

## Special exhibit

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### The German economic crisis of 1618 to 1623 (the *Kipper* and *Wipper* period)

To quote the words of Nikolaus Kopernikus in 1517, “The greatest and most forbidding mistake has to be when a ruler tries to make a profit from the minting of coins by introducing and circulating new coins, with an inferior weight and fineness, alongside the originals and claims that they are both of equal value...”. These words should have been remembered a hundred years further down the line.

The so-called “*Kipper* and *Wipper* period” saw the highest inflation in the history of the Holy Roman Empire of the German Nation. The start of the Thirty Years’ War marked the beginning of a drastic deterioration in the quality of coins in Central Europe which lasted until 1623. The origin of this financial and economic crisis, however, is to be found some decades before this.

In 1559, last-ditch efforts were made in Augsburg to try and establish a comprehensive coinage system for the Empire. Although a legal framework regarding the weight and content of the coins, and how they should be controlled, was actually established, the monetary standard for low and middle value coins was set too high. The higher production costs for minting small coins, such as groschen, shillings, batzen, kreuzer, pfennigs and hellers, had not been given sufficient consideration. While a profit of over 14½ guilders could be made from minting approximately 23kg of silver into thalers, minting the same amount into three pfennig pieces resulted in a loss of over 46 guilders. Many mints were therefore forced to reduce the silver content of small coins, with the result that the content of these coins was already significantly below the prescribed standards even before the Thirty Years’ War broke out.



½ Reichsthaler, 1622



½ kipper thaler, 1622

With the outbreak of the war, expenditure on arms rose dramatically. A conscious decision was then made to debase the coins by using those coins still in circulation with a higher silver content as the raw material for new coins. Buyers set out across the country in search of these higher-quality coins. The German term “*Kipper* and *Wipper* period” is actually derived from their practices. Coin scales (*Wippen*) which quickly tipped (*kippen*) if a coin was of the proper weight were used to sort the higher-quality coins from the lower-quality coins.

New coins were then minted by adding copper to the silver that was extracted from these coins. The profit made by reminting coins in this way was so enticing that the silver content of the coins was further and further reduced until pure copper coins eventually came onto the market.



Landgraviate of Hesse-Kassel

County of Mansfeld

Albus, 1606

Kipperalbus, 1621

Kipperdreier, 1622

Kipperdreier, 1621



The *Kipper* and *Wipper* at work

Trade and transport picked up as a result of the increased volume of cash in circulation. Economic output rose, but the prices of individual products also went up rapidly. Those who had the opportunity to pass on the price rises to their customers did just that. Those receiving a fixed income, such as teachers or pensioners, no longer had enough money to live on.

Between 1623-1624, the authorities started to revert to the old coinage system in an attempt to regain control of the ever-rising rate of inflation. Kipper coins were withdrawn from circulation and declared non-legal tender. At the same time, new high-quality money was minted and put into circulation. The losses arising from the vast amount of coins that were withdrawn from circulation were borne by the state.

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Further reading (in German)

Gustav Freytag, *Der Dreißigjährige Krieg 1618-1648*, Bad Langensalza 2003.

Konrad Schneider, *Frankfurt und die Kipper- und Wipperinflation der Jahre 1619-1623*, Frankfurt 1990.

Ulrich Rosseaux, *Die Kipper und Wipper als publizistisches Ereignis (1620-1626)*, Berlin 2001.

Niklot Klüßendorf, *Einige Anmerkungen zur norddeutschen Münzgeschichte der Kipper- und Wipperzeit*. *Berliner Numismatische Zeitschrift* Nr. 36, 1974.