

# Tulips – the *Cryptocurrency* *bubble* of the 17<sup>th</sup> Century



Tulips are icons of the Netherlands, and yet they don't come from the Netherlands. Most species don't even come from Europe. Tulips are not only celebrated for their spectacularly beautiful and colourful blooms: they are also notorious as the product that became the first *speculative bubble* in history.

From mid-March to the end of May, large regions of reclaimed land in the Netherlands are transformed into vast fields of colourful tulips. Visitors from around the world flock to tulip farms from The Hague and Leiden to Alkmaar in the north. In spring in Australia, there are magnificent displays to be

viewed on bulb farms and in botanic gardens in Victoria and Tasmania, in cooler regions of NSW, and of course, during Floriade, a flower festival held every year on the shores of Lake Burley Griffin in Canberra.

There are about 75 species of tulips (*Tulipa* spp.) within the lily family (Liliaceae). With the exception of one species, *Tulipa sylvestris* subsp. *australis* from the Iberian Peninsula and North Africa, *most* have their origins in the steppes and mountainous areas from the eastern Mediterranean, through to Central Asia, even extending as far as the western Himalayas, Siberia, Inner Mongolia and





Tulip bulb "The Viceroy" in a 1637 Dutch catalogue. The bulb was offered for sale for between 3,000 and 4,200 guilders, 10 times the annual salary of a skilled craftsman. P. Cos, Public domain, via Wikimedia Commons

In the 16<sup>th</sup> and 17<sup>th</sup> centuries, tulips rapidly increased in popularity across Europe and were coveted as luxury items at a time when many citizens in countries such as the Netherlands, France, Germany and England were thriving economically on the back of the spice trade with the East Indies. Tulips, especially those with large flowers and outstanding colours, were an ideal way in which to flaunt one's wealth. Tulips infected with a viral disease, the *tulip breaking virus* that is spread by the green peach aphid, produced variegated flowers with unusual and brightly coloured streaks and feathering, and were referred to as *broken tulips*. They were not only very much sought after, but frequently included in many of the paintings of the Dutch masters of the Dutch Golden Age. Modern day tulips are free of this virus, but flowers with similar colours and patterning maintain the links to Holland of the 16<sup>th</sup> and 17<sup>th</sup> century by continuing to be known as *Rembrandt tulips*.

In the Netherlands in 1634, prices paid for tulips began to climb rapidly, speculators entered the market, and by 1636, the price for rare and unusual

north-western China. However, their popularity as garden plants and cut flowers has seen them widely cultivated and naturalised globally.

Tulips are believed to have been first cultivated in Iran in the 10<sup>th</sup> century, and in Constantinople by 1055, where they eventually became the symbol of the Ottoman empire. Surprisingly, it seems it was not until after 1551 when they were noticed by Augier Ghislain de Busbecq, the Viennese ambassador to the Ottoman court, that tulips were introduced into Europe. Tulips have been widely hybridised for centuries, so classification has become problematic and although many species have been used in breeding, most present-day cultivars are derived from *Tulipa x gesneriana*, a hybrid considered to have originated from Turkey.



Distribution of tulips:  
Red – Natural distribution; Green - introduced  
Modified from: Maarten et al. 2013



Modern day *Rembrandt* tulips

tulip bulbs reached ridiculously high and unsustainable levels, eventually collapsing spectacularly in 1637. This is considered to have been the first recorded *speculative bubble* in history, not dissimilar to the *dotcom* bubble of the 1990s or the present-day *cryptocurrency* bubbles. The economic crash was known as *tulip mania*, and despite many articles, books and movies to the contrary, it did not impact greatly on the Dutch Republic at the time awash with riches from the spice trade. The term *tulip mania* is still used to refer to any large economic bubble when asset prices deviate from fundamental values.



Boissoneault L. 2017. There Never Was a Real Tulip Fever. *Smithsonian Magazine*.

<https://www.smithsonianmag.com/history/there-never-was-real-tulip-fever-180964915/>

eFlora of North America: [http://www.efloras.org/florataxon.aspx?flora\\_id=1&taxon\\_id=133974](http://www.efloras.org/florataxon.aspx?flora_id=1&taxon_id=133974)

Maarten J M C, Govaerts R, David J C, Hall T, et al. 2013. Tiptoe through the tulips – cultural history, molecular phylogenetics and classification of *Tulipa* (Liliaceae), *Botanical Journal of the Linnean Society*, 172(3): 280–328, <https://doi.org/10.1111/boj.12061>

Turktas M, Metin Ö K, Baştuğ B, et al. 2013. Molecular phylogenetic analysis of *Tulipa* (Liliaceae) based on noncoding plastid and nuclear DNA sequences with an emphasis on Turkey. *Botanical Journal of the Linnean Society* 172(3): 270 – 279.

WFO (2022): World Flora Online. Published on the Internet; <http://www.worldfloraonline.org>. Accessed on: 02 Aug 2022

Wikipedia: <https://en.wikipedia.org/wiki/Tulip>

Wikipedia: [https://en.wikipedia.org/wiki/Tulipa\\_gesneriana](https://en.wikipedia.org/wiki/Tulipa_gesneriana)

Wikipedia: [https://en.wikipedia.org/wiki/Tulip\\_mania](https://en.wikipedia.org/wiki/Tulip_mania)



Alison Downing, Brian Atwell, Karen Marais, Kevin Downing



**MACQUARIE**  
University  
SYDNEY · AUSTRALIA

