

Introduction

This is a book that needs a few words of explanation. It is, as the title states, about the price of bread. When I embarked on research into bread prices in early modern Europe I believed this would be a straightforward matter of gathering data on prices in order to improve on the cost of living indexes commonly used to study the history of living standards. Most non-farming families bought bread rather than grain, certainly in the highly urbanized Netherlands, so this seemed to be a useful step in improving the measurement of the cost of living. But I discovered soon enough that bread prices, which nearly everywhere were regulated by public authorities, differed in intriguing ways from grain prices, which generally reflected market conditions.

This book is an exploration of discovery into what might be called the political economy of bread pricing. It follows the regulatory practices and their consequences in several directions: into the worlds of the producers, the consumers, and the state. It will examine how the grain and bread markets functioned, how the regulatory system evolved and acted, how consumer behavior adapted to these structures, and how the state interacted with producers and consumers in the pursuit of its own interests. In these ways the humble loaf will serve as a sort of prism through which to channel and study major developments of an early modern European society.

Bread price regulation was a pan-European phenomenon, and I offer an account here of its medieval development and its character in early modern times, but regulation took a particular turn in the Dutch Republic that had far reaching implications for many aspects of Dutch economic and political life. I will identify a new “scientific” approach to the regulation of bread prices that, from its introduction in the 1590s, shaped Dutch bread prices in a distinctive way. The regulatory process then moved from the realm of custom and command, from what Karl Polanyi called “administered trade,” to one of measurement and strategic intervention – it became a form of commercial regulation suited to a capitalist, market-oriented, society. The management and enforcement of

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the new regulatory system over the following centuries required demanding levels of numeracy, familiarity with subtle economic distinctions, and, above all, the amassing and analysis of information on an ongoing basis concerning the behavior of market prices, producers' costs, and consumers' preferences.

Capitalism is commonly defined as an economic order in which outcomes are shaped by markets unfettered by public regulation, where *laissez-faire* rules. But, in fact, regulation is inseparable from modern capitalist economies. Economic actors routinely face often-intrusive regulation by public authorities, and a large body of literature is dedicated to evaluating the efficacy of public regulation of private economic life. This study examines the costs and benefit of regulation and its consequences, intended and unintended, over a long time period – 260 years – in order to achieve a deeper understanding of the place of regulation within a market society as well as its place in the building of state capacity/governmentality – the institutional means to implement, administer, and enforce (and reform) public policy.

The introduction of a technically more demanding form of price regulation in the Dutch Republic was, I discovered, closely associated with innovations in the new state's fiscal regime. Uniquely in early modern Europe, Dutch price regulation and taxation came to be joined closely together as the state learned, step by step over the course of many decades, to tax what Classical economists called the “wage good” (the commodity – bread – whose price defines the living standard of wage earners). The heavy taxation of bread proved to be an exceedingly durable fixture of Dutch fiscalism, outliving the Republic itself. Explaining why this was so – why such a tax could function as an example of “optimal taxation” – will form another objective of this book.

How could a heavy tax on the staff of life (a.k.a. the wage good) long survive the resistance, if not the wrath, of consumers? Indeed, how could the regulatory regime, presumably intended to shelter the humble populace from harsh market forces, become complicit in using bread consumption to collect over 10 percent of the entire public revenue of the Dutch Republic? Nothing in the voluminous history of food riots or in the concept of moral economy prepares one for this striking historical phenomenon. I believe that explaining both the emergence and the longevity of the Dutch regulatory–fiscal complex requires attending closely to the agency of Dutch consumers. They faced bread markets that were shaped in distinctive ways by the regulatory system and state fiscal policy, but they also possessed distinctive options regarding the types of bread they bought and the bread substitutes available to them.

When we examine the consumption of “bread” closely, it quickly becomes apparent that early modern European consumers faced choices

among bread grains (wheat and rye, among others), between coarse and fine (bolted) breads, and between bread grains and bread substitutes (such as barley and buckwheat, among others). This realm of choice was not fully accessible everywhere in Europe, but I found that the Netherlands was covered in all but the deepest countryside by networks of grain mills, bakeries, and shelling and grinding mills that could supply consumers with nearly all of these products. This means that consumers faced the tax collectors and bread price regulators with weapons with which to fight back, as it were. That, at any rate, is what an economist would assume. But was it true? Did consumers respond to the fiscal-regulatory regime with their market choices rather than with their bodies in the streets? A major part of this study is dedicated to identifying and explaining the choices made by consumers in this period.

My exploration into the agency of the early modern consumer uncovered a change in preferences that amounted to a “revolution.” It also swept through other parts of northwestern Europe, but Holland and its neighboring provinces were early participants. It was a revolution in which a growing portion of consumers switched much of their bread consumption away from the broad range of lesser grains and substitutes and toward wheat bread. This “wheat bread revolution” (a term coined by Fernand Braudel) had far-reaching implications for the task of the regulators and the taxing policies of the state. Just as consumers reacted to changes in the structure of prices presented to them by the authorities, so the authorities adjusted their policies to the unfolding behavior of consumers.

This exploration of regulation, taxation, and consumer behavior also led me to some new insights into the standard of living of early modern Europeans, or, more correctly, into how it should be measured. Once we understand that “bread” is not represented by a single price but represents a category of consumption with a broad range of prices, and that individual choice shifted over time across this range, the standard procedures used by economic historians to measure economic welfare, or wellbeing, present us with a puzzle: price and wage trends seem to enforce reductions in wellbeing while consumer behavior seems to reflect rising incomes. This is a puzzle I uncovered and explored elsewhere (in the realm of colonial goods and manufactures), and proposed to resolve with the concept of the “industrious revolution.”¹ Here we will consider

¹ Jan de Vries, “Between purchasing power and the world of goods: understanding the household economy in early modern Europe,” in John Brewer and Roy Porter, eds., *Consumption and the World of Goods* (London: Routledge, 1993), pp. 85–132; Jan de Vries, *The Industrious Revolution: Consumer Behavior and the Household Economy, 1650 to the Present* (Cambridge University Press, 2008).

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whether it is also applicable to consumer behavior in the prosaic core of everyday economic life.

This study pursues these regulatory and fiscal institutions – central to the day-to-day functioning of state and society for well over two centuries – to their dotage, tracking their growing dysfunction, and their sudden and virtually simultaneous abolition. Contemporary debates concerning the stagnation of the nineteenth-century Dutch economy focused much of their attention on these institutions, and they gave rise to historical debates that have continued to this day. The regulatory system devised in the 1590s was sophisticated and beneficial and the associated fiscal policy was successful and perhaps even “optimal.” But these same institutions came to be regarded, two centuries later, as an obstacle to modern growth. The ending of this regulatory–fiscal regime will illustrate an issue of substantial contemporary relevance: the “penalties of the pioneer” – the special difficulties preventing an advanced but obsolete economy from reforming its institutions and reorganizing its industrial structure.

Nearly a century ago the eminent British historian Sir William Ashley beseeched patience from those gathered in Oxford for his 1923 Ford Lectures on the topic of bread in the English economy.²

I hope you will not be deterred by the limitation of our inquiry to just this one part of the far larger subject of the standard of living generally.

But he promised his auditors, and his readers in the published lectures, *The Bread of Our Forefathers*, a reward for their patience:

We shall have to traverse so large a space of time, to notice such a wide range of evidence, to glance at so many features of English life from a novel point of view, that I think I can promise you that you will not find the road dull.

I am acutely aware that I am addressing myself to an audience accustomed to an even faster pace of life than Ashley faced a century ago. But I, too, feel I can promise you a view of features of Dutch and European life in the early modern era that will offer new perspectives on a series of large questions about the emerging modernity of economy, state, and society, and on problems of markets and their regulators that continue to this day – all through the prism of the price of bread.

² W. Ashley, *The Bread of Our Forefathers* (Oxford University Press, 1927), p. 1.