

SUMMARY

*Baltic Corn Trade and the  
International Price Level: The Price  
of Rye in 18th Century Tallinn*

The present article analyses how the international position of Tallinn and its hinterland as an export region for corn changed in relation to the price trends on other corn markets of the Baltic and the North Sea regions. The ledgers of an 18<sup>th</sup> century leading trading company in Tallinn, *Thomas Clayhills & Sohn*, make it possible to reconstruct price data for the period from 1735 to 1800. Since the position of the company in the market was very important and the given annual prices do reflect a large number of single transactions, the given data can be considered reliable enough for the problem in question.

In comparing Tallinn's silver-equivalent price data with those of the important corn trade centres of the Baltic and North Sea region (Moscow, St Petersburg, Danzig, Hamburg, Amsterdam and England), it can be shown that the resulting price levels, as expected, show a rising tendency from East to West. The prices were low in the eastern part of the trade route and relatively higher in the West. The closer the markets were located to each other geographically, the smaller was the difference in prices. The price level of Tallinn in general was equal to that of St Petersburg.

A more scrutinised inspection of the data demonstrated that important changes took place in the reciprocal relations of the price levels. The price data in Tallinn, St Petersburg, and Moscow showed a considerably higher increase than the level on Western markets in Danzig, Hamburg, Amsterdam and England. Thus the difference in price levels decreased with time and a commodity price convergence occurred. The gap between the price levels in the Tallinn region and its traditional export markets in Western Europe that previously had been stable diminished significantly since the 1760s.

The article goes on to explain this commodity price convergence. Therefore, three developments potentially affecting the price trend in Tallinn are discussed in more detail: 1) the population growth on Estonian territory, 2) the decrease of trade barriers and the commodity market integration along the West European direction, and 3) the growth of alcohol distillation and trade in the Baltic provinces during the second half of the 18<sup>th</sup> century. Additionally considering quantitative data presented in earlier historiography, it can be demonstrated that the greatest influence on the price level was provided by the increase of domestic consumption and especially by the new trade opportunities in Russian proper for spirits produced on the Baltic manors. The relative increase of the price of rye as raw material for

distillation influenced first and foremost the income of the manors. Since the transaction costs for commodities between East and West remained more or less stable, the profit gained with corn export at least hypothetically should have remained stable as well. How exactly the East-West price convergence outlined in this article did influence the profit created with grain export, traditionally the most important economic sector of Tallinn region, has yet to be studied.