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# Sweden and the Seven Years War, 1757–1762: War, Debt and Politics

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## Abstract

Sweden commenced military operations against Prussia in 1757, following Austria's and France's efforts to include Sweden in the anti-Prussian alliance. Swedish politicians hoped that the coalition would lead to a quick victory without having to get too involved in the fighting, but that Sweden still would be rewarded for its support. Swedish military action was thus primarily designed to show the allies that Sweden participated in the war. Despite the low intensity warfare that characterized the fighting, the war was still extremely expensive. The Swedish state used mostly internal borrowing to finance the war, which led to negative economic and political consequences such as inflation and popular discontent. By participating in the war, the Swedish state sought to strengthen its commercial situation worldwide while preserving its military position in the Baltic region.

## Keywords

Council of the Realm, debt, Diet, low intensity warfare, Seven Years War, Sweden, Swedish Pomerania, Tobago

The Seven Years War (1756–63) was in many ways a global war with fighting on four continents and in three oceans. It was driven by two main ongoing and connected struggles: the Anglo-French contest for global power and Prussia's desire to become a great European power. In Europe a coalition led by Austria, France and Russia tried to defeat the ambitions of Prussia's king, Frederick II, following his aggression against Saxony in 1756. Prussia's only major ally was Britain. In order to broaden the coalition and strengthen its chances of success, Austria and France enticed Sweden into the anti-Prussian alliance in 1757. Sweden initiated military operations against Prussia in

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September that same year. The Swedish Council of the Realm legitimized its actions by arguing that the Prussian aggression was a threat to the order in Germany and to the Peace of Westphalia of 1648. Since Sweden was one of the guarantors of the peace and part of Western Pomerania was a province in the Swedish realm, the country had to transfer troops there in order to defend the treaty and prevent further Prussian aggression. The hope in Stockholm was that such a powerful coalition would result in a quick and victorious outcome without the need to commit too many troops or initiate major offensive military action, but that Sweden still would be richly rewarded by its alliance partners for its willing support.<sup>1</sup>

However, these hopes were soon shattered by the unexpected resilience of the Prussian armies and the consequent need for Sweden to maintain and support an army of around 20,000 men in the province of Western Pomerania for several years. This was very expensive and was not something that had really been taken into account when the council decided to commence hostilities. France, which had been very active in trying to get Sweden to join the coalition against Prussia, had pledged substantial subsidies to help with the financing. Nonetheless, the French government found it increasingly difficult to transfer the agreed sums, which meant that the Swedish state for the most part had to utilize its own resources to pay for the war.<sup>2</sup>

The mobilization of resources was influenced by constitutional factors. During the period 1719–72 Sweden had a type of parliamentary system – with a political culture that showed some similarities with the British and Dutch systems – where the Diet with its four estates governed the realm’s finances, legislation, and foreign policy, while the king’s role was mainly symbolic. This meant that it was the Diet alone that could legitimately declare war or raise taxes. The Council of the Realm simply functioned as an executive branch of government implementing the wishes of the Diet. The councillors had to account for their actions when the Diet convened the next time, which reduced their political independence. The last meeting of the estates had ended in 1756 and they were not expected to meet until 1760. Consequently, the council had to argue that it was only fulfilling old agreements and treaties when it transferred troops to Swedish Pomerania and began hostilities against Prussia. No declaration of war could thus be issued and no extra taxation could be introduced. The only way the council could manage a dramatic increase in expenditure was through borrowing. Without this ability the war would have been impossible to pursue for any length of time. The war was fought over three and a half years before the Diet was convened.<sup>3</sup>

Despite these internal economic and political constraints and Sweden’s position in the international state system as a middle-ranking European power which essentially had to adapt to the interests of the major powers, the Council of the Realm initiated military

1 For a general survey of the war, see M. Schumann and K. Schweizer, *The Seven Years War: A Transatlantic History* (London, 2008); F.A.J. Szabo, *The Seven Years War in Europe, 1756–1763* (Harlow, 2008). For a Swedish perspective, see M. Roberts, *The Age of Liberty: Sweden 1719–1772* (Cambridge, 1986), pp. 43–5.

2 K. Åmark, *Sveriges statsfinanser 1719–1809* (Stockholm, 1961), pp. 839–44.

3 Roberts, *Age of Liberty*, pp. 18–21, 59–110.

activities against a powerful neighbouring state. The council did not follow the example of other middle-ranking states such as Denmark and the Dutch Republic, which remained neutral during the conflict. It also ignored the risks involved, especially regarding the position of Swedish Pomerania. The case of Saxony showed very clearly what could happen if a major power decided to turn its forces against the territory of a minor power.

In order to comprehend what the Council of the Realm was actually trying to achieve by attacking Prussia it is crucial to analyse what role Sweden played and was attempting to play in the international state system in the middle of the eighteenth century and what resources it had at its disposal to realize the goals. Was Sweden trying to slowly regain its position as a major European power that it had held after the Thirty Years War, but that had been lost after the long and burdensome Great Northern War (1700–21), by expanding its territory in Western Pomerania? Or rather had Sweden accepted its middle-ranking position in northern Europe and was now trying to gain diplomatic and commercial benefits from the major powers by participating in the war?

Historians have tended to ignore the smaller states in Europe when exploring the highly competitive state system of the eighteenth century. Their main focus has been on the major powers and the evolution from a triangular system dominated by Austria, Britain, and France to a pentagonal system which included Austria, Britain, France, Prussia, and Russia. This development has also been associated with a shift from a pre-occupation with European continental policies towards European and global issues. Likewise, the major powers' attempts to mobilize resources and the economic and social problems related to these have attracted considerable scholarly attention. One major theme in this body of literature has been to explain why Britain was so successful during the increasingly global wars in the eighteenth century, and why France failed in its attempts to keep up with its major rival across the channel.<sup>4</sup> Another important theme has been to explain the rise of especially Prussia and Russia as major European powers and their ability to expand geographically as well as to reorganize their administrative, fiscal, and military institutions.<sup>5</sup>

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- 4 P.K. O'Brien, 'The Political Economy of British Taxation, 1660–1815', *Economic History Review* XLI (1988); J. Brewer, *Sinews of Power: War, Money and the English State, 1688–1783* (London, 1989); F.R. Velde and D.R. Weir, 'The Financial Market and Government Debt Policy in France, 1746–1793', *Journal of Economic History* LII (1992); F. Anderson, *Crucible of War: The Seven Years' War and the Fate of Empire in British North America, 1754–1766* (New York, 2000); D. Stasavage, *Public Debt and the Birth of the Democratic State: France and Great Britain, 1688–1789* (Cambridge, 2003); J. Félix and F. Tallett, 'The French Experience, 1661–1815', in Christopher Storrs, ed., *The Fiscal-Military State in Eighteenth-Century Europe: Essays in Honour of P.G.M. Dickson* (Farnham, 2009).
- 5 O. Büsch, *Militärsystem und Sozialleben im alten Preussen 1713–1807* (Berlin, 1962); S. Dixon, *The Modernisation of Russia, 1676–1825* (Cambridge, 1999); H.M. Scott, *The Emergence of the Eastern Powers, 1756–1775* (Cambridge, 2001); J.M. Hartley, *Russia, 1762–1825: Military Power, the State and the People* (Westport, CT, 2008); P.H. Wilson, 'Prussia as a Fiscal-Military State, 1640–1806', in Christopher Storrs, ed., *The Fiscal-Military State in Eighteenth-Century Europe: Essays in Honour of P.G.M. Dickson* (Farnham, 2009).

These themes are important, but they do not offer a full picture of the quite complex international state system and the internal and external pressures it put on European states. Although the system was dominated by the major powers, smaller states could play an important part in the diplomatic negotiations and in the alliance systems. Especially in the Baltic region, which was crucially important for the supply of naval stores such as iron, timber, and tar, major powers had to take into consideration the interests of smaller states such as Denmark and Sweden.<sup>6</sup> Smaller states could also utilize different commercial and political strategies in order to benefit from their provincial role in the system. Danish merchants could for example interlope between the major powers by exploiting Danish neutrality. At times of war such interlopers created serious problems for the major powers, but they could also be exploited by states such as France.<sup>7</sup> Exploring the role of smaller states in the international state system can therefore offer another perspective on how the system as a whole functioned and how it impacted on different European societies.

This article approaches these issues by looking more closely at the Swedish case and how the state handled both internal and external pressures during the Seven Years War. It examines the communication between the commanding generals in Pomerania and the political leadership in Stockholm in order to understand what the Swedish army was ordered to do and how the generals perceived the possibilities of fulfilling these orders. Then it explores how the Swedish government organized its borrowing activities during the war and what economic and political consequences these loans had in the country. Such an investigation leads to a better understanding of the resources that were available for warfare and how the population perceived the mobilization of these resources. In this way, the interplay between warfare, the raising of resources, and domestic politics in a smaller European state in the middle of the eighteenth century can be investigated.

## I. Sweden's Role in the European States System

In order to understand developments in Sweden during the middle of the eighteenth century and the country's international ambitions, it is essential to explore how the European states system had influenced the formation of the Swedish state in preceding centuries. The economic and political institutions that existed in the eighteenth century had to a great extent been shaped by international relations, since the growth of the

6 For a general argument about the need to consider smaller and less powerful countries when analysing the international state system, see C. Storrs, 'The Savoyard Fiscal-Military State in the Long Eighteenth Century', in Christopher Storrs, ed., *The Fiscal-Military State in Eighteenth-Century Europe: Essays in Honour of P.G.M. Dickson* (Farnham, 2009). For the importance of the Baltic, see H.S.K. Kent, *War and Trade in Northern Seas: Anglo-Scandinavian Economic Relations in the Mid-Eighteenth Century* (Cambridge, 1973); D. Ormrod, *The Rise of Commercial Empires: England and the Netherlands in the Age of Mercantilism, 1650–1770* (Cambridge, 2003), pp. 60–88; C. Evans and G. Rydén, *Baltic Iron in the Atlantic World in the Eighteenth Century* (Leiden, 2007).

7 O. Feldbæk, 'Eighteenth-Century Danish Neutrality: Its Diplomacy, Economics and Law', *Scandinavian Journal of History* VIII (1983).

Swedish state in the sixteenth and early seventeenth centuries was closely associated with warfare and territorial expansionism. Ambitions to expand the borders of the realm had started in the 1560s following the collapse of the polity based on the Order of the Livonian Knights. Consequent wars against Poland and Russia led to conquests in the east. The expansionist plans accelerated in the seventeenth century with the successful participation in the Thirty Years War in the 1630s and 1640s. As a result of that conflict and the subsequent wars against Denmark and Poland, Sweden gained a major power position in northern Europe by 1660. After a few years of peace from 1680, gunfire started again in 1700 when a coalition of states led by Russia ventured to capture Sweden's provinces in the Baltic region. This was the start to the Great Northern War that would last until 1721.<sup>8</sup>

Consequently, Sweden was heavily involved in warfare from 1560 to 1721. The expansionist policies were framed by and had the support of the Swedish elite, especially the Vasa dynasty, who had come to power in the 1520s, and the nobility. Their main aim was to increase Sweden's control of vital resources in the Baltic region such as tolls and rents, while curtailing the power of neighbouring states. The wars led to increasingly larger armies and navies. In the 1560s the Swedish army totalled around 25,000 men, while in 1708 the army had grown to over 110,000 men. The growing armed forces needed ever more cash, provisions, clothing, and weapons. Some of these resources were provided by allies and extracted from enemy territory, but the bulk of them had to be procured domestically. Supplying provisions required a centralization of power and resources. Such a process of centralization had already started in the 1520s, but it accelerated particularly during the first decades of the seventeenth century. The state apparatus grew and administrative and judicial reforms were introduced, and the pressure on the peasant population, which supplied most of the taxes and men, was intensified. There were also attempts to expand the domestic resource base by promoting trade and a growth in the production of bar iron and copper.<sup>9</sup> According to Jan Glete, Sweden's transformation into a fiscal-military state was chiefly based on its relatively efficient mobilization of scarce resources and a well-functioning aggregation of political interests. In other words, the elite identified its interests with those of the state and the peasants had opportunities to demand a redress of grievances through established institutions such as the Diet.<sup>10</sup>

The strength of the Swedish system of resource extraction manifested itself during the last years of the Great Northern War, when Sweden faced a number of powerful enemies,

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8 For an overview of the wars that Sweden was involved in during the period 1560–1721, see M. Roberts, *Sweden's Imperial Experience, 1560–1718* (Cambridge, 1979); J. Glete, *Spain, the Dutch Republic and Sweden as Fiscal-Military States, 1500–1660* (London, 2002), pp. 185–9.

9 J. Lindgren, 'The Swedish "Military State", 1560–1720', *Scandinavian Journal of History* X (1985); N.-E. Villstrand, *Anpassning eller protest: lokalsamhället inför utskrivningarna av fotfolk till den svenska krigsmakten, 1620–1679* (Turku, 1992); P. Ericsson, *Stora nordiska kriget förklarar: Karl XII och det ideologiska tilltalet* (Uppsala, 2002), p. 27; Glete, *Spain, the Dutch Republic and Sweden*, pp. 189–211.

10 Glete, *Spain, the Dutch Republic and Sweden*, pp. 210–11.

and Finland, the Baltic provinces, and the German provinces were occupied by opposing forces. Despite the pressing situation and the fact that several armies had been lost in battles during the course of the war, the state was able to mobilize an effective army totalling around 65,000 men in 1718. The absolute king, Charles XII, was determined to continue the war, which meant that all subjects and all sectors of society, without regard to privileges and social status, had to contribute to the war effort. Sweden in the 1710s was probably able to use a bigger portion of the country's total resources for warfare than any European power if the amount of resources that the state managed to mobilize and the size of the army are related to the number of inhabitants. The only power which could compete with such high levels of resource mobilization was Denmark.<sup>11</sup>

The mobilization of resources was achieved without major social disturbances, but discontent and war weariness were increasing, especially among privileged groups, such as the nobility, which felt threatened by the king's growing disregard for established privileges. The king, who controlled foreign policy, military strategy, and fiscal policies, had sidelined the traditional political institutions such as the council and the Diet. These changes, which can be seen as an aberration, added to a growing political dissatisfaction. However, criticism could not be aired publicly since the state controlled what was printed. It was also dangerous to utter disapproval in public.<sup>12</sup>

Without warning this situation changed literally overnight when the king was killed by a stray bullet in Norway on 30 November 1718. Since he had not married and there was no heir to the throne, a number of competing factions within the state apparatus took the initiative and convened the Diet in 1719 in order to construct and adopt a new form of government. The authors of the constitution were principally concerned to construct a guarantee against royal absolutism and to prevent the extreme mobilization of resources that had taken place during the last years of Charles XII's reign. This constitutional endeavour resulted in a major political change in which the Diet with its four estates became the dominating institution in political life. Around the same time negotiations with the neighbouring states resulted in a number of peace treaties which eventuated in a loss of the Swedish Baltic provinces and the southern parts of Western Pomerania.<sup>13</sup>

In Swedish historiography the constitutional change, together with the peace treaties, has been associated with a fundamental transformation in Sweden's foreign policy ambitions. It has traditionally signalled the end of the great power era with its almost constant warfare and the start of a new, more peaceful period. Consequently, the political direction of the realm was changed from a system concentrated on external warfare and conquest to one that focused more on internal cultivation and economic growth. It

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11 M. Linde, *Statsmakt och bondemotstånd: allmoge och överhet under stora nordiska kriget* (Uppsala, 2000), pp. 11–14; Ericsson, *Stora nordiska kriget*, pp. 22–33.

12 Linde, *Statsmakt och bondemotstånd*, pp. 65–237; Ericsson, *Stora nordiska kriget*, pp. 23–49.

13 L. Thanner, *Revolutionen i Sverige efter Karl XII:s död* (Uppsala, 1953); W. Buchholz, *Staat und Ständegesellschaft in Schweden zur Zeit des Überganges vom Absolutismus zum Ständeparlamentarismus 1718–1720* (Stockholm, 1979).

has been argued that it was no longer politically possible to mobilize and redistribute resources to the same extent as Charles XII had done.<sup>14</sup>

One consequence of this view of the events of 1718–19 has been that historians have had difficulties in fully explaining why Sweden initiated a war with Russia in 1741 and then joined the coalition against Prussia in 1757. The war in 1741 was an attempt to regain some of the territory that had been lost to Russia in 1721, but it ended in humiliation and a further loss of territory in 1743. Although France supported Sweden financially and diplomatically, the army was not able to stage any major offensive campaigns, mainly because of difficulties in transporting supplies to the troops in Finland.<sup>15</sup>

Instead of looking at more structural internal and external factors, scholars have explained these wars primarily by referring to political factions that wanted Sweden to regain the position it had lost in 1721. In other words, if developments during the seventeenth century have been interpreted as being driven by the logic of the fiscal-military state, the wars after 1721 have been characterized as small wars, planned for internal political reasons or caused by diplomatic pressures and started without proper military preparations. Furthermore, it has been argued that not all available resources were used to pursue the wars. To sum up, events during the two wars following the Great Northern War have been interpreted as clear signs of diplomatic and military decline.<sup>16</sup>

Undoubtedly, the extreme mobilization of the Great Northern War was not repeated, and the size of the army was reduced to a level that had existed before 1700. Additionally, diplomatic and military activities were not as ambitious in the mid-eighteenth century as they had been a century earlier. However, the Swedish state retained a substantial military capability, which in some regards improved on its predecessor. A new fleet of galleys designed for service in the Finnish archipelago was created, and the major sea-fortress of Sveaborg was built outside Helsinki in Finland.<sup>17</sup> The state also made great efforts to improve and expand the manufacture of saltpetre and gunpowder, with the explicit aim of advancing the state's artillery and naval effectiveness.<sup>18</sup> There was also an expansion of

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- 14 Roberts, *Age of Liberty*, pp. 15–16; M. Melkersson, *Staten, ordningen och friheten: en studie av den styrande elitens syn på statens roll mellan stormaktstiden och 1800-talet* (Uppsala, 1997), pp. 48–50; J. Nordin, *Ett fattigt men fritt folk: nationell och politisk självbild i Sverige från sen stormaktstid till slutet av frihetstiden* (Eslöv, 2000), pp. 182–4; C. Storrs, 'Introduction: The Fiscal-Military State in the "Long" Eighteenth Century', in Christopher Storrs, ed., *The Fiscal-Military State in Eighteenth-Century Europe: Essays in Honour of P.G.M. Dickson* (Farnham, 2009), pp. 10–11.
- 15 For an overview of the war in 1741, see Roberts, *Age of Liberty*, pp. 35–7.
- 16 O. Nikula, *Augustin Ehrensward* (Helsinki, 1960), pp. 272–3; Roberts, *Age of Liberty*, pp. 21–5; Melkersson, *Staten, ordningen och friheten*, p. 50; F. Thisner, *Militärstatens arvegods: officerstjänstens socialreproduktiva funktion i Sverige och Danmark, ca 1720–1800* (Uppsala, 2007), p. 322.
- 17 O. Nikula, *Svenska skärgårdsflottan 1756–1791* (Helsinki, 1933); G. Artéus, *Krigsmakt och samhälle i frihetstidens Sverige* (Stockholm, 1982); H. Norman, ed., *Skärgårdsflottan: uppbyggnad, militär användning och förankring i det svenska samhället 1700–1824* (Lund, 2000); Thisner, *Militärstatens arvegods*, pp. 44–6.
- 18 T. Kaiserfeld, *Krigets salt: salpetersjudning som politik och vetenskap i den svenska skattemilitära staten under frihetstid och gustaviansk tid* (Lund, 2009).

commercial interests, such as long-distance trade that had clear diplomatic and political dimensions. For example, Sweden established commercial and diplomatic ties with the Barbary States and was actively seeking a colony in the Caribbean.<sup>19</sup>

Swedish commercial endeavours show many similarities with Danish economic policies in the mid-eighteenth century, but the Danish state pursued a policy of neutrality which was tremendously beneficial to its merchants, while the Swedish state was taking part in wars. The difference in strategy between the two Scandinavian states can be explained, at least partly, by the more commercially oriented Danish state, which possessed three Caribbean islands and trading posts in Africa and India. These possessions made the neutrality policy with its opportunities for interloping a much more lucrative option for the Danish state than for the Swedish state, which lacked such overseas territories.<sup>20</sup>

These examples show that the narrative of decline is too simplistic to capture and explain Sweden's ambitions in the European states system after 1721. Instead it is necessary to examine Sweden's policies from a more structural perspective by looking at what the political elite actually tried to achieve when participating in the coalition against Prussia, and what resources were utilized in order to achieve these goals.

## II. Political Considerations and Military Decisions

Diplomatic activities around the courts of Europe were dramatically increased following Prussia's attack on Saxony in August 1756. The court in Vienna responded by trying to mobilize support for its position within the Holy Roman Empire against Prussia. Since Swedish Pomerania lay in German lands, the Austrians also approached the Swedish government for help. The Swedish Council of the Realm replied very cautiously to these initial requests in the autumn of 1756. It was clear that it was anxious to avoid taking a definite position over the conflict. These neutral statements were in accordance with both the instruction that the Diet's powerful secret committee had given the council at the end of the meeting of the estates in 1755–6 and the armed neutrality agreement that had been signed between Denmark and Sweden in July 1756. The armed neutrality meant that merchant vessels from the two realms were to receive naval protection in the North Sea.<sup>21</sup>

However, the instruction from the secret committee also included a section on taking advantage of existing and future international conjunctures in order to promote the realm's honour, growth, and interests. This section was quite vague, but it gave the council some political manoeuvrability and opened up the possibility of taking a more

19 L. Müller, *Consuls, Corsairs, and Commerce: The Swedish Consular Service and Long-Distance Shipping, 1720–1815* (Uppsala, 2004), pp. 58–60, 173.

20 L. Müller, 'The League of Armed Neutrality, 1780–83', in D. Stoker, K.J. Hagan and M.T. McMaster, eds, *Strategy in the American War of Independence: A Global Approach* (London, 2010), pp. 204–7.

21 Szabo, *Seven Years War*, pp. 36–52. On the neutrality agreement between Denmark and Sweden, see G. Lind, 'The Making of the Neutrality Convention of 1756: France and Her Scandinavian Allies', *Scandinavian Journal of History* VIII (1983).

active part in the diplomatic negotiations following the Prussian attack on Saxony. An indication that a more forward policy was desired by, for example, the president of the Chancery (*kanslipresident*) and leading member of the council, Anders Johan von Höpken, can be seen in the instruction that was given to the Swedish ambassador to France, Ulric Scheffer. In the instruction, von Höpken pointed out that Sweden above all should try to maintain peace and promote its international trade, but warned that the warring states could make proposals that were impossible to refuse without losing the country's status as a reliable and reputable European power. He recognized that it was also highly possible that Sweden would receive projects that could be agreed to without taking too large a risk. The ambassador should therefore make clear that Sweden was willing to negotiate and take advantage of the political situation if the terms were favourable. Von Höpken also stressed the importance of being part of a future peace settlement in order to benefit from a Prussian defeat. A revision of the peace treaty of 1720 between Sweden and Prussia and the acquisition of an island in the Caribbean that could function as a base for Swedish trade in the region were mentioned as clear possibilities if Sweden were to take a more active role. Von Höpken drew particular attention to the contested island of Tobago, which he thought could become a Swedish colony. Scheffer was therefore ordered to gather information about the island and secretly investigate how the French government would view a Swedish takeover.<sup>22</sup>

The Swedish state had considered the island of Tobago several times before, in 1724, 1731, and 1749. According to the president of the Board of Trade, Daniel Nicklas von Höpken (Anders Johan von Höpken's father), the island with its deep water harbour in Scarborough would be a good stable location for Sweden's West Indian trade. The fact that Tobago was mentioned in the instruction to the Swedish ambassador indicates that the ambitions were more concrete than just vague dreams on the part of the country's political elite. Such colonial expansion would fit in well with the ongoing expansion of long-distance trade and the attempts to strengthen the mercantile sector in the realm. Many nobles and merchants also thought that in order to become a successful country in both an economic and political sense, Sweden needed to have an overseas empire.<sup>23</sup>

The instruction to Scheffer also makes clear that the council was primarily considering supporting an effort to defeat Prussia. Von Höpken believed that Prussia would not be able to survive a long-drawn-out war against its neighbours and that Sweden should take advantage of the kingdom's precarious position.<sup>24</sup> Opposing Prussia would be a natural position given the close diplomatic and political ties between the Swedish government and the court in France. France had supported Swedish foreign policy goals since the late 1730s by supplying subsidies. These ties were also strengthened by the fact that several of the councillors of the realm had been serving as Swedish diplomats in Paris and had cultivated personal bonds with leading French officials.<sup>25</sup>

22 L. Trulsson, *Ulrik Scheffer som hattpolitiker: studier i hattregimens politiska och diplomatiska historia* (Lund, 1947), pp. 204–5.

23 Müller, *Consuls, Corsairs and Commerce*, pp. 170–3.

24 Trulsson, *Ulrik Scheffer*, pp. 202–3; O. Jägerskiöld, *Den svenska utrikespolitikens historia*, vol. II.2, 1721–1792 (Stockholm, 1957), p. 199.

25 C. Wolff, *Vänskap och makt: den svenska politiska eliten och upplysningstidens Frankrike* (Helsinki, 2005), pp. 56–61, 191–8.

Nonetheless, it was not the French government that first requested a more active and anti-Prussian Swedish stand in the German conflict. Instead it was the court in Vienna that in October 1756 pleaded with both France and Sweden to honour their role as guarantors of the Peace of Westphalia and re-establish order in the Holy Roman Empire following the Prussian attack. The Austrian request was first handled by the Chancery, which issued a written statement in which von Höpken made clear that the Prussian king was guilty of an unprovoked attack on Saxony. According to von Höpken, these Prussian violations could be rectified by cooperating diplomatically with France and Austria, and by supporting the Empress of Austria at the Reichstag. However, recognizing the role of guarantor did not mean that Sweden would actively participate in the war since internal conditions prevented such actions. When the Chancery's statement was discussed in the council in December 1756, several councillors argued that Sweden should demand the whole of Western Pomerania as compensation for accepting the role of guarantor of the peace treaty and for condemning Prussia's actions. Von Höpken tried to moderate their insistence by arguing that such aggressive demands would alarm not only Prussia, but also Denmark and Russia. Instead the Swedish ambassador in Paris should be ordered to try to convince the French court informally of the importance of supporting a re-establishment of the Swedish position in Germany. Concurrently, the ambassador should also request further financial support from France. This proposal was endorsed by the other councillors.<sup>26</sup>

The statements made by the leading Swedish politicians indicate that their foremost aim was to show France a willingness to condemn Prussian actions, but to make clear that it was impossible to take a more active role without the economic support of the French state. In other words, Sweden could not participate in the anti-Prussian coalition if it did not receive both substantial subsidies and the expectation of territorial rewards after the war.

The subsequent diplomatic negotiations between France and Sweden made clear that France was willing to support Swedish claims, but that such assistance had to be marked by active Swedish military participation in the conflict. It was simply not sufficient to send troops to Swedish Pomerania. Sweden on the other hand announced its unwillingness to initiate military operations against Prussia, and said that it was not able to take a more active part without proper financial support and certain security guarantees. In March 1757 France and Sweden agreed that Sweden should hand in a public declaration to the Reichstag in Regensburg condemning Prussian aggression and affirming Sweden's position as a guarantor of the Peace of Westphalia. If this declaration led to a Prussian attack, both Austria and France confirmed that Sweden would regain the parts of Western Pomerania that had been lost in the peace of 1720. However, the main question about Swedish active participation in the coalition against Prussia was not resolved. In April 1757 Sweden received a new request from France that it should support the declaration by military means. This request led to a lengthy debate in the council. All councillors agreed that the army should be prepared for war and that troops should be sent to Swedish

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26 Trulsson, *Ulrik Scheffer*, pp. 206–12.

Pomerania, but there were disagreements about the size of the troop contingent, when the troops should be sent, and what they should do once they arrived.<sup>27</sup>

All councillors admitted that it was essential for the Swedish state to receive subsidies from France. After consulting with a number of top civil servants, the council decided to request a sum of 4 million livres for the first year and 3 million livres the following years to maintain 20,000 troops in Pomerania. Three councillors thought that higher sums were needed, but the majority argued that it was unreasonable to seek more. The Austrian and French ambassadors requested that Sweden should send 30,000 troops in 1757 and start the siege of Stettin the same year. In return, Sweden would receive subsidies and gain control of Western Pomerania. At the final vote in the council on 8 June, 5 councillors voted against participating in the war while 11 supported the war, on condition that only 20,000 men should be sent and that no siege of Stettin should start in 1757. After pressure from the majority, unanimity was established: the country would take an active part in the coalition against Prussia by sending 17,000 troops to Pomerania. Taken together with the troops already at the garrison in Stralsund, the total number of troops would reach 20,000. The size of the troop contingent constituted roughly 30 per cent of the regular Swedish army.<sup>28</sup>

The decision to participate in the war and make subsequent preparations to send troops, arms, and supplies to Western Pomerania was taken before Sweden had reached a binding agreement with France regarding the exact size of the subsidies and what the Swedish forces should actually do to restore order in Germany. Consequently, the Swedish war aims were extremely general in character and were primarily focused on manifesting a military presence in Pomerania. In the following negotiations between Sweden and France regarding the number of troops and size of the subsidies, it was eventually agreed that Sweden would receive 4 million livres during the first year, which could be continued if Sweden raised its troop presence to 25,000 in subsequent years. The agreement was signed in Stockholm on 22 September, which was over a week after Swedish troops had crossed into Prussian territory.<sup>29</sup>

The financial and political conditions for participating in the war and the war aims were thus very much shaped by the negotiations with France. Even the most optimistic councillor realized that French support was essential and that Sweden had no military capacity to act independently against Prussia. France could not dictate Swedish actions, but no military activity would have been started without the Austrian and French requests. This meant that the military operations were conducted essentially in order to show the courts in Versailles and Vienna that Sweden was taking part in the coalition.

This military and political focus can be seen in the instruction that was given to the commanding field marshal in Western Pomerania, Mathias Alexander von Ungern Sternberg. The main task of the Swedish army was to display activity and to undertake

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27 Ibid., pp. 242–6; Jägerskiöld, *Den svenska utrikespolitikens*, pp. 199–202; Szabo, *Seven Years War*, p. 52.

28 T. Säve, *Sveriges deltagande i sjuåriga kriget åren 1757–1762* (Stockholm, 1915), p. 41; Trulsson, *Ulrik Scheffer*, pp. 247–9.

29 Trulsson, *Ulrik Scheffer*, pp. 266–7.

its operations on foreign soil. In other words it was important to show the allies that Sweden was an earnest and trustworthy ally that would actively take part in the restoration of peace in Germany. Activity was also deemed necessary from a fiscal perspective – it was simply not possible, even with the French subsidies, for the Swedish state to support the troops in Swedish Pomerania. These considerations meant that the field marshal was ordered to cross into Prussian Pomerania and seek quarters there. He was also advised to seek a battle with Prussian troops while the main part of the Prussian army was occupied elsewhere. It was hoped that a quick victory could lead to the seizure of Stettin. Other than this mention of Stettin – whose capture was described as quite far-fetched – and the importance of locating military operations on Prussian territory, not much else was mentioned about specific war aims.<sup>30</sup>

At the same time it was essential for Sweden to convince Britain that it remained neutral in the ongoing conflict between Britain and France. Since so much of the main export commodity – bar iron – was shipped to Britain, British involvement in the German conflict on the Prussian side and a subsequent boycott of Swedish goods would be disastrous for the Swedish economy. It would also be devastating for the Swedish war effort and the supply lines between southern Sweden and Western Pomerania if Britain sent a naval squadron to the Baltic. When rumours started in June 1757 about the dispatch of British naval forces to the Baltic and particularly in July 1757, when Lord Holderness, the British secretary of state for the Northern Department, suggested that the Swedish troop contingent to Pomerania was not in accordance with the neutrality agreement with Denmark, the leadership in Sweden quickly made it clear that the two wars were quite separate. In other words, the transport of troops to Pomerania was only related to the German war and had no ties to the relationship with Britain, and Sweden would remain neutral in the war between France and Britain. Sweden also made enquiries to make sure that Denmark would keep its part of the neutrality agreement and oppose a British naval presence in the Baltic.<sup>31</sup> After the Pitt–Newcastle ministry came to power in Britain, the possibility of such a naval presence diminished significantly. The British state did not want to alienate countries such as Denmark, Russia, and Sweden, which supplied most of its naval stores. Britain also needed its naval forces in locations such as the Caribbean, which was deemed strategically more important than the Baltic.<sup>32</sup>

After clarifying the relationship with Britain and Denmark, Sweden could concentrate its efforts on shipping troops and supplies to Swedish Pomerania and start military operations against Prussia. The Swedish army in the province consisted of around 22,000 men in late autumn 1757, divided into 118 companies of infantry, 32 companies of cavalry, and an artillery regiment. The majority of these troops had been shipped from Finland and Sweden during August, September, and October, while around 5000 were Germans already based in Swedish Pomerania. Almost immediately upon arrival in the province,

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30 Uppsala University Library, Uppsala, Handlingar rörande Pommerska kriget 1757, vol. F365, Instruktion för Fältmarskalken Baron von Ungern Sternberg, 7 September 1757.

31 Swedish National Archives, Stockholm [SNA], Skrivelser från Kanslikollegium till Kungl. Maj:t 1757, vol. 51, 4 July, 9 August.

32 Szabo, *Seven Years War*, p. 100.

the commanding officers started to report on deficiencies in the troops' equipment. In particular the shortage of horses and the fact that Sweden did not have any light cavalry were seen as a major problem. Some of these inadequacies were slowly removed, while others were never really resolved.<sup>33</sup>

Despite the problems, the Swedish army started to move south and into Prussian territory. They encountered no more than limited resistance since Prussia only had around 5000 regular and 5000 hastily recruited militia troops defending the northern border of the realm. The Swedish army took control of the islands of Usedom and Wollin and the towns of Demmin, Anklam, Ueckermünde, and Pasewalk, where they collected war contributions and hay. The main force of 11,000 men was located at Anklam. After a few weeks of strengthening the defences, the army continued south to Ferdinandshof while contacting the French army under the command of the Duke of Richelieu to hear if the two armies should cooperate more closely. The Swedish army received a French proposal to advance into Brandenburg and threaten Berlin, but the Swedish generals were afraid that such a move would stretch their supply lines and make it easier for a Prussian force from Stettin to cut off contacts between the army and Swedish Pomerania. The generals were also suspicious of French intentions. Since it was difficult to maintain the troops in Ferdinandshof during the winter, Field Marshal von Ungern Sternberg decided to withdraw to the River Peene, while still maintaining control of the towns of Demmin and Anklam and the islands of Usedom and Wollin.<sup>34</sup>

Around the same time von Ungern Sternberg received orders from the Council of the Realm, which criticized him for withdrawing from Ferdinandshof and ordered him to move south again into Prussian territory so that he could cooperate with the French army and threaten Berlin.<sup>35</sup> The councillors in Stockholm feared that the Austrian and French governments would question the sincerity of the Swedish war effort and Sweden's ability to attack the Prussians. Ultimately, this could lead to an examination of the effectiveness of giving subsidies to the Swedish state. The actions of the council were therefore guided primarily by diplomatic and fiscal considerations rather than by a review of the military situation.

The Swedish army's position had deteriorated following the arrival in Western Pomerania of a Prussian army under the command of Hans von Lehwaldt. This sizeable army of around 28,000 men created a strategic dilemma for the Swedish generals. They could either seek a battle with the Prussians or try to follow the orders from Stockholm and advance southward. Both these options were deemed to be too hazardous since the whole army could be defeated, which in turn could lead to Swedish Pomerania falling into enemy hands. It was also considered too risky to stay at the River Peene. A decision was therefore made to withdraw first to the proximity of Stralsund and then to the city itself.<sup>36</sup> Like so much of early modern warfare, these decisions were primarily guided by

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33 Säve, *Sveriges deltagande*, pp. 52–66.

34 *Ibid.*, pp. 66–100.

35 Uppsala University Library, Uppsala, Handlingar rörande Pommerska kriget 1757, vol. F365, Anders Johan von Höpken to Mathias Alexander von Ungern Sternberg, 2, 6, 16 December 1757.

36 Uppsala University Library, Uppsala, Handlingar rörande Pommerska kriget 1757, vol. F365, Ungern Sternbergs Rapport till Kongl. Maj:t, 3 January 1758.

the need to secure supplies and to preserve the troops. It was impossible to move food and hay on land for distances longer than a few days' march, which meant that troops had to be in locations where these essential resources were available. As every general knew, if supplies were scarce or if the army's position made it possible for the enemy to disrupt access to supplies, the ability to act was severely curtailed.<sup>37</sup>

Von Ungern Sternberg's decision to seek winter quarters in Swedish Pomerania was harshly criticized by the council and he was subsequently relieved of his duties. The councillor Gustaf Fredrik von Rosen was appointed as the new commander-in-chief in Pomerania. When he arrived in Stralsund in 1758, the army consisted of 16,691 soldiers who could serve, and around 3500 who were sick. The Prussians had captured 527, while desertions and deaths totalled 971. Lehwaldt's Prussian army sought winter quarters in Swedish Pomerania, which meant that it controlled most of the province, except Stralsund and Rügen, and that it could demand contributions from the population. As a consequence, the Swedish army had to be supplied mainly from Sweden.<sup>38</sup>

The Prussians left their winter quarters in Swedish Pomerania in June 1758. Before the Swedish army started its operations for the season, Gustaf Fredrik von Rosen resigned the command in favour of Field Marshal Gustaf David Hamilton. The change did not, however, alter the situation in the army. The number of sick infantry soldiers had risen to around 5100 men, which meant that the force available totalled only 8760 men. The new commander thus had to wait for reinforcements from Sweden before he could initiate the 1758 campaign. When these started to arrive during the summer, the Swedish army advanced southward into Prussian territory. The commanders had yet again received only very general instructions from Stockholm regarding what the aim of the campaign should be. The instructions basically repeated what had been stated in September 1757: the army should be active and locate its operations on foreign soil.<sup>39</sup> Anders Johan von Höpken wrote to the field headquarters suggesting that the army should continue to Berlin because that would make it easier to collect contributions and enhance the reputation of the Swedish army.<sup>40</sup> However, these instructions were still quite vague in nature and were primarily intended to show Sweden's allies that Sweden was participating in the war.

Nonetheless, the generals decided after several conferences to continue to Neu Ruppin and Fehrbellin, which were only 50 kilometres from the Prussian capital. Parts of the Swedish army held Fehrbellin against a Prussian attack. Although successful, the Swedish generals were not keen to follow the Prussian force towards Berlin or to stay in Fehrbellin and Neu Ruppin during the winter. They therefore decided to withdraw northward again. The reasons behind this decision were essentially the uncertainties regarding the cooperation and support of allied armies and the difficult supply situation in the vicinity of Fehrbellin.<sup>41</sup>

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37 J. Lindegren, 'Men, Money, and Means', in Philippe Contamine, ed., *War and Competition between States* (Oxford, 2001), pp. 153–5.

38 Säve, *Sveriges deltagande*, pp. 129–32.

39 Nikula, *Augustin Ehrensvärd*, pp. 281–4.

40 *Riksrådet Grefve Anders Johan von Höpkens skrifter*, ed. Carl Silfverstolpe, vol. 2 (Stockholm, 1893), pp. 512–15.

41 Säve, *Sveriges deltagande*, pp. 181–209.

The withdrawal northward angered the councillors in Stockholm, who criticized the Swedish generals for retreating from a weaker enemy. According to von Höpken, it was better and more honourable for the state and the army to die fighting than to die from hunger, disease, and misery.<sup>42</sup> These allegations of a lack of honour and manhood so upset Field Marshal Gustaf David Hamilton that he resigned from his post. The other generals were also very displeased with the reaction from Stockholm.<sup>43</sup> These conflicts show a deepening gap between the councillors in the capital, who were primarily concerned with Sweden's diplomatic and military reputation with its allies, and the generals in Pomerania, who were mainly focused on preserving the troops.

In December 1758 the council appointed Jacob Albrecht Lantingshausen as the new commander-in-chief of the Swedish forces in Pomerania. His room for manoeuvre was limited since the army had located its winter quarters yet again in Swedish Pomerania, which it attempted to defend against the Prussians. However, Prussian armies forced the Swedish army to withdraw to Stralsund and Rügen. Consequently, the Prussians could again demand contributions from the population in Swedish Pomerania during the winter and spring, while the Swedish forces had to receive supplies from Sweden.<sup>44</sup>

During the winter, campaign plans for 1759 were drawn up in all European capitals. At the same time, there were political consequences from the poor performance of the anti-Prussian alliance. Especially in France, whose armies had performed badly, a change of policy was clearly signalled when the duc de Choiseul was given *de facto* control of French war policy. He sought a reduction in expenditure by decreasing subsidies to allies and a shift in focus from the war against Prussia to the war with Britain. One way to achieve such a change and threaten the British position was to try to get Russia and Sweden involved in the Anglo-French war. Choiseul's more specific plan – *grand projet* – was to send a combined force to invade Scotland.<sup>45</sup> Choiseul presented his plan to Swedish officials, who were very sceptical about the proposal. In a revised plan Choiseul suggested that Sweden did not have to declare war but only to function as an auxiliary power in the French endeavour. In return, Sweden would receive the Caribbean island of Tobago at the end of the war.<sup>46</sup>

Although Choiseul's plan did not come to fruition, it was clear that the French minister was well aware of the Swedish desire for a colony in the Caribbean and that he tried to use this in an attempt to widen the war against Britain. He also knew that the Swedish state depended on French financial support, which made it difficult for leading state officials in Sweden to ignore and dismiss outright the wishes of the French foreign minister. However, the serious financial situation in France prevented Choiseul from promising a continuation of subsidies, which in turn reduced the French leverage in the negotiations. On the Swedish side, it was clear that no one wanted to risk a war with Britain given the dire economic consequences of such an action, even if a colony was desirable.

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42 *Riksrådet Grefve Anders Johan von Höpkens skrifter*, pp. 522–4.

43 Säve, *Sveriges deltagande*, pp. 215–20.

44 *Ibid.*, pp. 241–56.

45 Szabo, *Seven Years War*, pp. 194, 213, 264–5.

46 Trulsson, *Ulrik Scheffer*, pp. 335–9.

The French inability to maintain the agreed levels of subsidies, together with the Swedish state's own financial problems, delayed the 1759 campaign. The Prussian forces had left Swedish Pomerania in May 1759, but it was not until August 1759 that the Swedish army, which at this time consisted of 10,770 infantry, 3984 cavalry, and 1221 artillery men, advanced into enemy territory. A part of this force focused its operations on taking control of the islands and bay area at the mouth of the River Oder. Swinemünde was captured, and later the small Prussian fleet of shallow-draught galleys was seized after a battle with a contingent of the Swedish galley fleet.<sup>47</sup> The Swedes were now in total control of the area around the mouth of the River Oder. The main Swedish army had meanwhile moved slowly to Pasewalk and Prenzlau, where it could find supplies. However, the Prussians sent a 4500-man contingent under the command of Heinrich von Manteuffel to prevent the Swedes from effortlessly living off the territory. At the end of October, Lantingshausen decided to march northward again to seek winter quarters in Swedish Pomerania, since he believed that the troops could best be maintained there. For the first time this was also approved by the council in Stockholm.<sup>48</sup>

The Prussian troops followed the Swedish army and decided to take advantage of the cold winter and the fact that the waterways froze to launch an attack on the Swedish winter quarters in January 1760. The purpose was to drive back the Swedish army into Stralsund and Rügen and to use Swedish Pomerania for supplies. Lantingshausen decided to concentrate the Swedish army in order to drive the Prussians back into Prussian territory. The Prussians retreated and the Swedish army followed to Anklam.<sup>49</sup> The Swedish army thus controlled the whole of Swedish Pomerania, which meant that the winter quarters were better than they had been in previous years. The improvement affected the number of sick soldiers: in February 1759 every third man was sick, whereas in February 1760 only every twelfth man was incapable of serving.<sup>50</sup>

In August 1760 Lantingshausen repeated the previous year's operation by advancing south and living off the resources in the Prussian provinces and then by marching northward again to seek winter quarters in Swedish Pomerania. This pattern, which was legitimized by the security and supply situation, was repeated again in 1761 when the Swedish army was commanded by Lieutenant General Augustin Ehrensvärd. Consequently, the army advanced into Prussian territory for a few months in the summer and autumn in order to deprive the Prussians of their supplies and then it withdrew into Swedish Pomerania for the winter months. Prussian forces harassed Swedish border positions during the winter, but these minor attacks were warded off.<sup>51</sup>

The Swedish military activities against the Prussians must be characterized as low intensity warfare and did not include any major battles or decisive actions. The struggle on the ground was primarily focused on securing supplies and trying to live off the enemy's territory as much as possible. The military capability of the Swedish army was

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47 Nikula, *Augustin Ehrensvärd*, pp. 289–93.

48 Säve, *Sveriges deltagande*, pp. 294–319.

49 Nikula, *Augustin Ehrensvärd*, p. 296.

50 Säve, *Sveriges deltagande*, p. 348.

51 *Ibid.*, pp. 368–413, 449–533.

steadily improved over time and it was often facing a much smaller enemy force, but this fact was not utilized to control significant parts of Prussian territory for long periods. Some of this inability was certainly caused by a shortage of horses and other equipment deficiencies. However, states such as France and Russia at times also experienced similar problems, which indicate that part of the inactivity can be explained by the allies' inability to coordinate military actions, with everyone hoping that someone else would take the first active step. It can, nevertheless, be argued that controlling the Prussian part of Western Pomerania was not the main purpose of the army. The fact that no attempt was made to lay siege to the strategically important town of Stettin at the River Oder is a clear indication of this. Consequently, the Swedish army had no clear territorial war aim, unlike the Austrians, who focused on retaking Silesia. Instead the actions of the Swedish army were primarily intended to show the allies that Sweden was militarily active in order to receive a reward at a future peace conference. The Swedish principal war aim was thus diplomatic and political in nature rather than military.

### III. Borrowing, Debt, and War

Although the Swedish army did not expand its operations into many parts of Prussian territory, its military activities were still tremendously expensive and led to serious strains on the resources available to the state to support the troops in Swedish Pomerania. The fact that no extra taxation could be introduced by the council and that the French government was not able to pay the promised subsidies in full only added to the pressures. One main reason for the council's complaints about the location of the winter quarters in 1757 and 1758 was the fiscal consequences of having to supply the troops on its own territory.

Since Sweden's financial situation before the war was already characterized by yearly deficits that were covered by a combination of loans from the Bank of Sweden and subsidies from France, the state had no reserves to utilize when preparing for the war. The deficits had escalated following the war with Russia in 1741–3 and the subsequent costs of rebuilding war-torn Finland after the conflict ended. The decision to build the sea fortress Sveaborg outside Helsinki and to establish the new fleet of galleys, together with active support of domestic manufactures, also strained the government's finances. The Diet attempted to reduce the deficits by increasing revenue and cutting expenditure, but the deficits prevailed. At the same time the financial policies created liquidity in the country's economy, which in turn bolstered trade and production.<sup>52</sup>

The main task of organizing the mobilization of resources for the war was given to a special government procurement commission (*Utredningskommission*) that handled the procurement of food, equipment, and the transport of troops, that is, all costs that were extraordinary and associated with having a large army assembled in Western Pomerania. The commission consisted of a number of leading noblemen and burghers who belonged to the political elite. The ties between the commission and the Council of the Realm were

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52 Åmark, *Sveriges statsfinanser*, pp. 163–87; P. Winton, *Frihetstidens politiska praktik: nätverk och offentlighet 1746–1766* (Uppsala, 2006), pp. 109–10, 155–91.

**Table 1.** Sources of revenue for the procurement commission, 1757–1764

Source	Sums in silver dalers	Percentage
Loans from the Bank of Sweden	24,280,834	44.1
French subsidies	11,186,215	20.3
Royal lottery	5,833,333	10.6
Domestic loans	4,290,319	7.8
Loans from the Debt Office	3,050,000	5.5
Loans and fees from the new East India Company	3,000,000	5.5
External loans	2,403,381	4.4
Various other small incomes	991,623	1.8
Total	55,035,705	100.0

Source: Swedish Military Archives, Stockholm, Utredningskommissionen 1757, Huvudbok 1757–1764.

consequently quite close. The commission was formed in June 1757 and dealt with the war until 1764.<sup>53</sup> By examining its books, a clear picture of how the war was financed and how the mobilized resources were used can be gained. If we start by investigating the resources that were used, the eight principal categories of revenue can be seen in Table 1.

The table clearly shows that one major source of income was loans from the Bank of Sweden. These loans accounted for 44 per cent of the total income and were especially important in the first years of the conflict when other sources were scarce. The commission had at its formation around 3 million silver dalers (hereafter abbreviated sd.) plus a smaller 1,200,000 sd. letter of credit at its disposal at the Bank of Sweden. The silver daler was the normal currency of account. The Diet had assigned these sums in 1756 for the government's use in case of emergencies and for defensive purposes. The bulk of this assignment was already spent after a couple of months preparing for the war and during the initial stages of military operations. A request for further funds was therefore sent to the bank, which agreed to an additional loan of 2 million sd. on condition that it would be considered an advance payment of secure revenue. Further requests for funds were sent to the bank at regular intervals. Consequently, a request for a 2,500,000 sd. loan was made in the summer of 1758, which was reluctantly granted by the bank's governors. In August 1759 and in January 1760 further borrowing requests were sent for a total of 8 million sd. The first request was very hesitantly granted in full by the bank's governors, while the latter was agreed only in part. In total 15 loans were given to the commission.<sup>54</sup>

The state consequently received huge sums from the bank for the war effort. The bank was fully controlled by the Diet since the nine governors, who were pre-eminent politicians, were appointed by the three leading estates (the peasants did not have any

53 Åmark, *Sveriges statsfinanser*, pp. 839–44.

54 Swedish Military Archives, Stockholm [SMA], Utredningskommissionen 1757, Huvudbok 1757–1764; C. Hallendorff, *Sveriges riksbank 1668–1918: bankens tillkomst och verksamhet del 2. Riksens ständers bank 1719–1766* (Stockholm, 1919), pp. 251–6.

representatives). The bank's finances were structured around deposits and lending to individuals and institutions, as well as issuing coins and notes in the realm. In 1760 the bank had lent close to 33 million sd. to the government and other public institutions, while around 40 million sd. had been lent to private individuals. Deposits amounted to around 15 million sd. in 1760. The bank's finances were in theory separated from the state's coffers, but in practice they were closely connected, and it was difficult for the governors to decline outright urgent requests from the Council of the Realm. However, the bank's governors were reluctant to agree to credit extensions, because of fears that the great increases in lending threatened the bank's financial stability and the public's confidence in the notes issued by the bank.<sup>55</sup>

The bank's notes were originally transfer notes that were negotiable and could pass from hand to hand in settlement of debts. From the 1720s and onwards these notes became accepted as equivalent to coin and therefore gradually became the dominating currency and circulated widely throughout the realm. Both specie coins and banknotes were issued in either silver daler or copper daler denominations. The notes were at first backed by specie reserves, but this relationship between notes in circulation and reserves was abandoned in 1745 after the war with Russia. This made it easier for the bank to increase liquidity, but it could also turn into an inflationary spiral if the printing of notes was over-expanded. During the Seven Years War the number of notes increased from 13.8 million sd. in 1755 to a high of 44 million sd. in 1763. This acceleration in the number of notes in circulation led to a sharp depreciation in their value, which in turn caused suspicion among the public. People did not want to hold onto the notes since they were falling in value. Therefore they tried to avoid them or exchange them as quickly as possible for specie coins, which further accelerated the fall in the value of the notes and made specie coins hard to come by. The increase in the number of notes led to escalating prices for many commodities. In Uppsala, for example, the cost of a barrel of Baltic herring rose from 12 sd. in 1756 to 27 sd. in 1763. Likewise, the exchange rate between the Swedish currency and the Hamburg banco doubled from 1755 to 1760. Consequently, the value of the Swedish currency had been halved in five years.<sup>56</sup>

Borrowing from the Bank of Sweden thus had negative economic and political effects. However, the state had an exchange office, which was first established in 1747 to try to counter the worsening of the exchange rate by purchasing Swedish bills of exchange on the international capital markets at predetermined exchange rates. The French subsidies were an important part of the running of the exchange office since these funds were used for the bill operations. All possible efforts were made to counterbalance the effects of the excessive note issues by the bank, as well as supplying the state with bills of exchange for the army in Pomerania. Nonetheless, the operations failed owing to the harsh market conditions during the war, and the exchange office was subsequently closed down in 1761.<sup>57</sup>

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55 Hallendorff, *Sveriges riksbank*, pp. 60–88, 228–65.

56 *Ibid.*, pp. 257–65; J.C. Riley, *International Government Finance and the Amsterdam Capital Market, 1740–1815* (Cambridge, 1980), pp. 144–5; Winton, *Frihetstidens politiska praktik*, pp. 196–7.

57 L. Müller, 'Economic Policy in Eighteenth-Century Sweden and Early Modern Entrepreneurial Behaviour: A Case of the Exchange Office', in F. De Goey and J.W. Veluwenkamp, eds, *Entrepreneurs and Institutions in Europe and Asia, 1500–2000* (Amsterdam, 2002), pp. 131–7.

The total amount of subsidies received from France reached, as can be seen in Table 1, over 11 million sd. A total of eight payments were made during the period 1757 to 1761. The payments were quite modest for the year 1757 – 1,043,054 sd. – but they increased the following years, peaking in 1759 when a total sum of 3,797,699 sd. was received. The subsidy payments then dwindled so that in 1761 only 1,753,333 sd. were received.<sup>58</sup> This was far below the agreed sums and increased the pressures on the Swedish state. The Austrian government was also experiencing similar problems with French subsidy payments during the war, which shows that the court in Versailles encountered escalating difficulties in supporting its allies financially during the course of the war.<sup>59</sup> However, the 20 per cent share of total war revenue that Sweden received from France equalled in percentage terms the subsidies that Prussia received from Britain during the period 1758–61.<sup>60</sup>

In addition to the loans from the Bank of Sweden and the French subsidies, a government lottery scheme was run in 1758 and 1759 in a desperate attempt to generate more funds. The scheme raised around 5,800,000 sd. from the public. The first offering entailed the sale of 50,000 lottery tickets which were all winning tickets: 48,000 of them gave the holder back the cost of the ticket (50 sd.), while 2000 offered a higher prize. The scheme had the character of an issuing of a long-term government bond since the winnings were paid in the form of government bonds that holders of tickets were required to keep deposited with interest for a period of six years. This scheme was repeated later in 1759 when another public lottery offering raised over 3,300,000 sd. This time 40,000 of the lottery tickets gave the holders back the cost of the ticket, while 10,000 offered higher prizes. On this occasion holders of tickets were required to keep their winnings deposited with interest for a period of ten years.<sup>61</sup>

The Swedish lottery schemes were not unique in Europe during the seventeenth and eighteenth centuries. They share, for example, many similarities with the Million Adventure lottery, which was launched in England in 1694. In that scheme 100,000 tickets were offered at £10 each, and each holder was entitled to a return of £1 per year until 1710. The lottery also offered 2500 more generous prizes. As Anne Murphy has argued, the lottery ‘provided the opportunity for tens of thousands of investors to share in the excitement and potential of the financial market’.<sup>62</sup> Exactly as in England over 60 years earlier, the Swedish lottery schemes meant that ordinary inhabitants became involved in the financing of the war since tens of thousands of lottery tickets were sold. The offerings were announced in all of the realm’s churches and in official newspapers. Announcements from the pulpit were an effective and regular method to spread state information during

58 SMA, Utredningskommissionen 1757, Huvudbok 1757–1764.

59 P.G.M. Dickson, *Finance and Government under Maria Theresia, 1740–1780* (Oxford, 1987), vol. 2, pp. 173–84.

60 H. Scott, ‘The Fiscal-Military State and International Rivalry during the Long Eighteenth Century’, in Christopher Storrs, ed., *The Fiscal-Military State in Eighteenth-Century Europe: Essays in honour of P.G.M. Dickson* (Farnham, 2009), p. 49.

61 SMA, Utredningskommissionen 1757, Huvudbok 1757–1764; SNA, Riksgäldsdirektionen, Kamrerarekontoret, Statskontorets avräkningsböcker över inrikes lån, vol. 2418, avräkningsbok över Kongl. Lotteriet 1759–1768; Åmark, *Sveriges statsfinanser*, p. 189.

62 A.L. Murphy, *The Origins of English Financial Markets: Investment and Speculation before the South Sea Bubble* (Cambridge, 2009), p. 34.

the early modern period in Sweden since all inhabitants were required to attend church services every Sunday.<sup>63</sup>

Loans from the Bank of Sweden, French subsidies, and the government lottery schemes contributed over 75 per cent of the financing of the Swedish war effort. These methods also totally dominated the first three years. When the Diet convened in October 1760, the financial and political situation changed somewhat, since the four estates could initiate a wider range of measures to mobilize resources than the council had at its disposal. Although many members of the Diet were very critical of the decision to participate in the war against Prussia, different steps were taken to improve the situation for the army in Pomerania and the resources that were available for the procurement commission. These steps were even more crucial when the subsidies received from France were dwindling.

One avenue along which the Diet continued was the participation of the Swedish people in the financing of the war. In late 1761 a long-term bond issue was introduced and over 700 bonds were purchased from December 1761 to October 1762, both by individuals and by various institutions such as hospitals and poor relief foundations.<sup>64</sup> As can be seen in Table 1, these domestic loans amounted to close to 4,300,000 sd.

The Diet also mobilized resources for the war by borrowing from institutions such as the Debt Office and the Swedish East India Company. The Debt Office was formed in 1719 to handle debts accrued during the Great Northern War by using specific government revenue that it had at its disposal. Consequently, the institution was not intended to finance existing deficits. However, certain extraordinary expenditures were at times covered by the office during the eighteenth century.<sup>65</sup> In 1761 and 1762 it lent a total of 3,050,000 sd. to the state to help finance the war effort. Likewise, the Swedish East India Company, which was very profitable, lent a total of 2 million sd. to the state in 1762 and 1763. It also paid extraordinary fees, which were based on the number of ships arriving from China. In total these fees amounted to 1 million sd.<sup>66</sup>

The Diet also attempted to borrow significant amounts on the international credit markets in 1761 and 1762 in order to counteract the negative consequences for the exchange rate and the falling value of the bank's notes, as well as to receive the necessary funds to continue the war effort. First the members of the Diet focused on an offer from Brabant. However, this attempt failed, mainly because of a ban on loans to foreign governments imposed by Empress Maria Theresa. A lack of funds at the end of the war also contributed to the foundering of this effort.<sup>67</sup> A later attempt in 1762 to borrow in Genoa

63 E. Reuterswärd, *Ett massmedium för folket: studier i de allmänna kungörelsernas funktion i 1700-talets samhälle* (Lund, 2001).

64 SNA, Riksgäldsdirektionen, Kamrerarekontoret, Statskontorets avräkningsböcker över inrikes lån, vol. 2405, Avräkningsbok för obligationer 1761–1778, and vol. 2406, Annotationsbok för obligationer 1761–1762.

65 Åmark, *Sveriges statsfinanser*, pp. 676–97.

66 SMA, Utredningskommissionen 1757, Huvudbok 1757–1764.

67 SNA, Sekreta utskottets protokoll 1760–62, vol. R3143, 3 March, 6 May, 22 June 1761.

also failed.<sup>68</sup> The only sums that the Swedish government managed to borrow externally during the war were primarily negotiated by Swedish merchants and individuals involved in the production of bar iron. These sums, which were delivered in the forms of bills of exchange in 1761 and 1762, amounted to around 2,400,000 sd.<sup>69</sup> The fact that only around 4 per cent of the resources that were used to pay for the war originated from external borrowing showed that the Swedish state could not benefit, unlike Austria, Britain, and France, from the developments in financial markets that had taken place in cities such as Amsterdam, Antwerp, Hamburg, and London.<sup>70</sup>

Other smaller amounts were received from various sources, including a voluntary gift from the old East India Company and loans from the army's and admiralty's funds for veterans and disabled former soldiers.<sup>71</sup> Another form of resources, which were not included in the procurement commission's books, were the contributions and supplies that Swedish forces managed to collect on Prussian territory, and some of the loans and revenue that Swedish officials negotiated in Swedish Pomerania. According to a figure from 1765, the contributions from Prussian territory during the war amounted to close to 1 million Pomeranian dalers courant or around 2,800,000 sd.<sup>72</sup>

Together with other sources of income in Swedish Pomerania, the total mobilized during the war was close to 60 million sd.<sup>73</sup> The Swedish Pomeranian contribution is not easy to calculate, even if it is clear that the Swedish state had to transfer significant sums to Pomerania during the 1760s to repay loans and other costs following the war.<sup>74</sup> The total costs were therefore probably higher than mentioned in the books right after the conflict. Although the figures are uncertain, only around 5 per cent originated from Prussian territory. Considering the fact that the army located all winter quarters in Swedish Pomerania and spent only a limited time on Prussian territory each year, these figures are not improbable.

The books of the procurement commission clearly show that the Swedish state depended heavily on internal borrowing to finance the military conflict with Prussia. When the negotiations with France started at the beginning of the conflict, the council assumed that the French government would subsidize most of the war, but events in Pomerania and the inability of the French government to pay the agreed subsidies made it necessary for the Swedish state to cover most of the costs itself. The Swedish army in Pomerania could neither – despite all the instructions from Stockholm – finance a significant part of the war by imposing contributions on Prussian subjects nor locate

68 Åmark, *Sveriges statsfinanser*, p. 195.

69 SMA, Utredningskommissionen 1757, Huvudbok 1757–1764.

70 Compare, for example, Austria's external borrowing during the war: see Dickson, *Finance and Government*, pp. 279–82.

71 SMA, Utredningskommissionen 1757, Huvudbok 1757–1764.

72 Åmark, *Sveriges statsfinanser*, p. 844.

73 *Ibid.*, p. 844.

74 SNA, Riksgäldsdirktionen, Räkenskaper och handlingar rörande upptagna lån, vol. 2236, Genuesiska länet 1762–78. See also W. Buchholz, *Öffentliche Finanzen und Finanzverwaltung im Entwickelten Frühmodernen Staat: Landesherr und Landstände in Schwedisch-Pommern 1720–1806* (Cologne, 1992), pp. 257–66.

operations on enemy territory. Since the council could not raise taxes without the consent of the Diet, that avenue was also closed. Consequently, the only fiscal method available was internal borrowing. These borrowing activities were quite short term and ad hoc in character, which led to inflation, a monetary system in disarray, and a falling exchange rate. Although there were attempts to create a longer-term debt by including the wider population in the war effort, this portion of the overall resources was limited. However, Sweden's fiscal experiences were not unusual among warring states in Europe in the 1760s.<sup>75</sup>

The performance of the Swedish forces was, according to Michael Roberts, 'a straight consequence of lack of money'.<sup>76</sup> It is true that the available resources were far from sufficient at times, which led to complaints from the leading officers in Pomerania and a slowing down of military activity. Nonetheless, the Swedish state managed to mobilize significant resources for the war effort and the army could advance into Prussian territory. The fact that the Diet could nearly double extraordinary taxation after the war also indicates that it was not impossible to mobilize more resources if necessary.<sup>77</sup> It can therefore be argued that it was primarily political considerations, which focused on demonstrating activity without any clear territorial war aims, that determined the relative inactivity of the Swedish army, rather than fiscal constraints. If a more aggressive policy had been pursued, more contributions from Prussian territory could have been collected, but that would also have raised the diplomatic and political stakes and created military risks that no one was willing to face. Available resources and military/political decisions were obviously connected, but it was not an inability to mobilize resources that ultimately prevented the Swedish army from making more progress in the yearly campaigns.

#### IV. Internal Political Consequences of the War

The economic consequences of the war, such as inflation and a falling exchange rate, negatively affected the living conditions of almost every inhabitant in the Swedish realm and caused discontent among the population. Many leading politicians feared a repeat of the peasant protests that had occurred during the war with Russia in 1742 and 1743, and had culminated in thousands of peasants marching on Stockholm. However, many members of the political elite were also critical of the war and the economic situation. The war therefore provoked a spiralling political interest among a wide cross-section of the population, which greatly affected politics during the 1760s and early 1770s.<sup>78</sup>

The 'middling' sort of the population particularly showed an increasing interest in political affairs during the early 1760s. Small traders, shopkeepers, clergymen, and

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75 H. Scott, 'The Seven Years War and Europe's *Ancien Régime*', *War in History* XVIII (2011).

76 Roberts, *Age of Liberty*, p. 21.

77 Åmark, *Sveriges statsfinanser*, p. 539.

78 K. Sennfelt, 'Marching to Stockholm: Repertoires of Peasant Protest in Eighteenth-Century Sweden', in Kimmo Katajala, ed., *Northern Revolts: Medieval and Early Modern Peasant Unrest in the Nordic Countries* (Helsinki, 2004), pp. 189–90; Winton, *Frihetstidens politiska praktik*, pp. 208, 221–2.

wealthy peasants from all parts of the realm were included in this category. These groups had the means and the interest to inform themselves regularly about the situation in the country and the world, and to discuss the information with like-minded people. One important development in this regard was the growth of print during the century, which made news and novels available to greater numbers of people than ever before. This print culture was very important not only in promulgating information, but also in the formation of attitudes and in manifesting a connection between the reader's own community and the wider world. The number of newspapers was very small in Sweden, but there was a steady increase in weeklies and monthly journals from the late 1750s onwards, as in many other European countries. In 1760 there were weeklies in Gothenburg, Karlskrona, Norrköping, and Stockholm. These were often sold by subscription, which meant that they were distributed to almost all corners of the realm.

The papers were filled with information about both domestic and international events. Readers could, for example, learn about the latest developments in the Seven Years War and read about news and rumours from all major courts in Europe. They could also read more critical analysis of the government's economic policies. In 1760 and 1761 several authors discussed different explanations as to why the rate of exchange had so deteriorated. One of the main explanations was that the selfish interests of leading merchants were causing severe problems and that they had to be stopped. It can be argued that the exchange rate became the number one topic of discussion among authors and members of the public in the early 1760s.<sup>79</sup>

The poor rate of exchange, together with the council's decision to join the anti-Prussian coalition, became a key rallying and mobilizing issue for the opponents of the government. These grievances were voiced by a diverse group of individuals in the Diet when it convened in October 1760. Officers who had served in Pomerania, noble civil servants, burgomasters, vicars, and peasants all joined together to criticize the council and demand that the councillors responsible be removed from their posts. There were also demands that Sweden should leave the war and seek peace with Prussia. The councillors had their defenders at the Diet, but they were not able to prevent the dismissal of Nils Palmstierna and Carl Fredrik Scheffer. Anders Johan von Höpken also handed in his resignation in 1761.<sup>80</sup> The decision to go to war thus had its clear political consequences. It also signalled a shift of political initiative from the council to the Diet and its influential secret committee. From 1761 to the end of the war, the crucial diplomatic, fiscal, and political decisions regarding the conflict were taken by the Diet.

However, it was not as easy as many members of the Diet thought to end the conflict swiftly. At the end of 1761 the secret committee instructed Sweden's ambassadors in Austria, France, and Russia to emphasize the fact that the realm lacked resources to start a new campaign in 1762, and that it therefore was of utmost importance that a general peace settlement was reached. If this was not possible, the ambassadors were

79 L. Herlitz, 'Nordencrantz, Christiernin och den monetära debatten på 1760-talet', in M.-C. Skuncke and H. Tandefelt, eds, *Riksdag, kaffehus och predikstol: frihetstidens politiska kultur 1766–1772* (Stockholm, 2003), pp. 131–42; Winton, *Frihetstidens politiska praktik*, pp. 222–3.

80 Winton, *Frihetstidens politiska praktik*, pp. 197–204.

urged to try to receive approval for Sweden's desire to negotiate a separate peace with Prussia. Both Choiseul in Versailles and Kaunitz in Vienna rejected the Swedish requests, which eventually led to a decision in the secret committee in March 1762 to enter into direct negotiations with Prussia without the support of Austria and France.<sup>81</sup> The initial contact with the Prussians was made by the Swedish queen, Lovisa Ulrika, Frederick the Great's sister. Negotiations were started in Hamburg and led to a peace treaty in May 1762, which preserved the existing borders.<sup>82</sup>

The actions of the secret committee clearly show that no one in the political elite in Sweden was interested in a continuation of the fighting in 1762. Since almost everyone had given up any hope of gaining territory and the French subsidies were dwindling, it was relatively easy to initiate peace negotiations with Prussia. However, the actions needed to be explained to the allies in order to try to preserve at least some of the realm's status in the European state system. The main argument that was used to legitimize a withdrawal from the anti-Prussian alliance and a cessation of hostilities was the lack of resources. This choice of claim was primarily driven by diplomatic and political reasons – it was simply deemed to be the most undemanding way to get out of the war before general peace negotiations were initiated – and it does not necessarily say anything about the real abilities of the Swedish state to mobilize resources. What it does say, however, is that there was no political will in Sweden to accept the increased financial burdens necessary to continue the war.

The war was consequently ended without any territorial gains in Europe or the Caribbean. The hopes in 1757 of a comparatively risk-free and quick reward from Sweden's coalition partners were thus dashed, and in the process Sweden's reputation as a reliable ally was shaken. Nevertheless, the biggest consequence of the war was the changing internal political situation. As in so many other European countries, there was a rise in the number of politically interested people who discussed crucial economic and political issues, and who insisted on having a say in political matters. Many of the debates focused on economic issues that had been uncovered by the way the war was financed, and they often resulted in discussions about wider questions such as corruption and the importance of increasing openness and accountability in the political decision-making process. The debates about the war and its economic consequences greatly contributed to the rise of new and radical ideas about how the realm was to be governed and how resources were to be distributed in the future.

## **V. Sweden's Role in the European States System in Light of the Seven Years War**

The experiences of the Swedish state during the Seven Years War were indubitably affected by both internal economic and political factors and external aspects associated with the international state system. The fact that the Diet governed the realm's finances

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81 SNA, Sekreta utskottets protokoll 1760–62, vol. R3144, 11 December 1761, 13 March 1762.

82 Jägerskiöld, *Den svenska utrikespolitikens*, pp. 212–16.

and foreign policy created a situation in which the council could not introduce extra taxation to finance the war or support a very aggressive military strategy for fear of what would happen at the next meeting of the Diet. The councillors had hoped for a quick victory following the creation of the anti-Prussian alliance, and expected that the French subsidies would cover most of the costs. In other words, the aim was to participate actively in the conflict in order to gain territory at a future peace conference but without having to do too much fighting or having to pay too much money. This meant that it was not deemed necessary to deploy as many men or to utilize resources to such a degree as during the Great Northern War. The difference between the 20,000 men stationed in Swedish Pomerania in 1757 and the army of around 65,000 men in 1718 illuminates this point. Nor did the army in Western Pomerania have to be as active as when Charles XII attacked Poland and Russia during the first decade of the eighteenth century. However, there was a fine line between participating in the conflict and passivity. Passivity was unacceptable to the allies, and it was therefore necessary to ensure that the army advanced into Prussian territory and preferably sought winter quarters there. Such actions guaranteed a continuation of subsidies and the upholding of the reputation of the Swedish state. They also eased the state's fiscal pressures.

Relying on major powers such as France for subsidies was not a new strategy for the Swedish state. For instance, Sweden's participation in the Thirty Years War in the 1630s had to a large extent also been financed by France. However, the negative experiences of French subsidies in the 1670s, when Sweden was forced to send an army to northern Germany, led to a rejection of foreign subsidies. The Great Northern War was thus fought without any major financial help from other states. Foreign subsidies returned in the 1720s when Sweden joined the Hanoverian alliance, and later when France supported Swedish military and political endeavours against Russia. Receiving subsidies was therefore an established practice in the 1750s. Subsidies were seen by the political elite as a prerequisite for military action. The Council of the Realm was particularly preoccupied with how the French government perceived Swedish diplomatic and military actions and with gaining the approval of leading French officials. Swedish foreign policy was in this regard dependent on French support. It was hoped that such dependence would help bring about a strengthening of the influence and power of the Swedish state on the international stage, but it was a strategy with drawbacks since the major powers determined military and political strategy and would dictate the timing and terms of the peace settlement. However, it was perhaps the only viable option since it was deemed too costly both economically and politically to try to compete with the major powers on a more independent basis.

When the situation in Germany did not develop as the council had hoped in 1757, it became apparent that the state needed to mobilize a majority of its own resources. Both established institutions such as the Bank of Sweden and fiscal innovations such as the lottery schemes were used to raise the necessary funds. Internal borrowing thus became the primary tool for the state to finance the war effort. The borrowing caused negative economic effects such as inflation and a worsening rate of exchange, which in turn caused political problems for the council. The logic of the war could have changed from merely participating in the war to actively seeking territorial gains when the Diet convened in 1760. However, there was no political will to continue the war and increase the financial burden on the Swedish people. Consequently, there was no return to the extreme

mobilization of the 1710s. A peace treaty was therefore reached with Prussia that confirmed the established borders.

Clearly, Sweden was a very different fiscal-military state by the 1750s. It desired to participate actively in international rivalry and seek commercial and political benefits from it, but without having to mobilize resources on a scale that had been done during the Great Northern War. As a consequence, it could not compete independently with other major European powers. In this sense it had to accept the role of a smaller European power. However, the state had the capability and institutions such as the Bank of Sweden to mobilize significant resources during wartime. This was necessary since both Prussia and Russia, which were expanding fiscal-military states, bordered Sweden.

The new strategy that this position entailed meant that the Swedish state acted both in the traditional theatres of war in the east and south of the Baltic as a credible military power against Prussia and Russia, and farther afield in the Americas, Asia, and the Mediterranean as a neutral small power, like Denmark, seeking gains from the growth of long-distance trade and consumption of colonial goods in Europe. An expansion in this latter area of activity was seen as key to the success of the Swedish state during the Age of Liberty. Of the three principal long-distance trade regions, Sweden was relatively successful in Asia through its East India Company and in the Mediterranean. The only region missing was the Caribbean. In order to remedy this comparative weakness, the Swedish state considered the potential takeover of the island of Tobago. The island was thus seen as a potential prize to be won at a future peace conference. Such a shift in priorities towards an Atlantic strategy can be interpreted as a Swedish adaptation to the relative decline of the Baltic trade and the increasing importance of trade with the Americas and Asia. It was simply more profitable to possess a Caribbean island than to control tolls at the River Oder.

Such a modification of strategy means that we cannot presuppose, as so many historians have done before, that the Swedish political elite sought territorial expansion in Germany through aggressive military action during the Seven Years War but that it did not have the resources to do so. Instead the Swedish state tried to use diplomatic and political opportunities in the European states system with the help of allied major powers in order to strengthen its economic and political position. Sweden thus had a new role in the international state system that was not based on a return to the belligerent coercive policies of the seventeenth century, or on an ambition to pursue the same strategies as the major powers. Instead it sought to strengthen its commercial situation worldwide, like Denmark and the Dutch Republic, while preserving its military position in the Baltic region. These circumstances determined Swedish policy in a greater way than either a preoccupation with past glories or the adjustment to military decline.

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