

FLUCTUATIONS IN THE VALUE OF PRECIOUS METALS
IN THE LATE ROMAN MONETARY SYSTEM

(Summary)

In the second half of the 3rd century with the state under constant threat and its economy partially disorganized, all the shortcomings of the existing monetary system became painfully evident. The deepening political and economic crisis forced the emperors to emit coins with steadily decreasing ore content and lower value, for the production of both high value as well as lower value monetary units had become unprofitable for the state treasury. This situation coupled with the increasing financial difficulties that accompanied the constant fluctuations in the prices of precious monetary metals led to an ever broadening shift away from the collection of taxes in coin to their collection in kind, which further devalued the money.

The emperors during the second half of the 3rd century did notice the worsening monetary situation and repeatedly attempted to adjust the exchange value of the precious metals to the changing market conditions. Nevertheless, they were unable to make up the losses completely by reducing the standards of the different denominations. The internal situation of the state slowly being ripped apart by the centrifugal tendencies primarily caused the emperors' failure, but the unfavorable relation of current prices to the exchange value of precious metals and the absence of appropriate and sufficient resources for neutralizing the crisis phenomena hurt, too.

Only after Diocletian changed the dual metallic to a single metallic, gold based, monetary system and reformed the previous structure of the denominations did relative equilibrium return to monetary relations. In practice this required making the solidus equivalent to pure gold. Keeping the standard of the solidus unchanged for such an extended period was possible only because the gold coins were in circulation for a short time and quickly returned to the state treasury as tributes and payments, and were then restruck as coins of the current ruler.

The new monetary policy did not, however, succeed in halting the rising price of gold, as the anonymous author of the tract *De rebus bellicis* noted, even at the cost of altering the traditional relationship between the value of gold and silver. This failure was chiefly caused by the high social and economic prestige of gold, resulting from the increasing demand for it (which was caused by the outward flow of gold from the Empire and by the mounting thesaurization of gold and silver). In particular, thesaurization, which reached unheard of proportions during the Late Empire, exerted significant influence on the state's gold reserves. If in addition we take progressive devaluation of silver and bronze monetary units into account, then the rise in prices during the 4th century becomes symptomatic of the Roman Empire's financial state at that time. The cause of the financial instability should be sought not only in the worsening political situation of the state, but also in the unequal flow of precious metals and the highly irrational use of these reserves.

In previous studies of the economy of ancient Rome and the problems of its precious-metals market, the loss of financial equilibrium during the Late Empire has usually been attributed to the outflow of gold from the Empire or with the exhaustion of Roman precious-metal mines. These traditional historiographic attempts to explain the problems are not satisfactory. Certainly, the reserves did determine the level of the official price of the precious metals at any given moment, but the amount of precious metals that had been thesaurized must be included. The increase in thesaurization has definite economic consequences in conjunction with the spread of a luxurious life style, it led to the removal of a significant proportion of the reserves from circulation and, thus, from state control. The repeated attempts to alleviate the worsening condition of the state treasury by limiting exports of some goods or restricting the rampant thesaurization of monetary resources by private individuals met with serious opposition from the people.

In this situation, control over the mints and mines was increased, and after the 4th century a portion of the precious metals was recouped by exchanging bronze coins for the gold solidi in private hands.