

## Dutch Tulip Mania

(*Extraordinary Popular Delusions and The Madness of Crowds* by Charles Mackay, 1852.)

The tulip—so named, it is said, from a Turkish word, signifying a turban—was introduced into Western Europe about the middle of the sixteenth century. Conrad Gesner, who claims the merit of having brought it into repute—little dreaming of the extraordinary commotion it was to make in the world—says that he first saw it in the year 1559, in a garden at Augsburg, belonging to the learned Counselor Herwart, a man very famous in his day for his collection of rare exotics. The bulbs were sent to this gentleman by a friend at Constantinople, where the flower had long been a favorite. In the course of ten or eleven years after this period, tulips were much sought after by the wealthy, especially in Holland and Germany. Rich people at Amsterdam sent for the bulbs direct to Constantinople, and paid the most extravagant prices for them. The first roots planted in England were brought from Vienna in 1600. Until the year 1634 the tulip annually increased in reputation, until it was deemed a proof of bad taste in any man of fortune to be without a collection of them. Many learned men, including Pompeius de Angelis and the celebrated Lipsius of Leyden, the author of the treatise "De Constantia," were passionately fond of tulips. The rage for possessing them soon caught the middle classes of society, and merchants and shopkeepers, even of moderate means, began to vie with each other in the rarity of these flowers and the preposterous prices they paid for them. A trader at Harlaem was known to pay one-half of his fortune for a single root, not with the design of selling it again at a profit, but to keep in his own conservatory for the admiration of his acquaintance.

...Many persons grow insensibly attached to that which gives them a great deal of trouble, as a mother often loves her sick and ever-ailing child better than her more healthy offspring. Upon the same principle we must account for the unmerited encomia lavished upon these fragile blossoms. In 1634, the rage among the Dutch to possess them was so great that the ordinary industry of the country was neglected, and the population, even to its lowest dregs, embarked in the tulip trade. As the mania increased, prices augmented, until, in the year 1635, many persons were known to invest a fortune of 100,000 florins in the purchase of forty roots. It then became necessary to sell them by their weight in *perits*, a small weight less than a grain. A tulip of the species called *Admiral Liefken*, weighing 400 *perits*, was worth 4400 florins; an *Admiral Van der Eyck*, weighing 446 *perits*, was worth 1260 florins; a *Childer* of 106 *perits* was worth 1615 florins; a *Viceroy* of 400 *perits*, 3000 florins, and, most precious of all, a *Semper Augustus*, weighing 200 *perits*, was thought to be very cheap at 5500 florins. The latter was much sought after, and even an inferior bulb might command a price of 2000 florins. It is related that, at one time, early in 1636, there were only two roots of this description to be had in all Holland, and those not of the best. One was in the possession of a dealer in Amsterdam, and the other in Harlaem. So anxious were the speculators to obtain them that one person offered twelve acres of building ground for the Harlaem tulip. That of Amsterdam was bought for 4600 florins, a new carriage, two grey horses, and a complete suit of harness...

People who had been absent from Holland, and whose chance it was to return when this folly was at its maximum, were sometimes led into awkward dilemmas by their ignorance. ...A wealthy merchant, who prided himself not a little on his rare tulips, received upon one

occasion a very valuable consignment of merchandise from the Levant. Intelligence of its arrival was brought him by a sailor, who presented himself for that purpose at the counting house, among bales of goods of every description. The merchant, to reward him for his news, munificently made him a present of a fine red herring for his breakfast. The sailor had, it appears, a great partiality for onions, and seeing a bulb very like an onion lying upon the counter of this liberal trader, and thinking it, no doubt, very much out of its place among silks and velvets, he slyly seized an opportunity and slipped it into his pocket, as a relish for his herring. He got clear off with his prize, and proceeded to the quay to eat his breakfast. Hardly was his back turned when the merchant missed his valuable *Semper Augustus*, worth three thousand florins, or about 280*l.* sterling. The whole establishment was instantly in an uproar; search was everywhere made for the precious root, but it was not to be found. Great was the merchant's distress of mind. The search was renewed, but again without success. At last someone thought of the sailor.

The unhappy merchant sprang into the street at the bare suggestion. His alarmed household followed him. The sailor, simple soul, had not thought of concealment. He was found quietly sitting on a coil of ropes, masticating the last morsel of his "*onion*." Little did he dream that he had been eating a breakfast whose cost might have regaled a whole ship's crew for a twelvemonth; or, as the plundered merchant himself expressed it, "might have sumptuously feasted the Prince of Orange and the whole court of the Stadtholder." Anthony caused pearls to be dissolved in wine to drink the health of Cleopatra; Sir Richard Whittington was as foolishly magnificent in an entertainment to King Henry V; and Sir Thomas Gresham drank a diamond, dissolved in wine, to the health of Queen Elizabeth, when she opened the Royal Exchange; but the breakfast of this roguish Dutchman was as splendid as either. He had an advantage, too, over his wasteful predecessors: *their* gems did not improve the taste or the wholesomeness of *their* wine, while *his* tulip was quite delicious with his red herring. The most unfortunate part of the business for him was, that he remained in prison for some months on a charge of felony preferred against him by the merchant.

Another story is told of an English traveler, which is scarcely less ludicrous. This gentleman, an amateur botanist, happened to see a tulip-root lying in the conservatory of a wealthy Dutchman. Being ignorant of its quality, he took out his penknife, and peeled off its coats, with the view of making experiments upon it. When it was by this means reduced to half its original size, he cut it into two equal sections, making all the time many learned remarks on the singular appearances of the unknown bulb. Suddenly the owner pounced upon him, and, with fury in his eyes, asked him if he knew what he had been doing. "Peeling a most extraordinary onion," replied the philosopher. "*Hundert tausend duyvel!*," said the Dutchman; "it's an *Admiral Van der Eyck*." "Thank you," replied the traveler, taking out his notebook to make a memorandum of the same; "are these admirals common in your country?" "Death and the devil," said the Dutchman, seizing the astonished man of science by the collar; "come before the syndic, and you shall see." In spite of his protests, the traveler was led through the streets, followed by a mob of persons. When brought into the presence of the magistrate, he learned, to his consternation, that the root upon which he had been experimenting was worth four thousand florins; and, notwithstanding all he could urge in extenuation, he was lodged in prison until he found securities for the

payment of this sum.

The demand for tulips of a rare species increased so much in the year 1636, that regular marts for their sale were established on the Stock Exchange of Amsterdam, in Rotterdam, Harlaem, Leyden, Alkmar, Hoorn, and other towns. Symptoms of gambling now became, for the first time, apparent. The stockjobbers, ever on the alert for a new speculation, dealt largely in tulips, making use of all the means they so well knew how to employ, to cause fluctuations in prices. At first, as in all these gambling mania, confidence was at its height, and every body gained. The tulip-jobbers speculated in the rise and fall of the tulip stocks, and made large profits by buying when prices fell, and selling out when they rose. Many individuals grew suddenly rich. A golden bait hung temptingly out before the people, and, one after the other, they rushed to the tulip marts, like flies around a honey-pot. Every one imagined that the passion for tulips would last forever, and that the wealthy from every part of the world would send to Holland, and pay whatever prices were asked for them. The riches of Europe would be concentrated on the shores of the Zuyder Zee, and poverty banished from the favored clime of Holland. Nobles, citizens, farmers, mechanics, seamen, footmen, maidservants, even chimneysweeps and old clothes-women, dabbled in tulips. People of all grades converted their property into cash, and invested it in flowers. Houses and lands were offered for sale at ruinously low prices, or assigned in payment of bargains made at the tulip-mart. Foreigners became smitten with the same frenzy, and money poured into Holland from all directions. The prices of the necessaries of life rose again by degrees: houses and lands, horses and carriages, and luxuries of every sort, rose in value with them, and for some months Holland seemed the very antechamber of Plutus. The operations of the trade became so extensive and so intricate, that it was found necessary to draw up a code of laws for the guidance of the dealers. Notaries and clerks were also appointed, who devoted themselves exclusively to the interests of the trade. The designation of public notary was hardly known in some towns, that of tulip-notary usurping its place. In the smaller towns, where there was no exchange, the principal tavern was usually selected as the "show-place," where high and low traded in tulips, and confirmed their bargains over sumptuous entertainments. These dinners were sometimes attended by two or three hundred persons, and large vases of tulips, in full bloom, were placed at regular intervals upon the tables and sideboards, for their gratification during the repast.

At last, however, the more prudent began to see that this folly could not last forever. Rich people no longer bought the flowers to keep them in their gardens, but to sell them again at a profit. It was seen that somebody must lose fearfully in the end. As this conviction spread, prices fell, and never rose again. Confidence was destroyed, and a universal panic seized upon the dealers. *A* had agreed to purchase ten *Sempers Augustines* from *B*, at four thousand florins each, at six weeks after the signing of the contract. *B* was ready with the flowers at the appointed time; but the price had fallen to three or four hundred florins, and *A* refused either to pay the difference or receive the tulips. Defaulters were announced day after day in all the towns of Holland. Hundreds who, a few months previously, had begun to doubt that there was such a thing as poverty in the land, suddenly found themselves the possessors of a few bulbs, which nobody would buy, even though they offered them at one quarter of the sums they had paid for them. The cry of distress resounded everywhere, and

each man accused his neighbor. The few who had contrived to enrich themselves hid their wealth from the knowledge of their fellow-citizens, and invested it in the English or other funds. Many who, for a brief season, had emerged from the humbler walks of life, were cast back into their original obscurity. Substantial merchants were reduced almost to beggary, and many a representative of a noble line saw the fortunes of his house ruined beyond redemption.

When the first alarm subsided, the tulip-holders in the several towns held public meetings to devise what measures were best to be taken to restore public credit. It was generally agreed, that deputies should be sent from all parts to Amsterdam, to consult with the government upon some remedy for the evil. The government at first refused to interfere, but advised the tulip-holders to agree to some plan among themselves. Several meetings were held for this purpose; but no measure could be devised likely to give satisfaction to the deluded people, or repair even a slight portion of the mischief that had been done. The language of complaint and reproach was in every body's mouth, and all the meetings were of the most stormy character. At last, however, after much bickering and ill-will, it was agreed, at Amsterdam, by the assembled deputies, that all contracts made in the height of the mania, or prior to the month of November 1636, should be declared null and void, and that, in those made after that date, purchasers should be freed from their engagements, on paying ten percent to the vendor. This decision gave no satisfaction. The vendors who had their tulips on hand were, of course, discontented, and those who had pledged themselves to purchase, thought themselves hardly treated. Tulips that had, at one time, been worth six thousand florins, were now to be procured for five hundred; so that the composition of ten percent was one hundred florins more than the actual value. Actions for breach of contract were threatened in all the courts of the country; but the latter refused to take cognizance of gambling transactions.

The matter was finally referred to the Provincial Council at the Hague, and it was confidently expected that the wisdom of this body would invent some measure by which credit should be restored. Expectation was on the stretch for its decision, but it never came. The members continued to deliberate week after week, and at last, after thinking about it for three months, declared that they could offer no final decision until they had more information. They advised, however, that, in the mean time, every vendor should, in the presence of witnesses, offer the tulips to the purchaser for the sums agreed upon. If the latter refused to take them, they might be put up for sale by public auction, and the original contractor held responsible for the difference between the actual and the stipulated price. This was exactly the plan recommended by the deputies, and which was already shown to be of no avail. There was no court in Holland that would enforce payment. The question was raised in Amsterdam, but the judges unanimously refused to interfere, on the ground that debts contracted in gambling were no debts in law.

Thus the matter rested. To find a remedy was beyond the power of the government. Those who were unlucky enough to have had stores of tulips on hand at the time of the sudden reaction were left to bear their ruin as philosophically as they could; those who had made profits were allowed to keep them; but the commerce of the country suffered a severe shock, from which it was many years before it recovered...