called, put together a project for the postal route between Gothenburg and Amsterdam.<sup>22</sup> In June, Mörner forwarded the project to the king, together with a memorandum from the entrepreneurs. In the memorandum, the merchants declared that they were willing to organize the postal route, if the king would grant them certain privileges:

In view of the great expenses, which will be necessary, we like to have his majesty’s gracious confirmation about the project that we in great humbleness enclose and that express what is our duty and what terms we must have if the enterprise shall be established.<sup>23</sup>

Charles XII accepted most demands put forward by the entrepreneurs, and about a month later, on 23 July, he issued a confirmation of the project. The confirmation letter was in the form of a royal ordinance and was also printed and sent to the post offices. Altogether it consists of eleven paragraphs, regulating the postal traffic between Gothenburg and Amsterdam.<sup>24</sup>

The main point of the confirmation is that the entrepreneurs assumed total responsibility for all of the costs involved in the postal traffic. In the first paragraph, it says that four yachts were to be used for the traffic, one of them leaving Gothenburg every tenth day, weather permitting. The entrepreneurs were also granted a permit to open their own post office in Gothenburg to administrate the foreign mail, and they were allowed to charge postage rates for the letters sent by yacht. This also concerned the privilege of the letters free of postage, a case of constant abuse during the time period.<sup>25</sup> The confirmation letter also brings together the sea mail with the internal postal service. In the eleventh paragraph, the gen-

<sup>22</sup> The eight merchants were Hans von Gerdes, Peter Tillrooth (ennobled Göthenstierna), Frans Schröder, Willhelm von Uthfall, Johan Andreas Olbers, Mathias Schilldt, Jacob Sahlgreen, and Hans Olofsson Ström.

<sup>23</sup> RA, Kollegiers m. fl. skrivelser till Kungl. Maj:t, Generalguvernörer till Kungl. Maj:t, Göteborgs-Bohuslän, vol. 1, Memorandum from the entrepreneurs, enclosed with the letter from Governor Mörner to Charles XII, 21 June 1716.

<sup>24</sup> *Confirmation Uppå Entreprenneurernes Project, till Påsternes fortskaffande emellan Giötheborg och Amsterdam* (Stockholm: Kongl. tryckeriet, 1716).

<sup>25</sup> Magnus Olsson, “Missbruket av fribreven inom det tidiga svenska postväsendet: den svenska posten som en del i moderniseringen av den karolinska staten”, *Karolinska förbundets årsbok 2006* (Stockholm, 2006), 7–22.

eral postmaster of the Post Office is ordered to assist the entrepreneurs by letting all the postmasters in the country know how they should proceed with the foreign mail. In a circular, the general director obeyed the will of the king, and an extract of the confirmation letter was later printed and sent to the postmasters.<sup>26</sup>

On the whole, the confirmation letter is mainly about the practical means of the postal route. In fact, the entrepreneurs wanted the king to extend his privilege to at least three more paragraphs, which, however, were not included in the final confirmation. The project sent to the king by Mörner is only partially preserved, although it is possible to reconstruct its full contents from the king's reply sent to Mörner a month later. Charles XII writes that "we have gracefully given our consent to the greater part of the mentioned terms".<sup>27</sup> However, the king could not accept the entrepreneurs' wish to have the postage paid in silver daler. "Concerning the postage rate we will not agree to any exceptions, they shall use those Royal coins, which are common in the realm".<sup>28</sup> This request by the merchants is most likely due to the issue of emergency coins during the war. After Poltava, the king decided to produce extra sheets of copper, in an attempt to concentrate more money in the hands of the Crown. During the Goertz period, this practice turned into the coining of regular emergency coins, of which the first – the "kronan" – was on the market in the spring of 1716. The entrepreneurs most likely wanted their postage rates paid in ready money, instead of the emergency coins.<sup>29</sup>

Furthermore, the entrepreneurs asked to be privileged with the import of twisted tobacco. The king could not allow that, and writes: "we can neither give consent to the request that twisted tobacco will not be imported at any harbour on the western sea with ships other than the postal yachts".<sup>30</sup> Finally, the entrepreneurs asked the king, because the postal yachts were to be exempt from documents according to the Swedish privateer ordinance issued by the Crown, to absolve the yachts from all claims by any priva-

<sup>26</sup> RA, Överpostdirektören, huvudarkivet, registratur, vol. BIA: 17, 1715–1716, Letter from the general postmaster to some post offices, 10 August 1716; *Extract utaf Kongl. Maj:tz Nådige Confirmation, Uppå Entreprenneurernes Project, angående Postens inrättande emellan Giötheborg och Amsterdam. dat. Högwarteret Norby den 23. Julii 1716* (Stockholm: Kongl. tryckeriet, 1716).

<sup>27</sup> RA, RR, Letter from Charles XII to Governor Mörner, 23 July 1716.

<sup>28</sup> *Ibidem*.

<sup>29</sup> Lindeberg, *Svensk ekonomisk politik*, 15–16, 19–20; Almqvist, "Feifs finansiella reformer", 210; Bertel Tingström, "Görtz' Caroliner", *Karolinska förbundets årsbok 1997* (Stockholm, 1999), 104–114.

<sup>30</sup> RA, RR, Letter from Charles XII to Governor Mörner, 23 July 1716.

teers. Nor did the king approve this paragraph. He concludes his letter: “we assume gracefully that the entrepreneurs, despite the changes we have made to the project, shall be willing to take on the mentioned sea post”.<sup>31</sup>

In spite of the king’s rejection of the proposals for the three paragraphs, the only ones not concerning the practicalities of the postal traffic, the entrepreneurs launched the postal route in the early autumn of 1716. Apparently, the eight men had intended to make profits on trade and business, parallel to the postal traffic. Even though the king rejected their requests for the privileges, they probably saw some potential to make money on the postal traffic itself. The source material from the traffic is fragmentary, and in the beginning the entrepreneurs most likely did not have any postal yachts to use. According to the Swedish postal historian Johannes Rudbeck, the postal route was started with the help of merchant ships, sailing from Gothenburg to Amsterdam.<sup>32</sup>

For some reason, Charles XII was not satisfied with the entrepreneurs. In a letter to Governor Mörner on 6 November 1716, hardly five months after signing the confirmation, the king cancelled the contract. In the letter, he says that the entrepreneurs “have failed in several parts so that we have found it necessary to cancel the contract and arrange for the letters in a different way”.<sup>33</sup> The king does not say explicitly which of the entrepreneurs’ failures he is referring to. Neither have we any clues to how the postal route was to be organized later on, nor how the problem of mail correspondence was solved. A hypothesis is that various sea routes across the Baltic Sea soon came into operation again. Despite that, it is hard to figure out why the king stopped the private postal route to Amsterdam. According to the abovementioned sources, the postal traffic did not cost the Crown any money and, as far as we know, it seems to have worked.

The king ordered Mörner to inform the entrepreneurs of the cancellation of the contract. Later, in December the following year, the king wrote to the Chancery Board, and asked it to sort out the financial matters for the postal route run by the entrepreneurs. Charles XII wanted the eight merchants to “show whether they have fulfilled the contract, and if they are not able to do so, they shall send a full account of their expenditures to the post office, so that we gracefully will remunerate their actual costs”.<sup>34</sup> This proved not to be one of the easiest things to do. The issue was fre-

<sup>31</sup> RA, RR, Letter from Charles XII to Governor Mörner, 23 July 1716.

<sup>32</sup> Rudbeck, *Svenska postverkets fartyg*, 293.

<sup>33</sup> RA, RR, Letter from Charles XII to Governor Mörner, 6 November 1716.

<sup>34</sup> RA, Kanslikollegium, inkomna Kungl. Maj:t brev, allmän serie 1711–1718, vol. E1a:6, Letter from Charles XII to the Chancery Board, 18 December 1717.

quently discussed by the Board in the following year, and, finally, at the meeting on 18 October 1718, the Board agreed that it would issue a fine of two hundred silver dalers if the entrepreneurs did not produce a record of their accounts.<sup>35</sup> However, this threat did not reach the entrepreneurs before they had sent in their papers, which reached the Chancery Board on 25 October. The accounts, dated 20 October, reported on the collected postage rates and the expenses paid by the entrepreneurs. Concerning the surplus of the business, the entrepreneurs were willing to let the king keep the money: “the entrepreneurs declared themselves willing to give up to his majesty what they could have to claim for postage rates from various persons”.<sup>36</sup> Whether the postal traffic generated a surplus, or if the entrepreneurs were accountable to the Crown, is partly shrouded in mystery.<sup>37</sup> Rudbeck, who cites the accounts, says that the postal traffic lasted between 23 July and 19 November 1716. This would have generated a surplus for the entrepreneurs of 1,511 silver dalers. The disagreement about the figures ended in 1721, according to Rudbeck, resulting in the entrepreneurs not having to pay the surplus to the Crown.<sup>38</sup>

The private postal traffic between Gothenburg and Amsterdam, thus, ended after only five months. The shape of the entrepreneurial organization, stated above, leads us to a couple of conclusions. The first one, and the most obvious, is that the war was the primary reason for the organization with the private consortium of merchants. The Swedish state administration was, in the winter of 1715, put under enormous pressure, and the only way of getting in contact with the Continent was to use ships sailing from Gothenburg. This could, of course, have been done by using Crown vessels and navy personnel. Nevertheless, the starting time for a state-organized postal route would have been much longer. With the help of the entrepreneurs, the postal traffic could start sooner and at a cheaper price than the Crown could arrange.

<sup>35</sup> RA, Kansli Collegium, renskrivna protokoll, allmän serie, vol. AIIa: 29, 1718, Protocol, 18 October 1718.

<sup>36</sup> RA, Kansli Collegium, renskrivna protokoll, allmän serie, vol. AIIa: 29, 1718, Protocol, 25 October 1718.

<sup>37</sup> I have not been able to locate the accounts in the archives. There are several clues in the sources of how the accounts were sent back and forth within the administration. The paper itself is, however, missing. Rudbeck has copied parts of it for his book; therefore, it must have been available in the RA in the 1930s. One reason for my failure to find the accounts might be that the main archive for the Swedish Post Office (Överpostdirektörens arkiv) was reorganized in the 1980s.

<sup>38</sup> Rudbeck, *Svenska postverkets fartyg*, 294–295.

The use of private entrepreneurs may be viewed in a wider European context. In this case, the Swedish solution in 1716 reflects the ways the postal traffic was organized on the European continent. Private postal systems were a common form of organization, particularly in the northern parts of the Holy Roman Empire. As an example, the postal system in the city of Hamburg was organized with the help of private merchants. The Swedish Crown was familiar with the Hamburg post since the early 1600s. Considering the Swedish involvement in the German wars in the 1630s, this way of organizing the post must have been well known to the Swedish administrators. A private postal system was also arranged in the Swedish Baltic provinces Livonia and Estonia during the 1630s and 1640s.<sup>39</sup>

Yet another answer would be that the administration used the private entrepreneurs to test new forms of organization for the postal service. In one way, the postal route from 1716 is a harbinger of the ordinance of the merger of the postal service and the innkeepers in 1718. The ordinance introduced a completely new postal system, and, like the entrepreneurial organization in 1716, it focused primarily on private enterprise. It shifted the responsibility for the mail transportation from the Swedish peasantry to the innkeepers. They would arrange for the transportation together with passenger traffic. The reform was never implemented due to the death of the king.<sup>40</sup>

I would suggest a hypothesis that the organization of the postal route in 1716 is an expression of a change in the economic and organizational policy implemented in Sweden from 1709 onwards. After the Battle of Poltava, Charles XII and his collaborators reformed the state administration to generate more money for the war. When the Crown's own resources did not suffice, new steps had to be taken and the policy of a state-controlled economy had to be partly abandoned. A leading principle in these changes was to lay hands on the capital of private merchants, both in Sweden and abroad. Goertz's plan for a big bond loan has been mentioned, and shows the more general idea of the change in the economic policy. The main

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<sup>39</sup> About the postal system in the Holy Roman Empire, see Behringer, *Im Zeichen des Merkur*. The private post in Livonia and Estonia are described in Enn Küng, "The attempts to establish private postal system in the Swedish Baltic Sea provinces in the beginning of the 1630s", *Sõnasse püütud minevik: honorem Enn Tarvel*, ed. by Priit Raudkivi and Marten Seppel, (Tallinn: Argo, 2009), 178–189. About Hamburg in Gerhard Ahrens, "Das Botenwesen der Hamburger Kaufmannschaft (1517–1821)", *Archiv für deutsche Postgeschichte*, 1 (1962), 28–42.

<sup>40</sup> The ordinance of 1718 is described in Forssell, *Svenska postverkets historia*, vol. I, 146–154.

object was to involve the merchants and private enterprises to contribute money to the Crown.<sup>41</sup> Partly, this policy is a return to an older form of financing state affairs. The way of giving privileges to private persons for executing certain tasks for the Crown was well known since feudal times. Likewise, as earlier stated, this policy has similarities with the financing of the Swedish wars in the seventeenth century.<sup>42</sup>

However, there are more explicit comparisons to be made with the postal route in 1716. One is the sea customs paid by the foreign trade on the Swedish sea routes. In 1714, Charles XII decided that the sea customs should be leased to a private entrepreneur. In his orders, sent from Stralsund, the king wanted the Treasury Board to find “entrepreneurs that every year in advance can pay the sum of the leasehold receipts”.<sup>43</sup> The inflexible rules of the customs rates made the business unprofitable, though, and no one showed interest in the contract. In 1718, the rules were changed, and the general director of the sea customs, Johan Ehrenpreus, signed a lease.<sup>44</sup> Concerning the chosen method of organization, the sea customs and the postal route show the same pattern and can both be viewed as expressions of a change in the economic policy.

One reason why the entrepreneurial postal route and the lease of the sea customs did not work out in the favourable way that the Government had planned might be the changed form of the leases. The use of leases in search of more money for the Crown had been tested in Sweden long before the 1710s. A good example is the tax farming during the reign of Gustav Adolf in the 1630s. At that time, the lease generated a quick cash contribution to the Crown.<sup>45</sup> In the 1710s, the leases had taken the form of the anticipation of future taxes. These advances were lengthening more and more, with the obvious result that the total sum of money did not increase.<sup>46</sup> This explanation is plausible for the cancellation of the postal entrepreneurs’ contract. The entrepreneurs might have organized the postal route quicker than the

<sup>41</sup> Lindeberg, *Svensk ekonomisk politik*, 372–373; Lindegren, “Karl XII och det totala”, 1–2.

<sup>42</sup> Compare the previous references to Hallenberg, *Statsmakt till salu*; Landberg, “Krig på kredit”; and Cavallie, *Från fred till krig*.

<sup>43</sup> RA, RR, Letter from Charles XII to the Treasury Board, 15 December 1714. Also quoted in Lindeberg, *Svensk ekonomisk politik*, 13, fn. 51.

<sup>44</sup> Lindeberg, *Svensk ekonomisk politik*, 12; Jan Berggren, “Överstyrelser och centralförvaltning 1636–1824”, *Tullverket 1636–1986: en jubileumsbok* (Stockholm: Generaltullstyrelsen, 1986), 49–50.

<sup>45</sup> See Hallenberg, *Statsmakt till salu*, for a thorough examination of the system of tax farming in Sweden between 1620 and 1635.

<sup>46</sup> A point made by Lindeberg, *Svensk ekonomisk politik*, 13, and also developed in Hallenberg, *Statsmakt till salu*, esp. 215.

Crown could. In the long run, however, the Swedish state would most likely make more money if the postal route was controlled by the Post Office. An argument for this is the comparatively large amount of money that the entrepreneurs appear to have made on the postage rates. This answer is in line with the idea of state capitalism and shows that the economic policy can hardly be viewed as a fixed programme. Rather, it is a symptom of the hitherto unmentioned ad hoc solutions. The financing of the wars or the organization of the Post Office did not follow a grand master plan. Many of the steps analyzed above are most likely products of accidental circumstances. However, there was some sort of thinking behind the decisions taken by the Swedish leadership. The way of organizing the postal route to Amsterdam might have been the best decision based upon the available information at that time.

To sum up, the above study has shown that it is plausible to view the entrepreneurial postal route in 1716 as an illustration of the change in the Swedish economic and organizational policy in the latter part of Charles XII's reign. There is good evidence that the method of using private entrepreneurs for the organization of the postal route is a sign of the reorientation of economic thinking in the Swedish state administration. The organization with the entrepreneurs was not primarily a result of the military crisis. On the contrary, there was an underlying idea for the actions taken by the Swedish leadership in economic matters after 1709. This resulted in a policy that, in a more direct way, tried to engage private merchants and entrepreneurs in the financing of state affairs. In one way, this policy was a return to an older form of financing. This strategy, however, came to an abrupt end with the death of the king in November 1718, and many of the reforms were rapidly abolished. In the history of the Post Office, the most obvious example is the ordinance of the merger of the postal service and the innkeepers in 1718. After the king's death, the regulation was abolished and the older ordinances restored. The following period can be seen as a time of restoration when the new leaders strived to put the state organization back as it was. The help from private entrepreneurs to solve postal matters was a thing of the past, at least for the time being.

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## KOKKUVÕTE: *Postitee Amsterdami: eraettevõtjad Rootsi postisüsteemis 1716. aastal*

Artikkel uurib Rootsi postikorraldust 18. sajandi algul, vaadeldes näidisjuhtumina Rootsi ja Euroopa vahelise postitee organiseerimist 1716. aastal. 1715. aasta talvel, mil Karl XII maabus Lõuna-Rootsis Ystadis, oli Rootsi Läänemere-impeerium varemtes ning kuninga ees seisid hulk lahendamist vajavaid probleeme. Üks pakilisemaid oli Rootsist teistesse Euroopa riikidesse kulgeva postitee sisseseadmine, sest traditsiooniline postitee läbi Taani oli sõja tõttu katkenud ning Rootsi valitsust ähvardas infosulgu jäämine.

1716. aastal saadeti kirju mööda mereteed Göteborgist Amsterdami. Postiliikluse administreerimine usaldati kaheksast kaupmehest koosnevale erakonsortsiumile. Kuninga privileegiga anti neile täielik vastutus ainsa Rootsist Euroopasse viiva postitee eest.

Artiklis esitatakse hüpotees, et erainvestorite kaasamine postitee rajamisse 1716. aastal peegeldab muutusi Rootsi majandus- ja halduspoliitikas Karl XII valitsuse hilisemal perioodil. Alates 1680. aastatest oli Rootsi majanduspoliitika põhieesmärgiks olnud ressursside koondamine riigi kätte. Karl XI rajas ulatusliku bürokraatiaaparaadi nende ressursside haldamiseks. Süsteem, kus riik kontrollis suuremat osa Rootsi majandusest, lagunes seoses 18. sajandi alguse sõdadega, sest valitsus üritas hankida finantse eraettevõtjate abiga.

Erakapitali kaasamine riigi funktsioonide finantseerimisse oli Rootsis (ja ka teistes Euroopa riikides) olnud 17. sajandi esimesel poolel tavapärane. Eraettevõtjate rakendamine riikliku postitee organiseerimiseks on üks näide muudatustest riigivõimu majanduslikus mõtlemises. Artikkel näitab seega, kuidas kaupmeeste ja ettevõtjate kaasamine riigiasjade finantseerimisse oli tagasipöördumine vanemat tüüpi finantseerimismudeli juurde.