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## THE ASSIGNAT OF THE CITY OF PAG FROM 1778

*The discovery of the oldest Croatian paper money - the assignat of the city of Pag from 1778 - is one of the greatest surprises in Croatian numismatics. The great significance of this discovery has not been properly evaluated because, one should not forget, the Pag assignat makes Croatia one of the few countries in the world that used its own paper money on a part of its territory in the 18th century.*

*In this paper, the author presents the assignat of Pag in full detail with careful analysis from all aspects: historical, political, economic, numismatic and others. Special attention is paid to the importance of this assignat for Croatian, as well as for world numismatics. The author tries to "take back" the assignat into the place and time of its appearance and circulation and to illustrate the way of life, monetary system, commodity prices, and the real purchasing power of the money represented by this assignat (180 lire).*

**Key words:** assignat, city of Pag, Croatia

Seven centuries have passed since Marco Polo, the famous explorer, adventurer and travels writer, returned from his long travels in Central Asia and China. On his return he told contemporaries about his fascinating adventures, which filled them with admiration but also shocked them. One of the things he described was the paper money used by the Chinese, but few people believed him at that time. Only later, when Chinese paper notes from the fourteenth century Ming dynasty were found, was his "story of yesteryear" confirmed. Today we know that the Chinese already used paper money in the seventh century BC.

The development of European paper money is also interesting. It began about two centuries after Marco Polo's return to Europe.<sup>1</sup>

An analysis of the history of paper money shows, and this is rather surprising, that in the eighteenth century very few countries in the world used paper money (regardless of type).

In the case of Croatia, we believed for a long time that the French occupation money in the city of Zadar, from 1809, was the oldest paper money used in Croatia.<sup>2</sup> However, numismatics is a dynamic discipline in which major unanticipated discoveries are always possible, and one such happened recently. Paper money from 1778 was discovered - the assignat from the city of Pag on the island of Pag. This discovery unexpectedly placed

<sup>1</sup> Generally about the history of paper money:

a) *A. v. Loehr*: "Frühe Formen von Wertpapieren", Numismatische Zeitschrift, Wien 1937, Neue Folge Band 30, pp. 78-92.

b) *A. Pick*: World Paper Money, Iola 1994, pp. 14-19.

<sup>2</sup> *I. Marović*, "Papirnat novčanice iz Zadra izdane za vrijeme opsade 1809. godine" (Zadar paper money issued during the occupation in 1809), *Numizmatičke vijesti*, Zagreb 1965, year XII, No. 23, pp. 12-16.

Croatia among the very few countries in the world in which paper money was also used as tender in the eighteenth century.

To make it easier to understand the appearance of the first Croatian promissory note, the assignat, which was used in eighteenth century Pag, we must understand the history and economy of that specific island.

Pag did not enter the Middle Ages as a city that had developed in Antiquity and continued to exist since then, like most Croatian coastal cities. Its political and social development from a subjected settlement to a free city commune was specific.<sup>3</sup>

It is completely certain that there was no municipal continuity from late Antiquity on Pag and the island entered the Middle Ages divided between two neighbouring communes. Zadar probably spread its communal territory to the south part of the island of Pag in late Antiquity, and the inhabitants of Rab spread theirs to the north part of the island at the same time.<sup>4</sup>

In the middle of the tenth century the Byzantine writer and Emperor Constantine VII Porphyrogenitus wrote that the island of Pag (Kissa) was deserted, which is of course not to be taken literally. For him this must have meant that there was no more Roman population on Pag.<sup>5</sup> We have no original information about Pag until the end of the twelfth century, except documents about the enfeoffment of the Maurocena family in 1174.<sup>6</sup>

A Croatian commune was probably formed on the Zadar part of the island,<sup>7</sup> which thanks to political conditions grew stronger and demanded increasing rights until it, in 1409, finally completely cut itself off from Zadar and became an independent commune.

On 9 July 1409, Ladislav of Naples yielded all his rights in Dalmatia to the Republic of Venice for 100,000 ducats and handed over what he then still possessed there: Zadar and Pag, and two fortresses in medieval Croatia in the Zadar hinterland, Vrana and Novigrad.<sup>8</sup>

In 1409 Pavao de Paoli, the well-known Zadar chronicler and author of *Memorial*, became Rector of Pag. He did not suppose that while he was in office Zadar's rule over Pag would end for ever. In August of that year, he had to cede office to his Venetian colleague Jakov Cocce.<sup>9</sup> After it purchased Pag, the Venetian Republic never again let anyone else rule there until its fall in 1797.

<sup>3</sup> M. Granić, "Proces formiranja paške srednjovjekovne komune..." (The formation of the Pag medieval commune), Radovi FF u Zadru, Razdio povijesnih znanosti (13), 1986/198, p. 237.

<sup>4</sup> M. Suić, "Ostaci limitacije naših primorskih gradova u ranom srednjem vijeku" (The remains of boundary lines in Croatian coastal cities in the early Middle Ages), *Starohrvatska prosvjeta*, III, 6, 1956, p. 15.

<sup>5</sup> N. Klaić, "Rapski falsifikati" (Rab untruths), Zbornik Instituta za historijske nauke u Zadru, I, 1955, pp. 38-49.

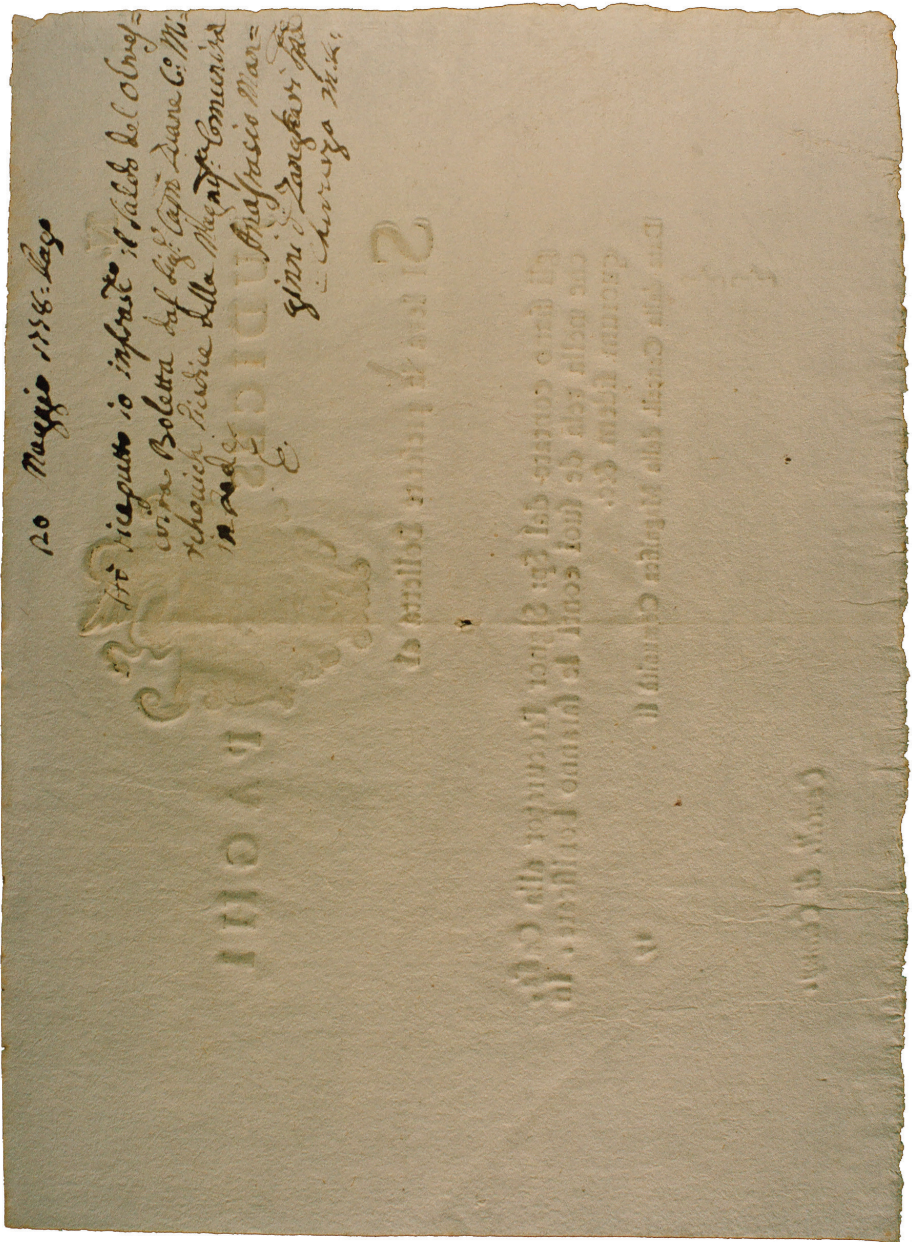
<sup>6</sup> T. Smičiklas, Codex diplomaticus regni Croatiae, Dalmatiae et Slavoniae, II, Zagreb 1904, p. 135 (further CD).

<sup>7</sup> V. Foretić, "Dalmacija prema Hrvatskoj do 1107. godine" (Dalmatia versus Croatia before 1107), Pomorski zbornik, 7, Zadar 1969, pp. 781, 788.

<sup>8</sup> S. Ljubić, Istine o odnošajih između Juznoga Slavenstva i Mletačke Republike (The truth about relations between the South Slavs and the Venetian Republic), V, Zagreb 1875, pp. 181-199.

<sup>9</sup> Ruić, Rifl. Stor., II, pp. 1-2.





On the incentive of Venice, under whose rule the island now was, the inhabitants of Pag renewed their communal bodies. A ducal document from 12 June 1410 permitted the people of Pag to appoint the following officials “according to ancient customs”: two judges, two procurators, two document examiners, two tribunes, two sacramentaries, three justiciaries, four curia attorneys, and two assessors. The two judges, who held office for six months, and the Rector ruled in criminal and civilian trials; if they could not reach an agreement, the Rector ruled alone. The judges independently presided only in trials to a value of under 40 solidi.<sup>10</sup>

After it got hold of Pag and its salt flats, the Venetian Republic could dominate most of the European salt market. Salt production and sale had already become a carefully controlled and very lucrative branch of the economy in the Middle Ages, and it is not surprising that the central authorities showed great interest in that product.

This monopoly brought Venice enormous profits without making a dint in its treasury or subjecting it to business risk. As a vital, expensive and strategically important product, salt was produced wherever even the smallest conditions for its production existed, but the owners of the land or those who were granted it always and everywhere worked at their own expense. They were allowed to keep a small portion of the salt they produced, which they could sell for their own profit but at maximum prices. In the second half of the eighteenth century the Venetian Republic prohibited salt production everywhere in Dalmatia where it had earlier been produced, to prevent smuggling and to strengthen its own salt monopoly. At that time Venice concentrated salt production in only three places: Pag, Piran and Santa Mauro on the Levantine islands.<sup>11</sup>

Pag certainly had the most ideal natural conditions for salt production on the Adriatic in the long and shallow Južna vala (South Bay) that seems like a lake. The Romans had probably made the first salt flats on Pag.<sup>12</sup> Salt production was first mentioned in documents in 999 in the will of Agapa, daughter of the Zadar tribune Dabar, who left parts of salt flats to the Monastery of St Chrysogonus.<sup>13</sup> Notary documents began to mention them in the twelfth century.

From ancient times the Venetian salt trade was governed by strict rules that ensured the Republic’s complete control over trade and maximum income. The book of regulations about the new arrangement of trading with Pag salt was printed in Venice in 1741.<sup>14</sup> According to these regulations, the Venetian Republic took 3/4 of all Pag salt for itself. The owners of the salt flats could dispose of the remaining 1/4 of the salt they produced.

Of the 3/4 salt production it got, Venice set aside 151 modii of salt a year for the Pag Commune: 36 modii to pay the doctor, the same amount to pay the teacher, and a total of 79 modii to pay all the other communal officials. Venice gave another 126 modii

<sup>10</sup> *Listine*, VI, pp. 99-101.

<sup>11</sup> *A. Usmiani*, “Paška solana i sol - proizvodnja i trgovina od 1797 do 1813. godine” (The Pag salt flats and salt - production and trade from 1797 to 1813), *Radovi JAZU u Zadru*, 29-30, Zadar 1983, p. 153.

<sup>12</sup> *M. Suić*, Pag, Zadar 1953, p. 14.

<sup>13</sup> *T. Smičiklas*, CD, VII, Zagreb 1909, p. 48.

<sup>14</sup> *Capitoli del nuovo mercato de sali da Pago*, Venezia 1741.

of salt a year for Pag churches, monastery and alms house. All these were institutions and organizations on which Venetian authority rested.<sup>15</sup>

Venetian salt measures were used in Pag.<sup>16</sup> The largest such measure was the Venetian modius (*moggio, mozzo*), a measure of capacity that equalled 999.72 l. One modius equalled 12 Venetian *stara* at 83.31 l (12x83.31=999.72 l). Since a kilo of salt takes up about 1 l, one *stara* weighed about 83 kg, depending on the size of the crystals and on how damp the salt was. The modius was a measure of capacity that was used in the salt flats only when the salt was taken over and loaded on boats. One modius weighed about 1 tonne.

The Pag salt flats were the largest Venetian salt flats, and the Venetians were the main European salt merchants. It is therefore not surprising that they held strictly onto the monopoly of this product, making an income of up to 100,000 ducats a year from Pag salt (which had the reputation of being the best white salt). In those days Pag was a synonym for salt, and everything was measured against salt, and even paid for in salt.

Communal (state) officials were paid in a certain amount of salt which, as we said above, Venice set aside for them from its own salt. Since these officials could not actually take over their salary in the form of salt, they were paid the appropriate number of coins. For this arrangement to run as smoothly and simply as possible, in about 1778 the Pag judges (*judices paghi*) were issued printed promissory notes – assignats - on which they could fill in, by hand, all the details of these transactions.

Pag assignats from 1778 were printed in Italian, in black letters deeply imprinted into thick white paper of 220x160 mm. The paper had a watermark in the form of a lion rampart in a cartouche, and was probably printed by Figliuoli del Z. Antonio Pinelli, Stampatori Ducali in Venice.

The subject of this paper is Pag assignat No. 161 issued on 20 May 1778. On the front top left corner, it has the printed letter N. (for number) and the handwritten number *161*. The centre of the upper part is dominated by the very finely executed arms of the city of Pag (St George) in a cartouche topped by the Venetian lion. To the left of the arms is the inscription **JUDICES** and to the right **PAGHI**. Under the arms, the printed text begins on the left side, reading: **Si leva la presente Bolletta al**, and then continues by hand in Italian (in the free space of the assignat): *Signor Anastasio Mangini Zangari phisico, salaria di mesi uno, principciati servire li primo Maggio corrente e terminerà l'ultimo pur detto, sono mozza due stara sei di sale (?) di L 6 lo staro, sono intutto Lire cento e ottanta monete corrente dico..... L 180*. Under that handwritten text, the printed text continues:

**gli siano contate dal Sp: Signor Procurator alla Cassa, / che nella resa de suoi conti li saranno bonificate. In / quorum fidem &ct.**

<sup>15</sup> I. Pederin, "Sporazum paških proizvođača soli s Collegiom del sal u Mlecime 1662. g." (Agreement of Pag salt producers with the Collegio del sal in Venice in 1662), Prinosi za gospodarsku povijest otoka Paga, Historijski arhivi Pazin i Rijeka 1988, Posebna izdanja 10, p. 6.

<sup>16</sup> Z. Herkov, "Mjere Hrvatskog primorja s osobitim osvrtom na solne mjere i solnu trgovinu" (Measures of Hrvatsko primorje with a special view of salt measures and the salt trade), Historijski arhivi Rijeka i Pazin, Posebna izdanja 4, 1971, p. 180.

**Data dalla Cancell. della Magnifica Comunita li**, and then the handwritten text: **20.**

*Maggio*, and then printed: **17**, and added by hand: **87 (1778): settantotto.**

Under this text are printed two braces beside which are the handwritten names of two Pag judges: *Cap: Zuane Conte Mircovich Giudice and Tomaso Ivan Conte Billinich Giudice.*

In the bottom right is the printed text: **Cancell. di Comun.**

On the reverse of the assignat there is no printed text, only the handwritten words in the top right corner:

*20 Maggio 1778: Pago*

*Stò riceputto io infrascitto il saldo del altrescitta Boletta dal Signor Capitano Zuane Co(nte) Mirchovich Giudice della Magnifica Comunita*

*In fede Anastasio Magninni Zangari phisico e chirurgo m.p.*

What we learn from the data given in the text on this Pag assignat is especially interesting. The printed part of the text indicates that the Pag judges ordered, by this note (BOLLETTA), the treasury procurator to pay money from the treasury to the person whose name was handwritten on the note. Thus we learn that this assignat was used to pay Mr Anastasio Mangini Zangari, Pag doctor (physic and surgeon), his monthly wage for May 1778. It is interesting that it specifies this is his pay for one whole month (May) starting with the first day in the month and ending with the last day of the same month. His pay was 2 modii and 6 stara of salt. It further says that the price of a stara of salt was 6 liras. It is simple to work out the total amount of salt the Pag doctor got as pay for the month of May 1778: 2 modii (= 24 stara) + 6 stara give a total of 30 stara or 2,500 kg of salt. As the price of one stara of salt was 6 liras, the doctor's pay was 180 liras (30 stara of salt x 6 liras = 180 liras). This amount was written by the Pag judges on the assignat, and the treasurer then paid Mr Zangari in money, which he acknowledged in his own hand on the back of the assignat.

What were the economic and monetary conditions in Dalmatia and on Pag at the time of the Pag assignat?

A report from 1775/76 says that the province was in poverty, that there were no crafts and manufactories, that monopolies were ruining people, that officials were corrupt, that the governor general himself took at least 10,000 Venetian ducats.<sup>17</sup> Borelli of Zadar said that the effect of copper coins had been extremely bad in Dalmatia; the price of the Venetian ducat went up (foreign merchants exported it), prices went very high, and he proposed that better coins should be minted and copper withdrawn. In 1775/75 a foreign observer recorded: "In Dalmatia there is no ready money, the price of all money has gone up, it is difficult to find a ducat, there is no silver money at all, the copper gazeta is not suitable to use in trade, good money goes to Dubrovnik and is recast into thalers, and all that remains in the country is copper."<sup>18</sup>

<sup>17</sup> G. Novak, "Dalmacija godine 1775/6. gledana očima jednog suvremenika" (Dalmatia in 1775/6 through the eyes of a contemporary), *Starine* 49, Zagreb 1959, pp. 36, 40, 41.

<sup>18</sup> G. Novak, *op. cit.*, pp. 41-42.

The Venetian government sent only about 12,000 ducats a year to Dalmatia at the rate of 36 liras per ducat. By the same rate, one Dalmatian *gazeta* was 2 solidi, 12 denars was 1 solidus, and 20 solidi were 1 lira. There really was very little silver money in circulation so larger sums were usually paid in a combination of gold ducats and copper coins.

The Pag doctor could have got his monthly salary of 180 lira (= 3,600 solidi) paid in the form of 5 Venetian ducats, but it is much more probable that he was paid in coins of varying kind.

At that time wealthier people on Pag, which certainly included the doctor, lived quite well. The price of food and crafts commodities were very acceptable. For example, in 1778 beef was sold for 6 solidi a pound (476.999 g), mutton for 5 solidi. Dried stock-fish was sold for 22-24 solidi a pound, pasta for 18-20 solidi. Three eggs were 4 solidi on the market, 4 salt anchovies were 1 solidus, a kilo of salt 1 and a half solidi. Wine was sold for 22 liras a barrel (64.386 l). Concerning food, it is interesting that in the eighteenth century new kinds of food appeared on Pag, earlier almost unknown. These were primarily rice and pasta, which Italian shipping merchants sold at rather high prices. Coffee also came to Pag at the mid-eighteenth century.

A pair of ordinary shoes was only 24-28 solidi, so our Pag doctor could buy about a hundred pairs of more expensive shoes for his monthly salary. The rate of exchange of ducat gold and silver was 1:14.4 at that time.

The Pag assignat from 1778 is a first-class historical, economic and numismatic document of its time, but also an important link in the development of world paper money. It gives us great pleasure and great pride to work on its affirmation and publication in world catalogues and publications.