Keynesianism before Keynes? Unemployed weavers and a proposal made at Leiden in 1523

Introduction and background

In the midst of a crisis it is sometimes reassuring to recall that there have been in the past other crises which society survived. In the midst of the present (2008-2009) worldwide credit crisis and economic downturn, while Keynesian measures are being introduced to weather it, it is interesting to discover that about 1523, long before John Maynard Keynes’ time (1883-1946), it was felt in some quarters in Leiden that people in authority might lighten the burden on unemployed weavers by creating work for them. This is perhaps the sole aspect of Keynes’ thinking with which most readers are cognisant: that in periods of economic downturn governments should increase public spending by using their powers to raise taxes, to borrow and to spend money, in order to revive the economy. I refer here to some literature for the general reader who (like me) has no expert knowledge of macroeconomic theory or practice.

The present note describes a proposal “to create employment in the wintertime”, which was contained in anonymous letters to the magistrates at Leiden in the early sixteenth century, written on behalf of unemployed weavers; and the magistrates reaction to it.

The economy of early sixteenth century Holland; a very short overview

The rise and fall of Holland’s economy through the centuries has inspired historians to write about those events. Holland became transformed from a thinly populated peat land in the early 1500s to a land of dense population and prosperity, fuelled by trade and industry. However, the economy faced challenges such as the Thirty Years’ War and the economic downturns of the 18th and 19th centuries.


3 Sources for Haarlem and Leiden were the sixteenth century resolution books of the vroedschappen (the local councils), the accounts of Haarlem and Leiden, and the book containing texts of public proclamations (aflezingboek) at Leiden. They are identified here by their inventory numbers; GA, Gemeente Archive etc. See also James P. Ward, “The Cities and States of Holland (1506-1515). A participative system of government under strain”; unpublished thesis, Leiden 2001; J. W. J. Burgers, J. P. Ward and J. G. Smit, Bronnen voor de geschiedenis der dagvaarten van de Staten en steden van Holland voor 1544, Part VI, 1506-1515, The Hague 2006. This publication is referred to here briefly as Bronnen.

Middle Ages to a relatively densely populated country in the early sixteenth century, by which time a majority of its inhabitants lived by trade and manufacture in cities and towns. Major manufacturing and exporting industries were textiles, fisheries and fish processing, salt refining, beer brewing, foodstuffs, dairy products and vegetables. The peat deposits of Holland and the ease of transport by the inland waterways were important factors in the economy by providing cheap sources of energy and transport needed in industries like brewing, salt refining, pottery, glass and brick making.\(^5\) Shipping and carrying facilities were needed, and so shipbuilding was an industry of strategic importance to Holland.\(^6\) Timber and naval stores, iron and copper came from Scandinavia to Amsterdam via the Baltic, as did grain from Danzig.\(^7\) For textile manufacture in Holland wool and sheepskins came from England and Spain, while specialties like dyestuffs and alum were imported from the Mediterranean. Imports into Holland included wine, olive oil, and other Mediterranean specialties.\(^8\) Wine and unrefined salt came from the Biscay area.

However, the very international character of Holland’s trading interests made the country’s economy sensitive to the effects of war. In the early sixteenth century Holland was plagued by wars on two fronts; the Guelder war on land, and a war in the Baltic Sea against the Hanseatic city of Lübeck. The Guelder war was for the domination of the dukedom of Guelders, and the family interest therein of the ruling house of Emperor Maximilian I, his son Philip the Fair, and his grandson Emperor Charles V against the interests of Charles of Egmond, styled duke of Guelders.\(^9\) This war lasted for nearly fifty years, maintained by money and military assistance given to Charles of Egmond by successive kings of France, until in 1543 the dukedom of Guelders was finally won militarily by Charles V and incorporated into his patriarchy of the Netherlands.

The war of 1510-14 against Lübeck was for access by ship owners and traders from Holland, mainly Amsterdam in fact, to the grain markets of the Baltic which were part of the Hanseatic League. Holland and the king of Denmark were allies in the war, and this posed a

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\(^7\) Milja van Tielhof, The ‘Mother of all trades’: the Baltic grain trade in Amsterdam from the late 16th to the early 19th century, Leiden 2002.


threat to the dominance of Lübeck. The outcome of the conflict in favour of Amsterdam can be seen as another step in Lübeck’s long drawn out decline as a major sea and trading power.10

Effects of the wars on Holland’s economy
On the effects of war and armies on national economies in general there are opposing viewpoints. One which is associated with the name of Werner Sombart is that war has a positive influence overall on the economy because it causes capital to accumulate in the hands of entrepreneurs, and it stimulates inventions which later provide inspiration for more peaceful uses. An opposing viewpoint is that war has a destructive or downgrading influence and that, despite some apparent progress, the effects of wartime investments are such that the money could have been better spent otherwise. The debate during World War II, together with examples from technology, was summarized in an article published originally in 1942 by J. U. Nef, and which was then reprinted a few wars later. More recently, the theme of war’s effects on the economy and vice versa in the seventeenth and eighteenth centuries was complemented by a study of how the state’s need to finance standing national armies was met by taxation.11

In early sixteenth century Holland there was no doubting public opinion about the wars then being waged. The Guelders war was viewed widely throughout Holland as a dynastic interest of Maximilian I and Charles V. The war with Lübeck was viewed by some of the inland cities of Holland as defence of the interests of Amsterdam, and so Amsterdam and the coastal towns of Waterland should pay for it, they said.12 Delegates from Haarlem and Leiden to diets of the States of Holland expressed their conviction that war was detrimental to Holland as a trading nation. Two of the clearest statements are in local council (vroedschap) resolutions in 1510 and 1514 during disputes with Lübeck and with France.13 On 4 December 1510 delegates from Leiden reported to their local council that the recent diet at The Hague, 25 to 27 November, had adopted a resolution to inform the regent Margaret of Austria where the interests of Holland lay both with respect to the conflict which the king of Denmark had with Sweden and Lübeck, and with access to the Baltic Sea. Not only were Holland’s interests affected, Zeeland and Antwerp with trading interests competing with those of Amsterdam were represented at the diet too. The deputies to the diet requested the regent to ensure that they could have free use of the sea in order to trade in safety according to custom. On an internal vote the Leiden council decided that their deputies should present the viewpoint that the way to achieve that was by peaceful negotiation, and that Leiden was opposed to war entirely, no matter whether a majority of other delegations and the regent herself were in favour of it or not.14

In 1514 when France impounded a number of ships sailing from Holland, Amsterdam proposed sending a delegation to France at the expense of the Common Land of Holland in order to negotiate for the ships’ release. But the Haarlem delegates opposed this in the diet, and thought that the Amsterdam ship owners should do it at their own expense. At the same time, however, Haarlem resolved that help should be sought from Emperor Maximilian and the regent Margaret of Austria to ensure that Holland could trade peacefully with France, “especially since the country depends on trade”.¹⁵

The plight of the weavers

Leiden was the most important producer of textiles in Holland, but at Haarlem, The Hague, Naarden, Weesp and indeed in almost all other cities and towns there were textile interests of local importance. For its textiles of highest quality intended for export Leiden imported wool and sheepskins through the English exclave of Calais. But the wars disrupted the flow of English wool. From about 1500-1530 there were wide fluctuations in textile production figures. Paradoxically, data for textile production in the years 1500-1520 were the highest figures which were ever achieved at Leiden, before or after. But the data also reveal the violent swings which occurred from year to year in those two decades, and the sharp decline in the years immediately thereafter.¹⁶

Despite relatively high production there was from time to time unemployment and social unrest among the textile workers, caused in major part by the wars. Evidence of unemployment is contained in the resolution book for the council at Leiden in May 1510 where “the decline in trade which is so great at present that it has almost come to a stop” was cited as one reason for Leiden refusing to pay in advance (to “anticipate”) the subsidy or aides paid to the ruler.¹⁷

The difficulties of the textile workers in 1515 were again acute, and they were not limited to Leiden. Elsewhere, at Naarden for example, there was similar unrest and labour conflicts between 1514 and 1523 among the fullers.¹⁸


¹⁷ GA Leiden, SA I inv. no. 383, f. 77, 2 May 1510; Bronnen, p. 187; Ward, “Cities and States of Holland”, pp. 266-268. In Holland the aides were called the bede.

The master fullers at Leiden petitioned several times to have their wages increased both because of the high costs of living and increased costs associated with their trade. In May 1514 the fullers complained to the magistrates of lack of work. In particular the requirement to engage an apprentice every two years was difficult for them to fulfil, and they wished the period to be extended to three years.\textsuperscript{19} The magistrates agreed to adjustments and improvements in the wages, but there came a moment when the drapers complained that the costs to them were now excessive.

At that point the magistrates carried out an investigation of their own into the costs and the arguments. But, overall, the situation did not improve. Some of the texts in the proclamation book have multiple dates, indicating that they were read out several times in public in the years 1514 and 1515 when discontent over wages occurred among the textile workers.\textsuperscript{20} By 1521 the textile trade was so depressed by the wars, and the sea route along the coast from Calais to Holland had become so perilous because of depredations by French freebooters that merchants were reluctant to buy cloth, which therefore remained unsold. Others at Leiden were reluctant to import wool. The magistrates were aware that it was “mostly for these two reasons that trade was not as good as it had sometimes been”, as they expressed it.\textsuperscript{21} As a consequence of the wars, unemployment among the weavers of Leiden rose to a crisis level, some of the effects of which are reflected in the proclamation book.

Poverty is a personal misfortune. For the medieval and early modern periods structural unemployment in towns and cities is not a subject, apparently, which has received much attention from historians. Sickness, invalidity, old age and unemployment are cited as causes and reasons for loss of income and eventual poverty in individual cases. But any notion of sustained financial help there may have been for individuals or for groups of jobless and destitute citizens rested first on the concept of mutual aid within the guild system, and ultimately the charity of religious organizations, churches and fraternities. W. P. Blockmans and W. Prevenier described a typology of institutionalized poor care in the Low Countries from the 14\textsuperscript{th} to the middle of the 16\textsuperscript{th} century. Brian Pullan, in a detailed and wide ranging book on 16\textsuperscript{th} century Venice, made passing references to unemployment.\textsuperscript{22} Sandra Bos referred to guilds, and to the problems inherent in insuring even small populations against poverty, and Miri Rubin considered medieval and early modern (1200-1500) public charity in Cambridge.\textsuperscript{23}

\textsuperscript{19} GA Leiden, SA I no. 383, f. 181, 18 May 1514; “… dair up gestemmet is…” (“it was voted that…”), but the text was not completed. There is no record of a decision to the fullers’ request about the apprentices.

\textsuperscript{20} GA Leiden, SA I inv. no. 387, f. 42v-45v, dates between Oct. 1514 and July 1515.


Charity was based on Christ’s teachings in the New Testament. But interpretations given them by the Early Church Fathers and their successors were sometimes contradictory. Compare Christ’s pronouncement, *for I was hungry, and you gave me to eat* (Matthew, 25:35), with St Paul’s, *if any man will not work, neither let him eat* (2 Thess. 3:10). While these two can be reconciled, interpretations of biblical texts underwent changes as the centuries passed\(^2^4\), and by the early sixteenth century organized help was limited to the “deserving” poor, as they came to be called.\(^2^5\)

Leiden 1521- 1523; Keynesianism before Keynes?

Structural unemployment within the textile industry led to protests and public demonstrations in Leiden. In 1521 jobless weavers adopted a sarcastic and confrontational approach towards the local authorities whom they practically accused of incompetence. The weavers hired an ex-soldier (Hugh) to go through the streets and to call out that anyone requiring weavers could have a hundred of them if only he asked. The magistrates were stung to react, and complained in turn for the weavers blaming the lack of work on them, their superiors, and daring “whenever they had no work, to speak ill and villainously against God, the magistrates and the drapers”\(^2^6\), a trinity which reflected the local power hierarchy.

An inflationary effect in those years, for which there is evidence\(^2^7\), may have been caused or influenced by large scale purchases of food and other materials required for the armies of Charles V. A general appeal from the government was published by the magistrates at Leiden on 31 August 1521, stating that foodstuffs, fodder, oats, grain and strategic war materials (saltpetre and gunpowder) were urgently needed and would be bought at Antwerp and Mechelen on behalf of the army. Not long afterwards, on 18 November 1521, it was announced at Leiden that grain and flour had become very dear, and in February of the next year a public disturbance, a bread riot, occurred because a baker was suspected of overcharging for his wares.\(^2^8\)

The textile workers of Leiden who protested to the magistrates about their lack of work and income need have been in no doubt where their troubles originated; in man’s own sinfulness. Or so the magistrates professed. “As every human being knows who uses his common sense and understanding”, the magistrates announced on 15 October 1521, “and as ought to be known, that

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\(^{2^6}\) GA Leiden, SA I, inv. no. 387, f. 104v, 15 Oct. 1521. At Leiden the following persons were accused by the magistrates of having hired and paid Hugh (“Huych”): Dirck Jansz van Brabant, Willem Pietersz Drijl, Clement Adriaensz and Dirck Verbijnck, but they had already fled from the city.


\(^{2^8}\) GA Leiden, SA I, inv. no. 387, f. 103v, 31 Aug. 1521; f. 107v, 18 Nov. 1521 and f. 108v, 17 Feb. 1522.
all trade, employment and prosperity come in the first place from Almighty God, to whom we are indebted and to whom we should be heartfelt grateful, and that also through ingratitude and the ill will of men God in heaven sometimes withdraws trade and industry from the cities and countries and chastises the people with war, pestilence and inflation (dieren tijt) in order to make them grateful and obedient, therefore now, may God help us, at the present time because of the war the trade of the city is in such decline ...”.29

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Local discontent re-surfaced two years later (1523), amidst a precipitous decline in the textile industry and trade (cf. Posthumus; note 16). Public protest took the form of a campaign of anonymous letters strewn in the churches and elsewhere. In the recent economic unrest of 2008-2009 it is of some interest, therefore, that the letter writers advocated intervention by the authorities to alleviate unemployment, a proto-Keynesian economic measure, long before John Maynard Keynes’ time (1883-1946). The proposal is referred to in the rambling text of a public announcement exonerating the magistrates, but blaming and threatening the anonymous letter writers. Some passages and phrases in this announcement repeat statements and sentiments contained in the earlier one dated 15 October 1521.30 The proclamation contains references to the effect of winter on (un)employment, and an appeal from the anonymous letter writers to the magistrates to create work for the textile workers in the winter season: maect neringe tijstijd; “make employment in the wintertime”. But the magistrates expressed their powerlessness: alsof diegene die de stede bevolen is neringe mogen maecken tot hoir selfs seggen ende wille; “as if those to whom charge of the city is given can create employment at their own word and desire”. This statement reveals that the magistrates understood what they were being asked to do. But they could see no way of providing work for an industry in which wool could not be imported safely, and when textiles remained unsold. Neither could they envisage any alternatives.

In their own defence the magistrates stated that they had done what they could to create work in the city. This, as other sources show, included building work, the repair and maintenance of the city itself, its gates, walls, towers, waterways, bridges, and other defences.31 In addition to those obvious undertakings the magistrates were active in the city’s military defence by hiring and paying soldiers and local workers, and by purchasing, arranging manufacture of, and supplying weapons and munitions to the burghers. All this involved them in large costs, and helped the local economy.32 So the magistrates’ heated anger at the anonymous letter writers was almost palpable. They offered a reward of 100 Carolus guilders (nearly two years’ wages for a day labourer) for information leading to the culprits’ arrest.

29 As note 26 (GA Leiden, SA I inv. no. 387, f. 104, 15 Oct. 1521).

30 GA Leiden, SA I inv. no. 387, f. 113v-114, 14 Feb. 1523; cf. note 26.

31 For an example of bridge and street repairs see GA Leiden, SA I, no. 383, f. 181-181v, 18 May 1514.

Conclusion
This note describes a proposal contained in anonymous letters to the magistrates of Leiden in 1523, urging them to create employment in the winter time on behalf of unemployed weavers. With the economic consequences of many years of war in the Low Countries, the proposal in 1523 marked a climax of social unrest in Leiden lasting from 1521 to 1523. In each of those years unemployed weavers demonstrated in public against the city magistrates. The proposal to create work for them in winter time can be described as Keynesianism ante Keynes, or as proto-Keynesianism. The idea of the local authority creating employment to relieve their distress may have ripened in the minds of some of the Leiden weavers in the period between October 1521 and February 1523. It should be seen as an original and creative thought, especially when contrasted with the then current notions of man’s reliance on God’s providence, the ideas which were propounded by the magistrates.

Appendix:
Source GA Leiden, SA I, inv. no. 387, f. 113v-114, 14 Feb. 1523
Ofgelesen den XIIII/en in februari anno XV/C/XXIII
Alzoe eenen zeker geverden tijt geleden zekere briefgens voir de kerckdoeren geelyemt zijn, ende in den latrynen, daer den gerechte ende vroescepe in der kercke sitten om den dienste Godts te hoeren, geleyt off geworpen zijn, in honderden injorieu woirden tenderende tot commocie ende beroerte, tot groten achterdeele van de K.M. ende deser stede, ende dat bovendien dieselve quaetwillende, zoewel te vermoeden is, in hoere boescheyt continuieren, verharden ende alle middelen ende wegen soecken tenderende tot commocie, cedicie ende beroerte te maecken binnen deser stede, soender ans couw te hebben op God, upten keyser ende upten genen die de stede bevolen is te regieren, die dagelixed becommert, onledich ende naerstich zijn om neringe binnen der stede te maecken, zoer scriven dieselve quaetwillende de briefgens die zij in der nacht ende bij ontijde cleymen an die doeren van enige van den gerechte ende wardeyns, inhoudende maect neringe tijstijt, alsof diegene, die de stede bevolen is, neringe moegen maecken to hoor selfs seggen ende wille, ende en neemen geen ans couw upten tegenwoordigen tijt, alse upter oirlogen die tegenwoordelicken zijn tussen de K. M. ende de coninck van Engelandt mit hoeren hulperen, landen ende luyden ter eenne zijde, ende de coninck van Vranckrijk mit zijnen hulperen, landen ende luyden ter andere zijde, ende insgijcix die oirloge wesende tusschen den coninck van Denemereck en den Oesterschen steden mitgaders den Oestvriesian, doer welcke oirloge de comansepe genoech stille staet, zoedat de Leydtsche lakenen niet en verschieten ende tot cleyneren prijse staen, zulcx dat die van der drapereye hem dair niet en behouden en mogen, noch levringe hebben. Dit geconsidereert ende overgewegen, mach eenen ygelicken, die verstant gebruycken ende van goeden wille zijn, wel bekennen mogen dat gebreek in die van den gerechte ende wardeyns niet en is, want zy anders niet en begeren dan neringe te maecken, twelck niet doenlick en is sonder hulpe van God almachtich, ende waerschuwen daerom eenen ygelicken dat zij up hoer saecken letten ende hem wachten van woirden ofte iniurien, cedicie off commocien te sprecken, te scriven ofte sayeren. Ende indien yemant wet wye die voirs. briefgens an de kerckdoeren, in de latrijnen ofte an de doeren van den gerechte mit

33 The term proto-Keynesianism has been applied to economic measures taken in Sweden in the 1920’s following World War I.; Margaret Weir and Theda Skocpol, “State Structures and the Possibilities for ‘Keynesian’ Responses, etc.” in: Peter B. Evans, Dietrich Rueschemeyer and Theda Skocpol (eds.), Bringing the State Back, Cambridge Univ. Press 1985, pp. 107-163; see pp. 125-126

34 Notes 26 and 30.
der waerheyt anbrengt, die sel de stede geven hondert Karolus guldens lestgeslegen, om over den bruekinge correxie te doen, zulcx als men bevi nden sal ter saecken dienende, ende indien namaels enige bevonden worden die van der s aecke geweten hebben ende der stede niet angebrocht en hebben, die sel men insgelicx corigeeren gelijck die bruekinge.

A translation:
Read out [in public] on 14 February 1523
A certain while ago certain letters were fixed to the church doors and laid or thrown into the latrines, there where the local court members sit in church to hear the word of God. The letters in hundreds of injurious words were a call to commotion and disorder, to the great disadvantage of his imperial majesty [Charles V] and of this city. Furthermore, it is to be expected that the same ill-intentioned people will continue in their misdeeds, and will persevere in looking for every means and way to cause commotion, sedition and uproar within this city, without respect for God, the emperor and those who are appointed to govern the city, who are concerned daily, actively and diligently to create employment within the city. Thus in the night and at other times those ill-minded people also stick letters to the doors of some members of the local court and the wardens, containing [the demand] ‘make work in the winter time’, as if those to whom the city is entrusted can make work at their own word and desire. Those people have no regard for the present time, such as the wars which there are between the emperor and the king of England [Henry VIII] together with their allies, territories and people on the one hand, and the king of France [Francis I] with his allies, territories and people on the other. And similarly the war which there is between the king of Denmark [Christian II] and the Baltic cities, together with the East Frisians. Because of those wars, trade and commerce is almost at a standstill, so that Leiden draperies find no market and fetch only low prices. In this way the drapers can hardly survive, and have little trade.

Having considered and pondered this, every person who can use his common sense and is well-intentioned will admit that there is no fault in the members of the court and the wardens, because they wish for and desire nothing other than to create employment, which is impossible without help from Almighty God. And so they warn everyone to take care and refrain from speaking or spreading words or insults, seditions or disturbances. And if anyone knows truly to denounce whoever is putting the above mentioned letters on the church doors, in the latrines or on the doors of the court members, the city will give one hundred Carolus guilders, recently minted, so that the guilty may be punished as the matter requires. And if persons are found afterwards who have known of the matter but have not informed the city, they will be punished just like the guilty persons.