

DATINI STUDIES
IN ECONOMIC HISTORY



GESTIONE DEL RISCHIO, INSOLVENZA E BANCAROTTA
NEL MONDO PREMODERNO (SECC. XIII-XVIII)

RISK MANAGEMENT, INSOLVENCY, AND BANKRUPTCY
IN THE PRE-MODERN WORLD (13TH-18TH CENTURIES)

edited by
Angela Orlandi


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Gestione del rischio, insolvenza e bancarotta
nel mondo premoderno (secc. XIII-XVIII) /
Risk management, insolvency, and bankruptcy
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CRITERI DI CERTIFICAZIONE SCIENTIFICA

I testi pubblicati in questa collana raccolgono i risultati di ricerche originali attivate dalla Fondazione Istituto Internazionale di Storia Economica “F. Datini”, sulla base di un progetto varato dai suoi organi scientifici. Gli autori vengono selezionati a seguito di una Call for papers che indica gli obiettivi scientifici del progetto; la selezione è effettuata sulla base di proposte circostanziate contenenti indicazioni sulle questioni storiografiche che si intende affrontare, l’area e il periodo storico preso in considerazione e la tipologia delle fonti da utilizzare. La Giunta del Comitato scientifico, eventualmente integrata da specialisti, analizza le proposte e seleziona quelle ritenute più valide e coerenti con il progetto generale di ricerca. I testi risultanti dalle ricerche vengono presentati e discussi in occasione della Settimana di Studi. Nel mese precedente al suo svolgimento, essi vengono messi a disposizione dei partecipanti, per consentire il necessario approfondimento della discussione. A seguito delle osservazioni e del dibattito svolto durante il convegno, gli autori inviano i loro testi definitivi. Tutti i testi vengono sottoposti a duplice peer review anonimo integrato da una terza valutazione in caso di pareri discordanti. Questo volume raccoglie solo quelli che hanno registrato un giudizio positivo.

The works published in this series represent the collected original research works initiated by the “F. Datini” International Institute of Economic History (Fondazione Istituto Internazionale di Storia Economica “F. Datini”), based on a project launched by its scientific bodies. The authors are chosen following a Call for Papers indicating the scientific objectives of the project; the selection is performed on the basis of detailed proposals containing indications regarding the researched economic history topics, the area and historical period considered, as well as the sources used. The Scientific Committee analyzes the proposals, choosing those considered the most valid and coherent with the general research project. The works resulting from research are presented and discussed during the Study Week. During the month preceding the Study Week, the works are made available to the participants to ensure a more detailed discussion. Following the comments and the debate held during the conference, the authors send their final texts, which are submitted to two anonymous peer reviewers; the review is supplemented by a third evaluation in case of divergent opinions. This book only contains the essays recording a positive judgment.

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Maria Fusaro

*Gestione del rischio: insolvenza e bancarotta
nel mondo premoderno (secc. XIII-XVIII)*

Gentilissima Signora Sindaca – Ilaria Bugetti
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Autorità e colleghi tutti

Oggi, a nome anche della co-organizzatrice, carissima collega – e mi onoro di poter dire anche grande Amica – Cátia Antunes, ho l'onore di prendere la parola per la prolusione della cinquantaseiesima (LVI) Settimana di Studi dell'Istituto Datini, quest'anno dedicata al tema della *Gestione del rischio: insolvenza e bancarotta nel mondo premoderno (secc. XIII-XVIII)*.

Il problema del rischio – e della sua gestione – è un argomento di perenne attualità. Negli ultimi anni, stretti fra una crescente emergenza climatica globale, una pandemia di grande impatto – psicologico più che demografico (Mack 2020) –, la profonda crisi del sistema politico globale che era nato dalle ceneri della Seconda Guerra Mondiale, una crisi finanziaria che perdura ormai da quasi un ventennio, e che ha contribuito ad una crescita esponenziale delle disuguaglianze su scala globale, la questione del 'rischio' ha assunto un ruolo centrale nel discorso politico, sociale ed economico in tutti i paesi ed a tutti i livelli, dalla produzione scientifica in diverse discipline alle serie televisive.

Nel rispetto della tradizione, ancora una volta la settimana Datini si occupa di fare il punto della situazione su un argomento di storia economica che ha una rilevanza e una connessione con la temperie politica ed economica in cui viviamo. Penso alle considerazioni di Carlo Maria Cipolla su crisi economica e produttività, parte della sua prolusione alla Terza Settimana di Studi del 1971 dedicata a *Produttività e tecnologie* (Cipolla 1981).

Le questioni connesse a come ci si proteggesse – ma in realtà dal punto di vista pratico più che altro di come si gestisse ed amministrasse – il rischio sono strettamente legate alla questione dell'amministrazione del capitale e del rischio d'impresa, argomenti fondanti nella tradizione del Datini, soprattutto grazie al lavoro

Maria Fusaro, m.fusaro@exeter.ac.uk, University of Exeter, United Kingdom, 0000-0002-2346-1892

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pioneristico di Federigo Melis sulla documentazione delle imprese mercantili (Melis 1950, 1991). E la connessione fra il lato tecnico contabile e la gestione del rischio mi auguro siano una parte importante delle nostre conversazioni nei prossimi giorni.

Il rischio è una costante di tutte le attività umane: esogeno ed endogeno. Ulteriormente suddivisibile in: naturale e umano. Per gli scopi dei nostri lavori, possiamo anche distinguere le due categorie collegate di 'economico' – guerre, svalutazioni, estremi climatici – e 'finanziario' – tradizionalmente visto in chiave dell'individuo e collegato a un'estensione eccessiva di posizioni debitorie/creditorie, ma a cui vorrei aggiungere altri elementi di difficile valutazione, specie preventiva: fortuna/sfortuna e stupidità/incompetenza. Quest'ultima più facile forse da valutare, ma a volte accettata e tollerata per motivi strategici.

Nei prossimi giorni concentreremo la nostra attenzione su una piccola ma fondamentale sottosezione – quella del rischio economico e finanziario – e sulle sue radici e molteplici varianti nella storia premoderna, e lo faremo tramite la discussione dei due concetti di insolvenza e bancarotta.

Data la centralità del nesso debito/credito nel capitalismo, le procedure che regolano la bancarotta e fallimento sono senza dubbio fra le più importanti istituzioni alla base del sistema economico capitalista, in tutte le sue varianti, nelle parole di Thomas Max Safley: «bankruptcy belongs to the essence of capitalism» (Safley 2013, 2). Si tratta quindi di affrontare un campo di analisi potenzialmente immenso, in cui è necessario fare delle scelte a proposito degli ambiti specifici di indagine, così come le considerazioni che seguiranno sono il risultato della mia scelta fra la miriade di approcci possibili.

Inoltre, insolvenza e bancarotta sono questioni di costante attualità, e quindi ci troveremo di fronte alla necessità di conciliare un linguaggio e categorie di analisi che hanno un grande spazio nel nostro vissuto contemporaneo, con delle realtà profondamente diverse come quelle medievale e moderna che sono al centro dei nostri lavori.

Gli argomenti che saranno al centro di questa settimana di studi si prestano bene, anzi, meglio dire 'necessitano' da parte nostra di una grande attenzione verso l'aspetto interdisciplinare – peraltro anche qui seguo i maestri del Datini, in quanto questo era già fortemente auspicato da Roberto Lopez nella sua prolusione alla Settimana Settimana di Studi del 1975 dedicata alla *Moneta nell'economia europea* (Lopez 1981).

Specialmente quando discutiamo di questioni finanziarie, la storia economica ha la necessità di porsi in un dialogo stretto con altre tipologie di analisi storica: sociale, legale e culturale, fin qui tutto abbastanza tradizionale. Ma spero di riuscire a convincervi che in questo caso è anche necessario prestare attenzione verso questioni analizzate dalla linguistica storica. Già nel 1990 Peter Mathias – nella sua prolusione alla Ventiduesima Settimana (*L'impresa: industria, commercio, banca*) che dedicò alla figura dell'imprenditore – sollevava la delicata questione dell'importanza della precisione nel linguaggio economico (Mathias 1991). La rilevanza di questa questione è aumentata esponenzialmente negli ultimi trent'anni, da quando il successo dell'approccio *New Institutional Economics* – e per noi storici *New Institutional Economic History* – ha portato economisti e storici economici ad una frequentazione maggiore delle fonti di natura prettamente giurisprudenziale e legale (Richter 2005).

Specialmente nella storiografia Angloamericana il dialogo necessario fra storici economici e storici del diritto (interessante sottolineare come l'espressione inglese

‘*legal historians*’ rappresenta una categoria analitica assai più ampia) non è stato facile, per tutta una serie di motivi che non ha senso discutere in questa sede perché non centrali ai nostri lavori. Ha invece senso ricordare – specialmente qui al Datini – come una relazione intellettuale stretta fra storia economica e del diritto sia nel DNA della tradizione storiografica italiana. Mi riferisco qui al ruolo fondante per la disciplina svolto in Italia dalla cosiddetta ‘scuola economico giuridica’ di Gaetano Salvemini, Gioacchino Volpe, Romolo Caggese e Gino Luzzatto... storici assai diversi, ma uniti dalla convinzione della grande potenzialità analitica di un approccio metodologico che si ponesse «al punto d’incrocio fecondo fra storiografia delle istituzioni e studio della società, riguardata, quest’ultima, principalmente sotto il profilo economico», nelle parole di Enrico Artifoni (Artifoni 1990, 13-14). Un approccio metodologico che ha forti assonanze con quello della *New Institutional Economic History*. Per questa tradizione storiografica italiana, l’analisi del peculiare sviluppo dell’economia della penisola durante il Medioevo, vedeva nello studio delle istituzioni giuridiche la chiave per discutere l’interazione fra una straordinaria crescita economica ed un continuo conflitto sociale fra gli attori politici ed economici delle realtà urbane (Artifoni 2006).

Fallimento e bancarotta sono oggetti ‘economici’ che dimostrano perfettamente quanto fenomeni economici portino a conseguenze capillarmente distribuite a tutti i livelli di una società e di come, nei secoli di cui ci occupiamo, fosse fondamentale da parte di tutti gli attori sviluppare solidi meccanismi e strategie razionali per una valutazione qualitativa del rischio, visto che l’elemento di valutazione quantitativo – attuariale – emerge solo verso la fine del periodo ‘datiniano’ (Hacking 2006).

Nell’analisi del loro sviluppo storico nei secoli che vanno dal Duecento al Settecento, non solo in Europa, ma anche in tutte quelle parti del globo che entrarono nell’orbita politica e militare degli stati europei, sono centrali questioni relative alla natura e all’estensione del credito, a loro volta connesse al livello di monetizzazione di una società, al rapporto fra classe dirigente politica ed economica, ai legami familiari, alle relazioni corporative, al controllo della povertà e dell’ordine sociale – non dimentichiamo le parole di Laurence Fontaine che nel 2012 apriva la Quarantaquattresima Settimana Datini dedicata ad *Assistenza e solidarietà* parlando della povertà come rischio per la società (Fontaine 2013).

Le ricadute di fallimento e bancarotta non erano – né sono – mai solo economiche, ma anche e soprattutto sociali e culturali. In altre parole, fallimento e bancarotta necessitano da parte nostra di un approccio ampio e generoso verso la definizione di cosa sia la storia economica, tenendo presente non solo il fondamentale ruolo degli aspetti culturali e sociali – ma anche di quelli etici, morali e religiosi.

È utile ricordare come la parola *fallimento* fosse «voce originariamente appartenente alla sfera religiosa che, attraverso un processo di rideterminazione semantica, è diventata poi la denominazione generale dell’istituto» legale di cui parliamo. Un recentissimo studio di Francesca Fusco, un esempio dell’attenzione alla linguistica storica di cui parlavo, argomenta come «La prima attestazione giunta fino a noi dell’uso del termine nel senso economico giuridico si ritrova nella *Cronica* di Giovanni Villani («Per lo quale fallimento di Bardi, e Peruzzi, Acciaiuoli [...] fu alla nostra città di Firenze maggiore rovina e sconfitta, che nulla che mai avesse il nostro Comune»), che segue a distanza di poco più di mezzo secolo quelle di *fallire* nel senso di ‘cadere in

dissesto finanziario, far bancarotta' e di *fallito* usato come sostantivo per designare 'colui che è insolvente', entrambe attestate dalla fine del Duecento» (Fusco 2024, 68-69).

Altra questione fondamentale è quella dell'interazione fra il lato normativo e quello pratico della gestione del rischio, specialmente dal momento che il periodo su cui si focalizzano i lavori dell'Istituto Datini – cioè dal Duecento al Settecento – è precisamente quello in cui la relazione fra giurisprudenza, regole locali e prassi delle corti di giustizia matura, e porta ad una efflorescenza dal punto di vista legislativo in tutta Europa, ma con dinamiche e tempistiche assai diverse.

La questione di chi sopporti il rischio, in senso generale, e di quale categoria di crediti siano da considerarsi 'privilegiati', ritengo siano da considerarsi come variabili fondamentali nel distinguere fra diverse varietà di capitalismo, sia dal punto di vista dell'analisi storica che della contemporaneità (Fusaro 2020). Ho dedicato due progetti ERC allo studio di queste questioni, esperienze eccellenti – specie grazie ai colleghi con cui ho avuto la fortuna di lavorare – e che mi hanno definitivamente convinta di come le modalità, assai diverse, con le quali diverse società e culture decidano quale sia la gerarchia dei creditori siano il modo migliore per distinguere fra diverse varietà di capitalismi.¹

È evidente l'importanza del ruolo svolto da mercanti e banchieri in questi sviluppi, soprattutto in quanto fondamentale per la creazione di un sistema internazionale di gestione del credito e risoluzione delle controversie ad esso collegate. L'annosa questione delle bancarotte 'statali' sarà ovviamente parte delle nostre conversazioni nei prossimi giorni, soprattutto dal punto di vista delle strategie elaborate per gestire i particolari tipi di rischi che prestare a un sovrano comportava. E questa è un'area in cui è possibile distinguere una chiara diversificazione delle strategie di protezione da parte degli operatori finanziari.

Abbiamo l'effetto domino che travolse nel 1343 i Bardi ed i Peruzzi e il sistema bancario toscano che seguì alla sospensione dei pagamenti da parte del sovrano inglese Edoardo III, in seguito al quale fu promulgata abbondante legislazione non solo a Firenze (Sapori 1926; Hunt 1990; Tanzini 2018). Due secoli dopo la situazione era assai diversa, ed abbiamo ripetute e regolari rinegoziazioni del debito – *medios generales* – che regolarmente seguivano le sospensioni dei pagamenti della Corona Iberica (Drelichman e Voth 2014; Sanz Ayán 2013). La risoluzione delle crisi creditizie si era decisamente spostata sul piano politico, e non poteva essere altrimenti. Nei prossimi giorni, questa dimensione internazionale del rapporto fra stati e operatori finanziari avrà senza dubbio un ruolo rilevante nelle nostre discussioni.

Questa progressiva regolamentazione delle transazioni finanziarie fra stati, si attuò non soltanto attraverso confini politici e religiosi, ma soprattutto tramite l'interazione fra diversi sistemi legali. La caratteristica pluralità degli ordinamenti giuridici pre-moderni non solo in diversi stati, ma anche all'interno di ciascuno di essi, vedeva l'interazione fra le giurisdizioni urbane – *vera unicità europea* – quelle regionali e/o

¹ LUPE – *Sailing into Modernity: Comparative Perspectives on the Sixteenth and Seventeenth Century European Economic Transition*, ERC Starting Grants (n. 284340) (2012-2015); *AveTransRisk – Average – Transaction Costs and Risk Management during the First Globalization (Sixteenth-Eighteenth Centuries)*, ERC Consolidator Grant (n. 724544) (2018-2022).

principesche/signorili e quelle statali. Ma con l'espansione europea su scala globale entreranno in gioco anche le giurisdizioni coloniali e consolari.

L'espansione esponenziale del commercio marittimo a partire dal secondo Quattrocento, che lo rese il motore dello sviluppo economico del periodo (Unger 2011), portò sicuramente ad un maggiore apprezzamento dei rischi che sono necessariamente connaturati/intrinseci sia al trasporto che al commercio marittimo (meteorologici, militari, tecnologici) – vi ricordo che ad oggi quello marittimo resta il settore economico più pericoloso per coloro che vi lavorano (Fusaro 2023) – e questo portò ad una maggiore 'comprensione' nei confronti di quanti vi investivano capitale. Questo ebbe importanti riflessi anche dal punto legislativo. Vi tornerò.

Dal Seicento in poi, il ruolo peculiare giocato delle grandi compagnie commerciali – East India Company e Verenigde Oostindische Compagnie in primis – istituzioni pubblico-private, beneficiarie di monopoli più o meno estesi (essi stessi una risposta ai rischi), dotate di funzioni esecutive che davano loro poteri quasi statuali, finanziate da privati in numero sempre crescente, creò delle situazioni particolari di statalizzazione del credito e del rischio che rappresentarono novità fondamentali nella gestione dell'attività economica sulle lunghe distanze e che sono fondamentali nell'esperienza coloniale ed imperiale dell'Europa moderna. Nel 1720 la *South Sea Bubble* mostrò i limiti intrinseci di questo tipo di istituzioni, specie quando le loro azioni erano ampiamente disponibili sul mercato (Hoppit 2002; Dale 2004), iniziò quindi un'era di più stretta regolamentazione, ciclicamente contestata e poi reinstituita.

L'evoluzione dalle mega compagnie medievali, alle compagnie familiari, *regulated* e poi *joint-stock* non fu lineare ma è chiara nelle sue linee evolutive generali. Quello dove c'è ancora molto da indagare sono le modalità dell'interazione fra l'estensione del credito al centro di questi sistemi, e come questa si sviluppasse 'oltremare', argomenti centrali al lavoro di Cátia Antunes (Antunes 2019).

È importante però anche sottolineare che la gestione del rischio e di una possibile bancarotta non era preoccupazione esclusiva del ceto mercantile, ma lo era anche per gli imprenditori manifatturieri ed agrari, i cui interessi economici erano collegati a quelli mercantili ma seguivano logiche autonome, e sentivano l'influenza di variabili del rischio in maniera differente dai mercanti in senso stretto.

Per fare un esempio, la gestione del rischio nel settore agricolo è da sempre una questione di fondamentale importanza politica. Sostenere la continuità dell'approvvigionamento, specie nelle aree urbane, aveva importanti ricadute sull'ordine pubblico e quindi sulla solidità di un regime, preoccupazione fondamentale in tutta Europa specialmente nel periodo del boom urbanistico medievale. In un periodo più tardo, la questione della gestione del rischio nello sviluppo del capitalismo agrario inglese fu uno dei punti centrali del dibattito sulla cosiddetta transizione fra feudalesimo e capitalismo che dominò la storia economica britannica nella seconda metà del ventesimo secolo (Aston e Philpin 1985). Se vogliamo l'età d'oro della scuola marxista britannica: penso a Richard Tawney, Maurice Dobb e Robert Brenner e alle loro elaborazioni di come una delle ragioni principali del successo del capitalismo agrario inglese fosse stata proprio nel riuscire a spostare il rischio agricolo dai proprietari verso i lavoratori, convertendo l'agricoltura, di per sé rischiosa, in 'proprietà agraria' (Ormrod 2013).

In quest'ottica bisogna anche considerare come le imprese medievali e moderne integrassero in parecchi casi l'attività commerciale con attività produttive, quindi un'altra questione che emerge è quella della connessione fra la produzione ed il commercio, e le conseguenze che su ambedue hanno situazione di fallimento o bancarotta. Aumento del rischio da un lato, gestione più efficiente dall'altro, tramite una diversificazione sia degli investimenti che dei meccanismi di protezione.

A prescindere dal settore economico sotto analisi, ovunque in Europa dominava l'ombra lunga del diritto romano, ma nella gestione del rischio e nella risoluzione di bancarotte e fallimenti, un ruolo importante lo ebbero gli usi e costumi locali, e un'importante influenza la ebbe l'etica religiosa.

Come spesso succede in questioni relative alla storia del diritto, ad un principio di fondo condiviso si affiancano una varietà di soluzioni pratiche nell'applicazione operativa delle regole – siano esse leggi, usi o costumi – e ho speso alcuni anni della mia vita proprio per districare queste questioni a riguardo di quello che è forse il più antico istituto legale di redistribuzione del rischio marittimo, l'avaria generale. Lo stesso accade a proposito di bancarotte e fallimenti: principi generali condivisi in tutto in continente europeo da un lato, e dall'altro un'estrema varietà di possibili procedimenti per la loro gestione e risoluzione.

L'interazione di questi diversi livelli, e la lenta armonizzazione che ebbe corso nei secoli dell'età moderna, non sfociarono nella creazione di un sistema uniforme – che a tutt'oggi non esiste né in Europa né nel resto del mondo. E qui torniamo alla questione della necessità della precisione del linguaggio che ho menzionato prima, in quanto è fondamentale per gli storici economici il conoscere ed applicare le distinzioni fra i diversi istituti giuridici che regolavano il flusso del credito, la capacità di far fronte ai propri impegni e di risarcire coloro che erano stati colpiti da bancarotta o fallimento.

Molte procedure negoziali appaiono assai simili in superficie, ma il diavolo è nei dettagli, specialmente nel delineare le diverse procedure di risoluzione della crisi creditizia, e nel chiarire le responsabilità dei soggetti. Per esempio, la '*cessio bonorum*', definita come «procedimento privatistico grazie al quale i creditori, in accordo con il debitore, procedevano di concerto alla ripartizione dei beni di quest'ultimo, sanando il vulnus sociale rappresentato dalla crisi finanziaria del soggetto passivo del rapporto obbligatorio prima ancora che essa potesse manifestarsi con tutta la sua virulenza in sede giudiziaria», è ben diversa dal *concordato*, «accordo transattivo tra creditori e fallito che prevedeva la rinuncia dei primi ad una parte dei rispettivi crediti a fronte del pronto pagamento della somma concordata da parte del debitore e trovava origine nelle più volte ricordate esigenze di celerità e informalità richieste dalla pratica commerciale» (Barbagli 2019, 3).

Nel costante alternarsi delle continuità e rotture che caratterizza la ricerca storica, bancarotta e fallimento sono un ottimo esempio di discontinuità fra Medioevo e prima età moderna.

Gli statuti medievali delle città italiane – comunali e corporativi – dedicano una straordinaria attenzione alla questione del dissesto finanziario e del fallimento (Barbagli 2019). Come argomenta Umberto Santarelli, uno dei maestri della storia della bancarotta, nelle loro diversità è possibile distinguere un atteggiamento comune, cioè il fatto che l'ordine giuridico tutelasse l'interesse del ceto mercantile, e non quello dei

singoli mercanti (Santarelli 1992). Senza dubbio questo principio era alla base di una legislazione generalmente assai punitiva nei confronti dei falliti. Le pene erano sia personali – come la perdita dei diritti civili (cittadinanza), l'arresto o il bando – che patrimoniali. L'eccezione era Venezia, che ancora una volta si distingueva per le sue peculiarità economiche e giuridiche, in quanto la legislazione della Repubblica faceva dell'accordo tra fallito e creditori l'esito naturale di ogni fallimento (Cassandro 1938, 113). Importante inoltre sottolineare come a Venezia fin dal Medioevo la procedura di fallimento fosse aperta anche a quanti non fossero 'mercanti' di professione (Santarelli 1964, 82).

Il debitore perdeva generalmente il controllo sui suoi beni – e qui vediamo grandi variazioni, per esempio nella differenziazione fra proprietà mobili e immobili – ed era costretto a trovare chi fornisse garanzie per lui verso i suoi creditori. Facile quindi comprendere come una crisi di liquidità coinvolgesse l'intera comunità e gruppo sociale, non solo il debitore – che spesso poteva anche perdere la sua libertà. La posizione del debitore fallito era ovunque di molto peggiorata da una sua eventuale contumacia. L'assenza/fuga era considerata come un rifiuto di responsabilità e un attacco alla comunità ed al quieto vivere pubblico (Santarelli 1992, 66-75).

Nella sua sofisticata analisi dell'importanza della 'reputazione economica' nell'Italia medievale, Giacomo Todeschini ha sintetizzato come la buona reputazione economica fosse alla base del patto sociale del modello politico-economico dell'Italia medievale (Todeschini 2011). L'evoluzione dell'atteggiamento pubblico nei confronti della 'bancarotta', da rottura della fiducia sociale, che Baldo degli Ubaldi associava al furto, «*fallitus, ergo fraudator*» – e quindi azione criminale – a una eventualità possibile visti i rischi intrinseci all'attività economica (Santarelli 1964) – ergo 'insolvenza' – dovuta possibilmente a fattori esterni e quindi non necessariamente collegati alla disonestà, fu un processo lungo, che però separa nettamente la situazione nei secoli del Medioevo da quella nella prima età moderna. Vale la pena sottolineare come la decriminalizzazione della bancarotta in Inghilterra avvenga solo nel corso del Settecento (Hopit 1987).

Dal punto di vista dottrinale il punto di svolta è rappresentato dall'elaborazione di Benvenuto Stracca nel suo *De mercatura, seu mercatore tractatus* (1553) una fondamentale sezione del quale fu dedicata proprio al fallimento. Qui si prevede una differenziazione fra la bancarotta come frode e il fallimento come incidente. Interessante che, dal punto di vista pratico, ho scoperto recentemente come la prima istanza pratica nella quale emerge chiaramente questa differenziazione pare sia in un decreto del 1473 promulgato da Galeazzo Maria Sforza, duca di Milano (Santarelli 1992, 71-72; Lupi 2022, 14).

La separazione analitica fra i due concetti – bancarotta come crimine e fallimento come risultato di una sfortunata congiuntura – è quindi un portato della 'modernità'. Nella recente letteratura di storia economica e marittima, Livorno ha assunto un ruolo fondamentale come esempio di modernità. Come primo porto franco al mondo, il suo successo dimostrò l'importanza della tolleranza religiosa al fine di creare un nuovo polo economico. Quindi la creazione del porto franco, ed il risultato di fondare una città 'cosmopolita' sono visti come espressione della modernità di Livorno e della lungimiranza dei Granduchi di Toscana. Alla base di questo successo sono le famose 'Livornine', leggi che a partire dal 1593 definirono i privilegi di coloro

che si fossero stabiliti in città. La prima definizione della ‘Livornina’ appare nel *Dizionario universale della lingua italiana, ed insieme di geografia*, pubblicato a Livorno da Carlo Antonio Vanzon in 1833 (Villani 2023, 46):

Nome che nell’uso dassi a quella specie di Salvocondotto o carta di sicurezza che si concede in Livorno a quegli stranieri che costretti ad esiliarsi da proprj paesi per debiti quivi rifuggonsi e ciò in virtù di una legge emanata l’anno 1593 da Ferdinando I granduca di Toscana.

Lo status di ‘imprenditore’ – ‘*risk taker*’ – iniziava a diventare quindi una caratteristica desiderabile per incrementare l’attività economica. Si tratta di un’altra novità, con importanti connessioni con la nostra realtà contemporanea, che mitizza l’operatore economico disposto a rischiare, l’imprenditore lodato nei giornali è un risk-taker, anche se Mark e Catherine Casson giustamente sostengono che debba invece essere un ‘risk-manager’ (Casson e Casson 2013). Sono certa che nei prossimi giorni le comunicazioni che ascolteremo ci aiuteranno a capire meglio i confini fra il fallimento come crimine e come incidente di percorso, e quanto ci fosse di condiviso e di differente nelle modalità delle loro risoluzioni.

Questa differenziazione prese piede velocemente, e lo stigma associato al debito non solo diminuì, ma la capacità di ‘rischiare’ cominciò a incarnare lo spirito imprenditoriale. La capacità di esporsi, di intraprendere un’avventura – *venture* –, con tutti i rischi che questo comportava, divenne un elemento desiderabile dell’azione economica. Probabilmente addirittura ‘essenziale’ nell’intraprendere attività di tipo imprenditoriale che approfittassero dell’espansione europea su scala globale.

Le forme particolari assunte dall’imprenditorialità privata all’interno – ma anche attraverso – i diversi spazi imperiali europei nel resto del globo aprirono straordinarie opportunità di arricchimento a quanti fossero disposti a correre i rischi del caso, la *South Sea Bubble* è solo il più famoso fra i molti casi di bancarotte e fallimenti che caratterizzarono l’espansione imperiale europea, e che legarono a doppio filo colonie e metropoli, e non necessariamente solo ciascuna metropoli con le ‘sue’ colonie, come stanno dimostrando ampiamente molti progetti di ricerca su queste questioni, in primis quelli diretti da Cátia Antunes.²

Citavo prima Santarelli che sosteneva come la tutela fosse estesa verso il ceto mercantile e non verso i singoli mercanti. E qui non sono completamente d’accordo, e ritengo sia fondamentale un’attenzione particolare alle nuances dello status sociale (e politico). Per il periodo premoderno parliamo di società di ceti (*rank*) e non di classi (*class*), lo status dei protagonisti – sia legale che sociale – ne determinava i diritti ed i doveri e questo è un elemento fondamentale per comprendere appieno la varietà di soluzione possibili di fronte ad un fallimento.

Parliamo di società ineguali, da cui discende il fatto che esistessero diritti diversi, garanzie diverse, tempistiche diverse che avevano conseguenze pratiche rilevanti per logistica della risoluzione conflittuale (Trivellato 2020). Se il fallimento dei ricchi

² FIGHT – *Fighting Monopolies, Defying Empires 1500-1750: a Comparative Overview of Free Agents and Informal Empires in Western Europe and the Ottoman Empire*, ERC Starting Grant (n. 312657) (2013-2017); e *Exploiting the Empire of Others: Dutch Investment in Foreign Colonial Resources, 1570-1800*, NWO Vici SGW grant (VI.C.191.027) (2020-2025).

portò alla necessità della creazione di soluzioni transnazionali, e spesso al coinvolgimento politico diplomatico, la questione dei debiti dei poveri ebbe conseguenze altrettanto complesse per le società e per la loro capacità produttiva.

Non solo lo status sociale ma anche criteri di appartenenza determinavano l'accesso a diverse possibilità di risoluzione dopo un fallimento. Nella penisola italiana fin dal Trecento gli stranieri avevano generalmente accesso allo stesso trattamento dei cittadini in questi casi (Santarelli 1964, 309-311); in molte città tedesche invece, solo nel Seicento si arriverà a concedere agli stranieri gli stessi diritti che ai cittadini nei procedimenti di fallimento (Mooi 2022). Ho menzionato all'inizio la questione dei 'crediti privilegiati' e come questi possano essere un elemento per distinguere le diverse varietà di capitalismi (Fusaro 2020). Ovunque erano presenti meccanismi di protezione sia dei creditori che dei soggetti deboli coinvolti – per esempio la porzione dotale era normalmente protetta e non veniva a far parte dell'asse dei beni del fallito – ma c'era grande variazione su quali altre categorie di debitori potessero avere diritti di prelazione speciali nella gerarchia dei debitori: orfani, vedove, istituzioni di beneficenza, salariati, e quali tipologie formali di debiti avessero prelazione nella procedura risolutiva. (Santarelli 1992, 87-93; De ruysscher 2013).

Avrete sicuramente notato che non ho ancora menzionato l'elefante nella stanza – la fiducia (*trust*), collegata inestricabilmente al capitale sociale – parte di quella buona reputazione e fama velocemente menzionata in precedenza (Wubs-Mrozewicz, 2019).

Perdita del credito... perdita reputazione... usualmente la seconda assai peggiore della prima in quanto aveva effetti che perdurano e che potevano coinvolgere l'intera comunità (Safley 2009). La fiducia è difficile da guadagnare e facile da perdere, una volta che fiducia nell'individuo o nell'istituzione che sono falliti è persa segue il discredito e la difficoltà a ricostruire e a ricominciare. Il 'credito' è molto di più che non un soggetto puramente economico, è anche l'espressione di reti familiari, sociali, culturali. E quando il credito viene a mancare l'intero sistema si inceppa. Insolvenza rilevante a tutti i livelli sociali – dai sovrani ai loro finanziatori agli artigiani – debiti/crediti fondamentali per la società intera.

Anche in questo caso siamo di fronte alla varietà dell'inquadramento legale e normativo di fronte al problema della reputazione e della fiducia – storicamente alla base delle attività economiche di successo e della attività politica – ma il cui valore fondante è oggi negato quotidianamente nelle sale del potere e nella corte dell'opinione pubblica.

Per secoli l'avere un 'buon credito' ed una 'buona reputazione' sono stati concetti il cui valore andava ben oltre la valenza economica, per gli economisti oggi la questione centrale nella risoluzione delle bancarotte è di ottenere un'allocazione efficiente nella restituzione dei crediti, nel mondo premoderno la questione si poneva anche in termini morali ed etici, con la creazione di gerarchie dei cosiddetti 'crediti privilegiati'.

La gestione del rischio nell'età premoderna era quindi fondamentalmente diversa da quella contemporanea. Questo non ne diminuisce il valore ovviamente, anzi in questo caso particolare lo rende maggiore in vista di sviluppi futuri.

Una delle argomentazioni portate avanti dai fautori della *New Institutional Economics* è l'importanza data alla competizione come fattore che portò all'adozione di

istituzioni ‘aperte’, l’analisi di lungo periodo sull’evoluzione delle modalità di risoluzione delle controversie generate da insolvenze e bancarotte sembra dare la pre-eminenza ad elementi di concertazione e di collaborazione. E forse sarebbe bene tornare a questi nell’affrontare i rischi della società contemporanea. Da una decina d’anni è in atto negli Stati Uniti un’attiva discussione a proposito di come sia necessario riformare la legislazione federale che determina i processi di bancarotta nota come Chapter 11 attraverso una riforma della *creditor bargain theory* – concordato come avrebbero detto i mercanti del Quattrocento (Casey 2020).

Parte della conversazione verte sul fatto che una legislazione punitiva non sia di beneficio a nessuna delle parti, e per risolvere questa questione alcuni hanno proposto di ispirarsi ai criteri di equità che sottendono all’Avaria Generale nella riorganizzazione dei risarcimenti. Nel diritto marittimo le spese e danni provocati da provvedimenti volontari presi dal comandante della nave per la salvezza comune vengano ripartiti in maniera equa tra tutti i soggetti interessati al buon esito del viaggio.

In un periodo storico che sta vedendo un ridimensionamento del ruolo delle assicurazioni ed una riscoperta di meccanismi di redistribuzione del rischio che hanno dimostrato straordinaria resilienza non possiamo che beneficiare dall’imparare meglio come i nostri antenati gestissero i rischi connaturati all’attività economica.

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Concetti, definizioni e considerazioni teoriche

Concepts, definitions and theoretical considerations

Understanding uncertainty: Reflections on insolvency, bankruptcy and 'risk' and the entanglement of state, capital and labor in the sixteenth century

1. Introduction

In April 1531, the creditors of the bankrupt Ambrosius Höchstetter posed the first of what would be a long series of questions about the great merchant's bankruptcy: «given his great success as a merchant, what did Ambrosi imagine he was doing, bringing ruin not only on himself, but on his colleagues and their city?» Despite a warning that any falsehood would be punished, Höchstetter insisted that «he knew nothing other than that his business was flourishing as it had for the past 30 years; had he foreseen bankruptcy, he would have ceased business long before 1527 ... he did not know his affairs were so precarious ...».¹ How could one of Europe's most successful merchants, with whom «princes, counts, noblemen, burghers, peasants, servants and maids deposited such money as they had», as the Augsburg chronicler and Höchstetter contemporary Clemens Sender put it (Sender 1894, 219), not know his business was failing? This terse proclamation of ignorance and the question it raises highlight three themes I wish to examine in this paper: first, the 'uncertainties' of enterprise in late medieval and early modern economic life; second, the 'entanglement' of state, capital and labor in the perception and management of those uncertainties; third, the connection between the management of those uncertainties and the resolution of insolvency and bankruptcy.

Sender saw a failed attempt to create a worldwide mercury monopoly – «Höchstetter had bought up mercury in all kingdoms and lands at a higher price than was commonly asked ... 200,000 *Gulden* worth of mercury» – as one of the most important causes for the collapse of the Höchstetter firm (Sender 1894, 220). Modern scholars have largely followed his lead (Kern 1935, 31; Klinkert 1983, 24). It was not the only cause, however. A perfect storm of near-simultaneous events contributed as well: high-seas piracy, highway robbery, principal-agent problems and simple incompetence. «Yet, all of these misfortunes would not have damaged him, had his own son and his brother's son behaved in an upright manner and seen properly to their own, and had old Ambrosius Höchstetter taken an annual accounting and concerned himself with these things» (Sender, 1894, 220-21). Neither fate nor fortune, so Sender, but foible determined the outcome.

¹ Stadtarchiv Augsburg (StAA), Literaliensammlung, Höchstetter-Selekt I, Ambrosi Höchstetter der Älter Verhörprotokolle, Urgichten 13 Aprilis 1531.

Höchstetter's creditors, especially his peers, prominent and well-informed merchants, such as Anton Fugger, Hans II Paumgartner and Hans I Herwart, heard the rumors of misfortune and knew what to do. Their demands for repayment forced Höchstetter to liquidate capital assets that Sender valued at 400,000 *rheinische Gulden* (hereinafter fl) in one year. The rest, whom Sender described as «heedless ... of whom there were some 300» (Sender 1894, 221) had no recourse but to lodge a complaint of insolvency before the Augsburg City Council. On 1 July 1529, Ambrosius Höchstetter, his son Ambrosius II and two of their partners appeared before the council and swore an oath to cease business and cooperate with the creditors. Yet, Augsburg had no bankruptcy law, only «ancient custom» to regulate the proceedings. Chaos resulted. That chaos stemmed not exclusively from the lack of bankruptcy regulation; it also arose from the causes of that bankruptcy, which had to do with the uncertainties of commerce and production . especially as related to mercury . and the Höchstetters' attempts to manage them.

2. Risk, uncertainty and the ecology of production at Idrija

The agents we study lived in an age when most people understood their interests and enterprises to be truly in the hands of God, subject to His providence. They held events and outcomes, therefore, to be largely unpredictable and uncontrollable. Moreover, they lived in an age before the invention of probability, making those events and outcomes unquantifiable or, at least, not subject to quantitative analysis.² In this context, I prefer the term 'uncertainty', «[t]he quality of a business risk which cannot be measured and whose outcome cannot be predicted or insured against» (OED 2023; Gould, Lester 2018, 606). This should not be taken to mean that something like risk in its broader sense did not exist before the mid-seventeenth century or that premodern merchants, manufacturers and workers were incapable of assessing their exposure to it. Rudimentary forms of insurance and uncertainty-sharing were well established. Uncertainty management, however, relied more likely on 'learning by doing', the hard-won intuition and experience of business practice, rather than calculation based on theory. It also extended beyond individual merchants or firms to include the entire political economy by virtue of the 'entanglements' that existed among state, capital and labor. Learning-by-doing was a social phenomenon.

That the perception and management of uncertainty might be learned through experience over time suggests that such learning occurred within the real, material constraints of specific enterprises. For the Höchstetters, those constraints arose from the production and sale of mercury, specifically the mercury produced at Idrija, a town located in the former Duchy of Carniola – then part of the Archduchy of Austria, now part of the state of Slovenia.

² The mathematical methods of probability arose from the investigations of Gerolamo Cardano in the 1560s (not published until 100 years later), and in the correspondence Pierre de Fermat and Blaise Pascal (1654) on such questions as the fair division of the stake in an interrupted game of chance. Christiaan Huygens (1657) gave the first comprehensive treatment of the subject. See (Hacking 2006).

Mercury was discovered at Idrija in the late-fifteenth century (Ferbbers 1774, 62). At that time, the region was little more than a remote corner of Europe, located in the Kars, a spur of low, wooded mountains marked by limestone ridges with numerous caves and underground rivers. This rugged topography had several effects: first, it limited agriculture to herding and forestry, so that grain and other foodstuffs had to be imported (Valentinitsch 1981, 236); second, it constrained population density, making settlements and, more importantly, marketplaces sparse and distant; third, it restricted local access to two trade routes, accessible only to porters and pack animals (Hassinger 1976; Tremel 1954).

These conditions directly affected the workforce at Idrija. Essential consumables, production resources and other necessities had to be imported; the workers could not provision themselves. The same applied to miners; they had to be brought from outside, forming an immigrant community apart from the indigenous Slavic population. The resulting isolation left the miners open to exploitation by the masters who paid and provisioned them.

The rugged topography and sedimentary geology also affected the work process at Idrija: it raised the difficulties and costs of mining, which made profits less certain and investment more insecure. In consequence, production at Idrija remained primitive, relying on the simplest hand-held tools and techniques, long after a variety of wind- and water-powered machines had become commonplace elsewhere. The refining methods used at Idrija were likewise extremely crude by the standard of the day and so inefficient that as much as 50 percent of the mercury contained in raw ores was lost (Kirnbauer 1976; Valentinitsch 1981, 25-26). Finally, the mercury itself posed a hazard that complicated work. Miners so feared its toxicity that they often refused to work at all and, when they worked, could not «work more than 18 weeks in the year and ... stay 'on ore' longer than 14 days without being replaced by others», as state inspectors reported.³

Here is the essence of what I have elsewhere referred to as the «ecology of production» (Safley 2018).⁴ The phrase attempts to suggest how the interaction of unique physical environments, work processes and social relations with market forces, regulatory systems and economic institutions shaped production in workshops and factories. At Idrija, the ecology of production influenced what I would call the 'uncertainty capacity' of all parties, that is, the ability of state, capital and labor to tolerate uncertainty.

The relationship between economic uncertainty and economic success is not straightforward, however. The uncertainties faced by state, capital and labor were entangled, each affecting the other. Hence, the success or failure of their attempts at management directly affected all parties, leading in the latter instance to crises of production and bankruptcies of companies. Bankruptcy opened new sets of uncertainties among magistrates, defaulters and creditors. Attempts to manage those

³ Österreichisches Staatsarchiv, Hof- und Finanzkammerarchiv, Innerösterreichische Miscelle und Brief (OeStA, HFKA, IÖMuB) 134/1, Bericht der Jdrianischen Amtsleut, 20. Augusti 1561.

⁴ Though historians have begun to discuss ecology in various contexts, my usage of the term grows out of decades of conversation with my friend and colleague, the noted labor historian, Leonard N. Rosenband. I wish to acknowledge his contribution to my usage here and my thinking overall.

uncertainties affected the course of bankruptcy proceedings, including attempts at settlement in specific cases and the development of bankruptcy law in general. This paper examines the contingent choices made to manage uncertainty within the ecology of mining at Idrija and its entanglement with bankruptcy resolution and law in the city of Augsburg.

3. The uncertainties of commerce at Idrija

Between 1525 and 1575, those choices assumed a standard form predicated upon the organization of extractive industry at the time. The right to exploit minerals was considered *regalian*, a privilege of the regent, who exercised it by distributing shares (*Kuxen*) to certain favorites, making them *Gewerke*, who became shareholders. The state extracted revenue by levying two taxes on production, the *Fron und Wechsel* (Strieder 1914, 295, f2)⁵, while the *Gewerke* profited from the production and sale of the minerals. They delegated daily operation to a manager (*Verweser*), who supposedly followed their instructions but in fact acted as a free agent – another consequence of the mine’s isolation – with control over work and workers. Lacking the resources and the experience to promote the mine’s profitability, these parties recognized the need for merchant-bankers to mobilize the investment capital, international connection and commercial savvy necessary to underwrite production and sales of the minerals. During the period in question, four firms, all based in the city of Augsburg, took control of the mercury trade at Idrija. The terms of the contracts they signed reveal much about the perception and management of uncertainty.

On 1 January 1525, Archduke Ferdinand ratified an agreement with the *Gewerke* and the firm «Ambrosius and Hans, the Brothers Höchstetter, and Associates». According to its terms, the Höchstetter company would become the sole purchaser of all Idrijan mercury and cinnabar over the ensuing four years, up to a total price of 300,000 fl. It set unit prices of 30 fl and 35 fl for each Viennese hundredweight (hereinafter cwt)⁶ of mercury and cinnabar respectively.⁷ Payment would occur according to a fixed schedule of installments and in places to be specified by the archduke. The Höchstetters would take delivery at Idrija and «transport away at their own risk»⁸ as was the customary practice (Schmidt 1839, 114). They would also pay all the customary tolls and duties, although Ferdinand promised not to increase these taxes during the life of the contract. He would prohibit the importation or transportation of non-Idrijan mercury in all Habsburg crown lands, essentially

⁵ *Fron und Wechsel* were taxes on mineral production, common in most Habsburg territories. The *Fron* denoted a fixed amount of mined ore, usually one-tenth, and the *Wechsel* referred to a fixed amount of refined mineral, usually one-quarter, both charged against gross production. *Gewerke* or operators usually rendered these *in natura*, although the payment of cash equivalents was also known. Strieder notes that the 1524 contract between Ferdinand, the *Gewerke* and the Höchstetters set the *Wechsel* at one penny or hundredweight of mineral in four, a burdensome 25 percent of the gross amount of refined mercury produced at Idrija.

⁶ In the Middle Ages and the early Modern period, the *Viennese hundredweight* was a standard unit of weight in use far beyond the boundaries of Austria. It equaled approximately 56 kg or 124 lbs.

⁷ Fuggerarchiv Dillingen (FA), Gemeiner Handel und Auslösung, 2.2.1 ½, V-17.

⁸ Ibid.

granting the Höchstetters privileged access to the mercury market in Venice, and he promised to protect them against any prosecution and to indemnify them in case of losses that might arise from such prosecution.⁹ In all their dealings with the state and the *Gewerke*, the Höchstetters promised to conduct their business «truly and honestly with good integrity and loyalty, as they did previously with the late Emperor Maximilian ... in similar and other commercial commitments». Once the contract ceased, the Höchstetters would receive the right of first refusal for any new one. The 1525 contract became the model for those that followed until the state assumed direct control of operations in 1575 (Valentinitsch 1981, 2).

The modern observer might find several elements particularly striking. Foremost, the contract instituted a monopsony, that is, a single purchaser.¹⁰ The argument in favor of monopsony or monopoly posited that a sole purchaser or seller created an orderly market, one undisturbed by competition, one that regularized sales and profits supposedly to the benefit of all parties. Also worthy of note in this context is the repeated reference to past practice. Path dependence served as a barrier against uncertain outcomes through a reliance on familiar patterns and agency constraints (Penrose 1959). Yet another feature that acknowledged potential uncertainties and sought to limit them was the resort to fixed costs and regular schedules. The contract partially insulated the Höchstetters from unwanted fluctuations in the supply of mercury or cinnabar, and it assured state and *Gewerke* a stable income.

The contract defined obligations and fixed prices, but it could not regulate the market for mercury or the merchants who trafficked in it. After a remarkable series of reverses that included a failed attempt to take control of the great mercury mine at Almadén and achieve a monopoly position in the mercury trade, the Höchstetter firm abandoned the agreement in 1528 and ceased payment in 1529. The result was a crisis at Idrija. Sales declined drastically.¹¹ Profits decreased, indeed disappeared. The workforce shrank by more than half. The *Gewerke* appealed for tax relief; the state gave them a new monopsony.¹²

When Hans II Paumgartner became the sole purchaser of Idrijan mercury on 1 August 1539, the condition of the mine had become so bad that the *Gewerke* initially offered him complete control and operation of the mines in return for a fixed rent. When he refused, they accepted his offer to purchase 100,000 fl worth of mercury and cinnabar over a five-year period at prices per cwt of 26 fl and 30 fl respectively. The *Gewerke* also granted him 687 cwt of mercury and 166⅔ cwt of cinnabar, for which he would pay nothing. The contract explained this ‘gift’ in terms of «the present times and conditions [that were] so dangerous and difficult» as well as «the earlier profitable sales in Algiers and Constantinople that Paumgartner carried out at

⁹ Ibid.

¹⁰ As Georg Ilsung, a financial councilor to Ferdinand and frequent negotiator of Idrijan sales contracts, explained to his master, «It means a great deal to any merchant that he have sufficient time to sell his goods, such that no one can do him harm». OeStA, FHKA, IÖMuB. 134/2, fol.1230r-1235r. Brief des Georg Ilsungs an Ferdinand, 30 March 1562.

¹¹ OeStA, FHKS, IÖMuB, 134/1, Bericht der Commission zu Idrija com 25. April 1536 zum 2. Februar 1537.

¹² Ibid.

considerable cost» (Strieder 1914, 314). Beyond these concessions to capital, all of which can be explained in terms of the Höchstetter bankruptcy and its consequences, the contract offered capital every possible security and lowered every conceivable cost, while placing the uncertainties and costs almost entirely on the regent, the *Gewerke* and the workers. In 1543, when negotiations began to renew Paumgartner's agreement, the *Gewerke* emphasized the increased costs of operation «especially due to the depth of the galleries and shafts, such that in the future and daily still higher costs and greater disadvantage for the *Gewerke* are to be expected» and again proposed to sell or lease mining rights to him (Müller 1955, 94-97). Again, he demurred, and a new, five-year monopsony agreement emerged that took effect in February 1544.¹³ It contained virtually identical terms to those that applied in 1539, including the same *douceur*.¹⁴

The desperate state of the mine and its finances constrained the state and the *Gewerke* to offer such generous considerations in return for a sales agreement. Yet, despite this advantage, Paumgartner may have faced constraints of his own. Correspondence reveals that he closely tracked market conditions in Venice, not only mercury prices but also transportation costs, customs duties and even customary bribes, to 'make a market' in mercury, that is, to set bid and ask prices – the highest price a buyer is willing to pay (bid) and the lowest price a seller is willing to accept (ask) – for that commodity (Müller 1955, 307). Making a market requires a high level of 'uncertainty tolerance', because it forces the maker to hold large amounts of the commodity. It also requires an ability to forecast competition and thus anticipate the possibility of bid fluidity. Hence his 'uncertainty' linked to that of the *Gewerke* and the state. The *Gewerke* had to increase production levels and produce on demand. The state had to fulfill its commitment to limit competition within its boundaries. In light of these entangled uncertainties, Paumgartner's conservative contracts become understandable.

Yet, nothing worked entirely as planned, even when no failure occurred. Surviving sources suggest that the mercury trade proved less profitable than anticipated and that the Paumgartners wanted to pursue other interests. Paumgartner passed his business to his sons, Hans Georg and David, in 1548, a year before the expiration of his contract.¹⁵ The same year, they vacated their exclusive right to purchase mercury at Idrija to the Augsburg merchants, Hans Paul and Hans Heinrich Herwart.¹⁶ They could not know the opportunity they would miss.

On 26 April 1548, the brothers Herwart signed and sealed a contract to assume monopsony control of mercury and cinnabar sales at Idrija.¹⁷ Over five years, they would purchase no less than 3,605 cwt of mercury at 29.25 fl per cwt and 1,041 cwt of cinnabar at 33.25 fl per cwt, yielding a total sales price of 140,059 fl. In addition,

¹³ OeStA, HfKA, IÖMuB 134/1, Abschriften des 39 und 44 jährigen Vertrags des Quecksilber und Zinobers Kauffs des Perkhwerchs Idria mit Herrn Hannsen Paumgartner beschehen. Datum 14. Februarii 1544.

¹⁴ OeStA, HfKA, IÖMuB 134/1, Bericht der Idrianischen Amtsleut, 20. Augusti 1561.

¹⁵ Ibid. See also (Müller 1955, 235).

¹⁶ Ibid.

¹⁷ Ibid.

they would receive 860 cwt of mercury and 210 of cinnabar «for which they and their heirs would not be guilty of payment».¹⁸ In all other respects, the terms of this agreement would be applied «as they were to Hans Paumgartner». Like its predecessors, this contract created a futures transaction, in which the Herwarts paid a large sum of money for commodities that had not yet been produced, the sale of which might or might not turn a profit. This necessitated mining further, deeper into the earth, which increased costs for the *Gewerke* and dangers for the miners without any certainty of increased yields or profits. The fixed unit prices and payment schedules and the myriad protections against competition reflect these uncertainties. Yet, no one could predict with certainty whether extended mining would yield sufficient mercury, and no one could predict with certainty whether that mercury would generate sufficient revenue.

Nor could anyone predict the external shocks that would utterly transform the global market for mercury (Strieder 1914, 318-22). First, in 1550, a fire broke out at Almadén, stopping production there until 1563 (Häbler 1897, 103-04). Second, in the mid-1550s, the patio-process, which uses mercury to refine monetary gold and silver, entered production in the New World. As the supply of mercury on western markets shrank and the demand for it grew, prices soared.¹⁹ For nearly 13 years, Idrija became the most important source of mercury for western consumers, and the Herwarts its principal supplier. There can be little doubt that the Herwart did a «brilliant business» (Strieder, 1914, 318). They would seize the moment by renewing their agreement in 1554²⁰ and again in 1559.²¹ In most particulars, these agreements adhered «in all measures and form ... to the most recent purchase».²² Clearly, demand far outran supply; the Herwarts earned profits as high as 250 percent (Strieder 1914, 325; Valentinitisch 1981, 291).

This windfall was not lost on the state and the *Gewerke*, who wanted a greater share for themselves. Their efforts to alter the terms of their agreements created uncertainties for the Herwart, who responded that the fundamental institution of international and contract law applied to princes and producers alike: *pacta sunt servanda* (Hyland 1994).²³ They were prepared to proceed at law to protect their contractual agreement.²⁴ Any changes not only jeopardized their ability to fulfill forward sales that they had contracted but also constituted a violation of the

¹⁸ Ibid.

¹⁹ How high becomes clear in a letter written in June 1558 by Christoff Raiser that reported the price of mercury in New Spain had risen from 60 to 150 Ducats in a single year. OeStA, HFKA, IÖMuB 134/1, Copia, 5 June 1558. Also cited in (Strieder 1914], 319, f3).

²⁰ OeStA, HFKA, IÖMuB 134/1. Romischer Khu. Mt. und der Gwerkhen in Jdria Vertrag mit den Herwarten umb ain Queckhsilber- unnd Zinoberkauf, 8. Octobris Anno 1554.

²¹ OeStA, HFKA, IÖMuB 134/1. In simili Vertrag des neu aufgerichteten Jdrianischen Queckhsilber und Zinober Kauffs, 28. Febuar 1559.

²² Ibid.

²³ «Agreements must be kept.» The brocard has been attributed to the thirteenth-century canonist, Cardinal Hostiensis.

²⁴ Strieder believed that the initiative came from the Spanish side. See (Strieder 1914, 328).

credibility and creditworthiness (*Trauen und Glauben*) of all parties.²⁵ Their trading partners would sue for breach of contract, damaging their ability to conduct business in the future, and Ferdinand would cease to find lenders, worsening his already dire financial situation.

These warnings proved sufficient to prevent any arbitrary action on the part of the state. Not only did it lack the authority and power to force the issue, but the business community would not cooperate. As reported from Augsburg, no merchant-banker would enter into a mercury agreement, because they feared the Herwarts, who were established in the trade and possessed sufficient reserves of mercury to undersell any competition.²⁶ They refused even to lend money. Credit markets had tightened considerably in response both to the decline of extractive industry across Europe since the 1540s and to a series of state defaults that began in the 1550s. In 1563 and 1564, a wave of major failures washed over the merchant community in Augsburg: «The current trend is such that one will soon be unable to do any business at all».²⁷

The Herwarts retained their contract until its expiration in 1564, though attempts to supplant them continued. In February of that year, the firm of Melchior Manlich provisionally agreed to purchase 5,000 cwt of mercury at a unit price of 100 fl. an enormous increase, suggestive of an asset price bubble.²⁸ Manlich backed away within months, however.²⁹ Finally, in 1566, after years of renewed crisis at Idrija, the Augsburg firm of «David Haug, Hans Langnauer and Associates» committed to purchase 5,000 cwt of mercury between 1566 and 1571 at 70 fl per cwt.³⁰ The total sales value of 350,000 fl would be divided: 227,397.5 fl to the state, 122,062.5 fl to the stakeholder. The state now seized the larger share, supplementing its tax revenues with a variety of fees and honoraria that radically decreased the share of the *Gewerke*.

I cannot yet determine how profitable this contract proved, but the firm agreed in 1571 to purchase another 7,500 cwt Idrijan mercury. Strieder claims they had already purchased 5,333 cwt by April 1574, despite the worsening market for mercury, when another crisis struck the Augsburg merchant community (Strieder

²⁵ The phrase defies easy translation but corresponds to bona fides or good faith. In premodern commercial life, it appears almost universally as an indication of sincerity and trust, an absence of opportunistic intent, the basis upon which exchange became possible. In modern contract law it continues explicitly to play a central role. According to § 242 of the German *Bürgerlichen Gesetzbuches* (BGB), the notion of '*Treu und Glauben*' specifies that all contractual obligations must be fulfilled in a manner that corresponds to standards of honor, trust and fairness.

²⁶ OeStA, HfKA, IÖMuB 134/2, fol. 1262r-1289r. Georgen Jlsungs Landvogts Relation, Bericht und Guetebedunckhen aller Handlung, so er von wegen des Queckhsilberkauffs mit den Herwarten zu Augspurg gepflegen, 26 Aprilis 1562.

²⁷ OeStA, HfKA, IÖMuB 134/3. Georg Jlsungs Bericht an der romischen kaiserlichen auch zu Hungern unnd Bechaim königlichen Maiestaet unnd unserm allergenedigsten Herrn, 6 Mai 1564.

²⁸ OeStA, HfKA, IÖMuB 134/3. Verzeichnus der Articul darauf jch Georg Jlsung um den 23. Tag Februari Anno 1564 den neuen Queckhsilberkauff mit Herrn Melchior Manlich und Mitverwandten doch unverpundlich abgeredt hab, 23 Februar 1564.

²⁹ OeStA, HfKA, IÖMuB 134/3. Brief des Georg Jlsung an Kaiser Ferdinand, 22 Mai 1564.

³⁰ OeStA, HfKA, IÖMuB 134/3. Queckhsilbers Kauffvertrag mit David Haugen unnd Hannsen Lanngenawer und jren Mitverwandten umb 5,000 Centen Queckhsilber unnd Zinober jnen dieselben in fuennff Jarn vom 8. Aprilis Anno 66 anzuraitten gegen 350,000 fl zu lifern, 8 Octobris 1566.

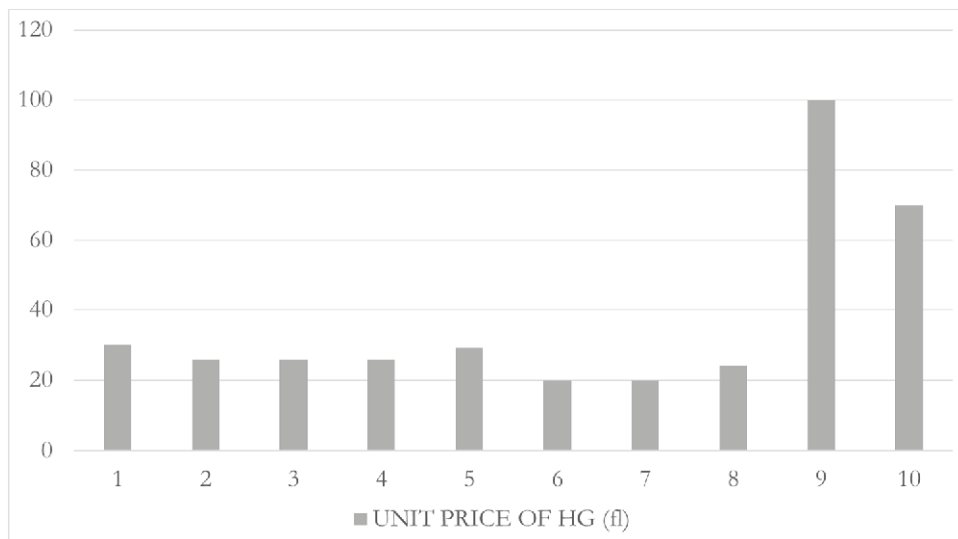
1914, 350). Scholars, once again, see a second series of state defaults, that of Spain above all, as cause for a severe contraction in credit markets and liquidity problems for many Augsburg firms, especially those engaged in state finance. Among those that ceased payment were Paumgartner, Herwart and Manlich. «David Haug, Hans Langnauer and Associates» defaulted as well.

Over the course of the sixteenth century, four mercantile companies from the city of Augsburg signed exclusive contracts to purchase and sell mercury extracted from the mines at Idrija. All four suffered insolvency and three collapsed in bankruptcy. The uncertainties of extractive industry or mineral markets alone did not cause their failures, but the merchants learned from their cumulative experience in the trade, acted to manage those uncertainties and, thus, altered trajectories and affected their companies. They all depended, at least in part, on the sale of mercury for their success, but so too did the state and the producers. Without regular transactions of mercury and cinnabar, the government, the *Gewerke* and the miners faced irregular revenue, unsafe conditions and periodic unemployment, all of which affected their capacity to produce commodities for sale. Their uncertainties were, therefore, entangled with those of capital.

4. The uncertainties of production at Idrija

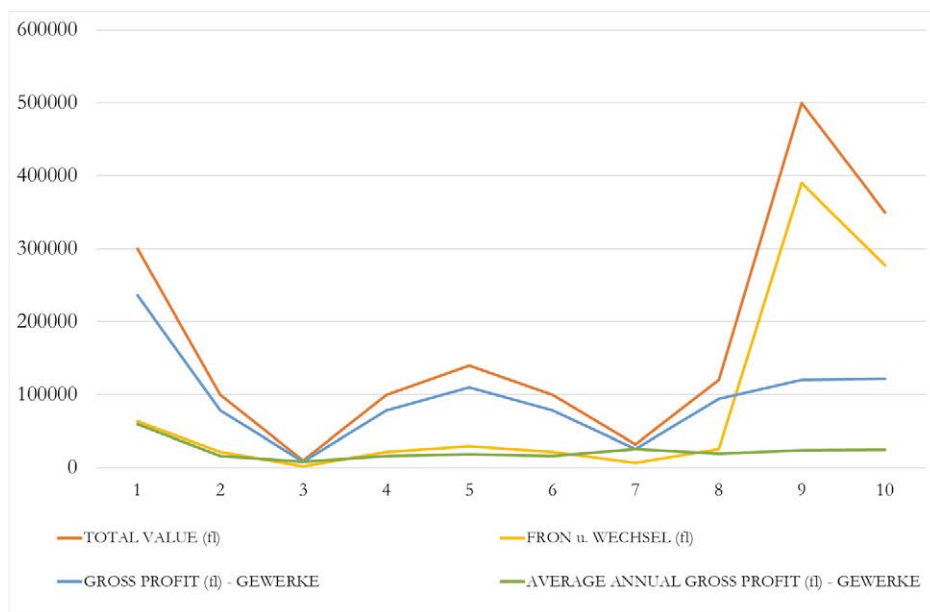
What did the producers – *Gewerke* and workers – do to manage the uncertainties of extractive industry? At the risk of over-simplification, one could render the impact in terms of unit prices and total payments. The price per cwt remained relatively stable until Melchior Manlich agreed to pay 100 fl per cwt in the 1564 sales contract. (Graph 1).

Graph 1. Unit price of mercury (fl)



The unit price comes as a surprise, given the weakening market: Spain had erected substantial trade barriers against the importation of foreign mercury; and the mercury mine at Almadén had resumed substantial production. It seems likely that Manlich knew of these circumstances; information traveled easily within the merchant community of Augsburg. Indeed, his ultimate withdrawal from the agreement resulted from the unwillingness of his trading partners in Antwerp to hazard the uncertainty of commerce with Spain. The state and the *Gewerke* were as well informed. They had begun to push for a larger share of the profit somewhat earlier, as part of the Herwarts' last contract in 1559. (Graph 2). Discounting the Höchstetter contract of 1525, which ended badly for all parties, an essential stability in contract values also becomes apparent until 1559. In that period, from 1525 to 1559, most of the proceeds from sales . the total value of each contract . flowed to the *Gewerke*. The state siphoned off roughly one-third in *Fron* and *Wechsel*. Thereafter, in 1564 and 1566, the relationship was reversed with the state appropriating the lion's share of the profit.

Graph 2. Relative distribution of revenue from mercury sales, 1525-1566 (fl)

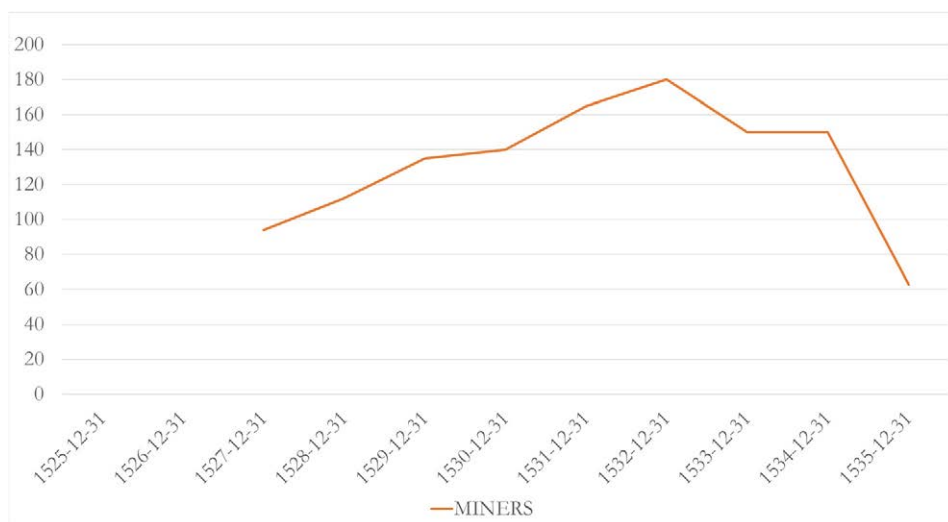


Tax rates didn't change; state and capital agreed to a variety of honoraria (*Verehrungen*) and other extraordinary payments that deprived the producers of income. Clearly, the state was less willing to hold to traditional practices and accept financial constraints. The agreements it reached with merchant-financiers did not generate greater profits but did impact production relations at the mine.

To understand the reaction of producers in terms of the uncertainties they perceived and the measures they adopted, one must bear the production ecology in mind. Idrija suffered from geographical disadvantages; its isolation and inaccessibility raised transaction costs, burdened the social relations of production and complicated labor recruitment. Its geological characteristics posed specific challenges to both production and productivity; sedimentary rock rendered extraction relatively easy but increased the dangers of flooding; highly toxic minerals further thwarted labor recruitment and necessitated complicated shift organizations. The work process remained primitive and inefficient throughout and beyond the sixteenth century; every step in extraction and refinement was carried out by hand, without the benefit of such technical advances as were commonplace in other mines. In consequence, rising costs and falling returns hindered investment as mining proceeded deeper, a classic low-level equilibrium trap. Monopsony contracts guaranteed income but did not solve the problem.

Those contracts generated income streams that the *Gewerke* viewed consistently as insufficient. Instead of investing in new mining and refining technologies, which would have improved production efficiency, they pleaded for tax relief. It is hard not to view their mentality as rentier. Caught thus between the requirement of their contracts to deliver minerals on demand and the constraints of inefficient production that increased the uncertainty of doing so, the *Gewerke* increased yields by altering the workforce. (Graph 3) .

Graph 3. **Workers employed at Idrija, 1525-1535**



In response to the 1525 contract with the Höchstetter firm, the number of workers at Idrija doubled in size. The abrupt declines that followed 1532 and 1534 capture their response to the Höchstetter bankruptcy. Employment did not rise

above c. 60 workers for the remainder of the century. Production declined as well, but production costs rose. (Graph 4).

Graph 4. **Productivity at Idrija, 1525-1535 (cwt)**

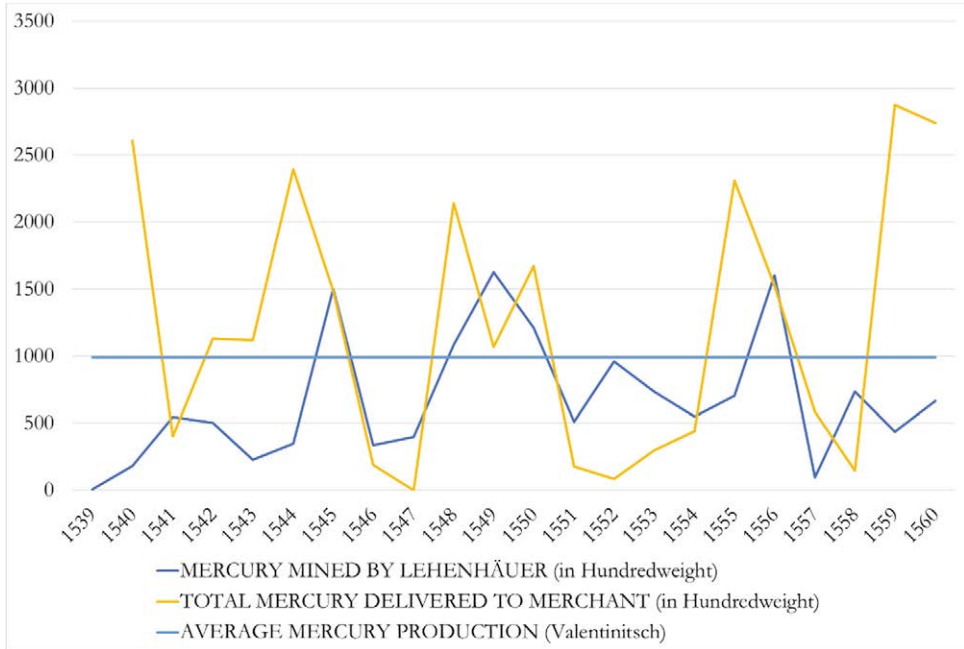


Despite the enlarged workforce that persisted until 1532, the sudden reduction in productivity can be explained in terms of the technical challenges that resulted from the Höchstetters' contract. A commission report of 1537 referred repeatedly to the increasing depth of the mines and the increasing uncertainties posed by flooding, which could not be addressed without greater revenue. The cost of mercury production fell marginally during the Höchstetter tenure, which might reflect economies of scale, but it rose steadily thereafter. As mining proceeded below the water table, the efforts of the workforce could not raise as much workable ore to the surface.

Rather than invest in the methods and machines that might have improved and regularized productivity and production, the *Gewerke* claimed they had spent «40,000 fl more than they earned ... especially due to the depth of the galleries and shafts, such that in the future and daily still higher costs and greater disadvantage for the *Gewerke* are to be expected» (Müller 1955, 94-97). Nearly half the total workforce simply pumped out flood water. The remainder contended with poisonous fumes that limited the time they could spend mining and refining ore (Müller 1955, 94-97). Everyone understood that such conditions resulted in slimmer margins, irregular production and greater uncertainty for all.

Hans Meder's well-known *Handelbuch* of 1558 offers an optimistic view of production at Idrija, where «about 70 miners work and refine», producing «1,500 to 2,000 cwt of quicksilver ... in a year» at an annual cost, including wages and transportation, «of 3,600 fl».³¹ Not surprisingly, it obscures the quotidian reality of production.³² Usually, the mine yielded far more modest totals. (Graph 5).

Graph 5. Mercury produced and delivered, 1539-1560 (cwt)



Meder's assertion that it could produce «much more than it does at present» stands in stark contrast to the producers' assertions about the challenges of mining. These limited the efforts of workers – «even when [they] get to work, they may produce nothing over the course of a week».³³ Meder's notion that merchants could expect to sell 1,537 cwt per year contradicts the pronounced irregularity of production and delivery. Noteworthy peaks in 1540, 1544, 1548, 1550, 1555 and 1559 correspond roughly to the initial years of the contracts. Merchants consistently sought and accepted large quantities of mercury at the beginning of each contract,

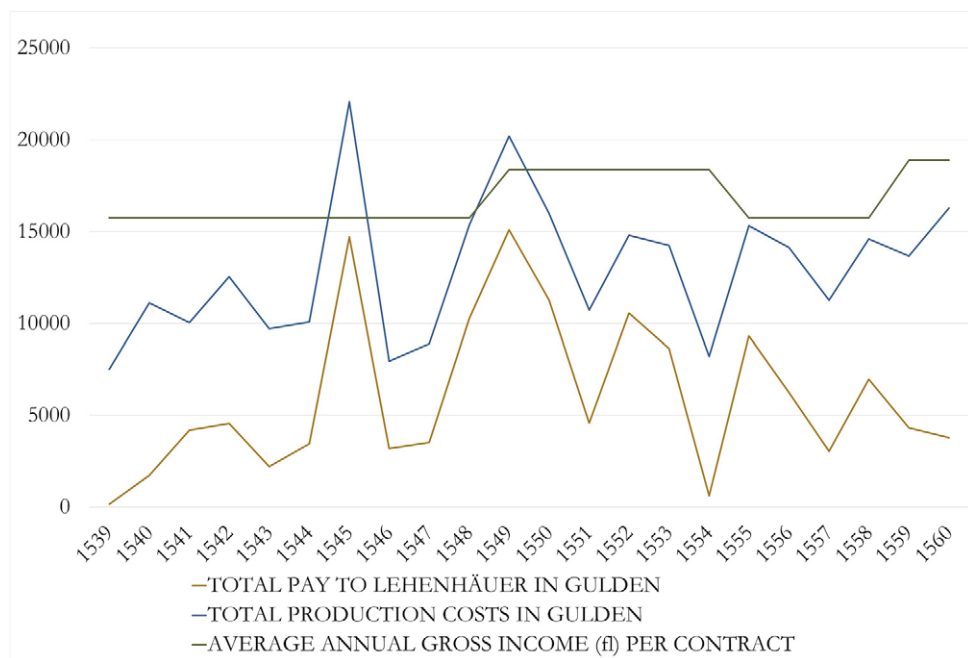
³¹ Stadt- und Staatsbibliothek Augsburg (SuStBA), 2 Stw 218. Lorenz Meder, *Handelbuch, darinn mitgezeygt wird, welcher gestalt inn den fürnehmsten Hendelstetten Europe, allerley Wahren anfencklich kaufft, dieselbig wider wie nutz verkaufft, wie die Wechsel gemacht, Pfund, Ellen unnd Müntz überall verglichen und zu welcher zeit die Mercken gewönlich gehalten werden.* (Nuremberg 1558) fol. 46v-47v.

³² OeStA, HFKA, IÖMuB. 134/1, Bericht der Jdranischen Ambtsleut, 20 Augusti 1561. The following graphs summarize the content of this official report.

³³ Ibid.

often taking in a single year all or nearly all the volume required for the entire life of the contract. This practice enabled them to maintain sufficient supplies to make a market and to spread their costs over four to five years. After those initial deliveries, their reliance upon production at Idrija declined. The practice had harrowing consequences for producers. Not only did the mine deliver finished products long before receiving payment, but they confronted the possibility of under-employment or even unemployment after the first year. Given the annual variation in production and delivery, it comes as no surprise that production costs varied starkly from – and usually far exceeded – Meder's 3,600 fl per year. (Graph 6).

Graph 6. Total production costs and *Lehenhäuer* wages, 1539-1560 (fl)



Apart from a general inflation that saw costs rise over 50 percent between 1540 and 1561³⁴, the most notable factors in the cost of production was the resort to sub-contracted workers, *Lehenhäuer*, which became the single largest expense (Valentinitsch 1981, 177, 191-92, 358-64; Mitterauer 1974, 234-315; Safley 2019, 205-06; Safley 2023, 33-35; Westermann 2009, 63-99).³⁵ A *Lebenschaft* took the form of a

³⁴ Ibid.

³⁵ As at other Central- and East-Alpine mining centers, miners at Idrija earned their wages under three distinct regimes: *Herren- or Zeitlohnarbeit*, *Gedinge- or Akkordarbeit* and *Lebenschaftsarbeit*. The sources refer to the majority of wageworkers as *Knechtslöhner*, or as *Herren- or Zeitlohnarbeiter*, skilled laborers who engaged in a variety of tasks for a basic, weekly remuneration. The *Gedinge- or Akkordarbeit*, which resembled a piece-rate rather than time-rate of payment, involved payment according to a specific

subcontracting arrangement: miners sub-contracted by paying a fee to the *Verweser* for the privilege of extracting mercury from a specific slag heap or mine shaft, usually one deemed less productive. At Idrija, they provided their own tools and labor and committed to sell whatever they produced to the *Verweser* for a fixed price. They bore all the costs of production and all the uncertainty of work that might yield little or no profit. *Lebenschaft* transferred costs and uncertainties to the workers, who valued it nonetheless, because it gave them control over their labor and supplemented their income.

The ecology of production and the demands of capital constrained producers – *Gewerke* and workers alike. These took the form of uncertain production, increasing costs and diminishing returns. The *Gewerke* responded by seeking tax relief from the state and offering sub-contracted work to labor. Forced to borrow large sums to maintain mining operations and rewarded insufficiently for doing so, they sought to lease the mine and escape the burden in return for a fixed rent. Miners and refiners at Idrija had the fewest options, but they exercised those they had. Work stoppages were not unknown, and *Gewerke* complained that individuals refused to work, when they thought the conditions too dangerous. Yet, they readily opted to sub-contract, when it was available. Their tactics reverberated up the economic stream, influencing the ability of capital to purchase goods and make markets in a timely manner, forcing it to alter strategies. The uncertainties of one entangled another and, on occasion, resulted in bankruptcy.

5. Uncertainty and bankruptcy

As noted, four firms assumed control of the purchase and sale of Idrijan mercury over the course of some 50 years. All suffered insolvency and/or bankruptcy. The mercury trade did not figure directly in every case, but their varied fates hinged in part on their capacity to manage the uncertainties of that mineral's production and sale and in part on the legal formalities of bankruptcy resolution.

Those formalities existed in vestigial form when Ambrosius Höchstetter stood accused of default. The earliest codification of local law, the *Augsburger Stadtbuch* of 1276 served as the point of departure for an evolution of official procedures that had at best uneven influence in cases of default (Birnbaum 2014; Liedl 1958; Kießling 1971, 54-57, 67f; Meyer 1872; Zeller 1916).³⁶ It prescribed an entitlement to pledge and surety in satisfaction of legitimate debts. As recorded in the *Stadtbuch*, the process was probably intended for cases in which a single creditor confronted a single defaulter (Hellmann 1905, 20). Multiple creditors created a situation in which they sued not only the debtor, but also one another, fostering opportunism, conflict and violence. This is precisely the situation that erupted after the Höchstetters' declaration of insolvency. Years of argument and counterargument, petitions and appeals, incarceration and interrogation followed, all of which turned on questions

amount and quality of mineral mined, washed, crushed or refined and tended to pay more than 50 percent better than wage labor.

³⁶ Bayrisches Hauptstaatsarchiv München (BHStA), Reichsstadt Augsburg Literalien, Lit. 32. See also (Meyer 1872; Schmidt 1976, 80-179).

of uncertainty awareness, assessment and management. The bankrupts pled the contingency of business and the limits of certainty; their creditors provided evidence of the bankrupts' certain knowledge and fraudulent intent. The creditors were divided among themselves, some willing to settle for partial repayment of the money owed to them, some insisting upon nothing less than payment in full. The bankrupts clung to the principle of an orderly cession of goods that would allow them to remain in business.

Situations of this sort forced the magistrates to develop formal bankruptcy procedures. Rather than treat all claims separately, granting advantage to certain claimants over others, the magistrates enjoined the appointment of one or more *curatores litis et bonorum*, persons charged with representing all creditors in bankruptcy proceedings and administering the bankrupt's property to their joint benefit (Hellmann 1905, 74). The creditors had to swear to accept representation by the curators and cease all individual actions against the bankrupt. Although the principle of 'first come, first served' seems initially to have determined the priority of payment (Birnbäum 2014, 5), Augsburg magistrates began in the late-fifteenth century to grant equal right to proportional payment for all those who registered their claims on the same given day, a proceeding known as a *Gewelt* (Hellmann 1905, 43, 66; Safley 2020, 141-49). Such common proceedings may have helped to promote the equality of all creditors, but they failed to establish the equality of their claims. Nor did they place foreign creditors on an equal footing; the *Gewerke* at Idrija failed to stake their claim to the 70,000 fl owed them. The implicit tension between priority and equality remained unregulated in Augsburg throughout the sixteenth century and prevented final settlement of the Höchstetter bankruptcy.

By the time the Höchstetter bankruptcy had passed into local lore, such practices had become common occurrences but not yet required procedures in Augsburg. The cessation of payments by the crowns of Spain, Portugal and France in the mid-sixteenth century prompted the collapse of numerous merchant companies in the city, some 39 between 1559 and 1580, the Paumgartner, Herwart and Haug-Langnauer bankruptcies among them (Hildebrandt 1977, 154; Strieder 1969, 44; Warnemünde 1956; Zorn 2001, 262).³⁷ Though an acute shortage of credit might explain the rapaciousness of some of creditors, the four cases presented in brief here also resulted from principal-agent problems, personality flaws, market forces and *force majeure*. All these causes supposedly reflect what Reinhard Hildebrandt called the «exceedingly high willingness to entertain risk among Augsburg merchants» (Hildebrandt 1977, 216). Yet, the wave of high-profile failures that swept Augsburg also reflects the lack of effective mechanisms to manage defaults by ensuring at least partial repayment of all creditors in an orderly manner.

³⁷ Certainly, Augsburg merchant-financiers extended substantial credit to these and other princes, but this monocausal explanation for a large series of bankruptcies appears to rest on little more than chronological coincidence. That creditors called debts and capital markets tightened notably in the second half of the sixteenth century is not open to question. Proof would require a close analysis of accounts, however, which has not occurred in most cases.

On 7 May 1564, the City Council drew upon this experience to pass Augsburg's first, formal Bankruptcy Ordinance (*Fallitenordnung*).³⁸ To prevent loss, damage and disorder, the Council henceforth required the bankrupt to cede all property (the *cessio bonorum*).³⁹ It also proscribed the independent collection of debt, requiring all creditors to act in common and to register their claims and pursue payment through approved curators. It thus formalized as procedures practices in use since the fifteenth century.

Yet, these ordinances achieved mixed results. Legal statutes that prescribe a common procedure in cases of bankruptcy cannot anticipate the contingency of circumstances and characters that make each bankruptcy unique. Augsburg merchants understood this fact very well; while they paid lip-service to such laws, they continued to assess their own interests – and uncertainties – and pursue their own ends.

The bankruptcy of Hans Georg Paumgartner offers a case in point. Much evidence suggests that his father aspired to high political preferment and social status for his sons. They appear to have shared this ambition. In 1553, his brother David left the firm to engage in politics, fueled by high-stakes speculation and large-scale borrowing. Within a decade he was insolvent and descended into alchemy, conspiracy and, finally, treason. He was beheaded in 1567. Hans Georg, who had provided surety for his brother's debts, was cited as a defaulter in 1565 (Krag 1919, 116). Rather than settle, he defied the prescripts of the city's first formal bankruptcy ordinance, refused to uphold his *Trauen und Glauben* as guarantor of his brother's debts and swore no oath to cooperate with the creditors. Seized and imprisoned on 5 March 1565, he resisted settlement for five years (Krag 1919, 117). Settlement finally occurred on 7 January 1570 (Müller 1955, 249-50). He surrendered his citizenship and died a broken man in the following September.

The bankruptcies of the late 1560s and early 1570s prompted the City Council of Augsburg to issue a new bankruptcy ordinance on 3 July 1574 to «prevent as much as possible resulting damage to the citizenry and to interested parties domestic and foreign».⁴⁰ The act repeated the measures of 1564 but with sharper sanctions and tighter controls, a signal that the earlier measure proved insufficient. It set the parameters for proceedings against Hans Paul Herwart, who declared insolvency in 1575. Unlike the Höchstetters and Paumgartners, he settled voluntarily with his creditors (Herwarth von Bittenfeld 1882, 147-57). Herwart opened his accounts to a group of 47 creditors, represented by *curatores litis et bonorum*. They agreed that his wife would retain all property brought by her to her marriage, that Herwart would retain the estate of Hohenburg including its furnishings and rents and that all other capital would be applied to payment of the total debt. The 'bankruptcy estate' would be

³⁸ StAA. Ordnungen und Statuten. Fallitenordnung, 1564, 1570, 1574, 1580. See also (Häberlein 1998, 323-37; Hellmann 1905], 72).

³⁹ Introduced into Roman Law by Caesar Augustus, the *lex Julia* sought to mitigate the violence and disorder of bankruptcy by declaring whoever became insolvent through no personal fault and declared bankruptcy could cede all her or his property without exception (a *cessio bonorum*) to the creditors and, by so doing, avoid further penalty and dishonor.

⁴⁰ StAA, Ratsprotokolle 38, 1574-1575, Fallitenordnung, 3 July 1574. Reproduced in (Haßler 1928, 52-3).

invested at 5 percent interest by the curators and the interest paid *pro rata* to the individual creditors until such time as all debts were paid in full. With the signing of this agreement, all conflict and hostility were declared ended. Herwart surrendered his citizenship and emigrated to Bavaria.

Yet, the 1574 ordinance proved less effective in the bankruptcy of «David Haug, Hans Langnauer and Associates».⁴¹ The company had struggled with financial problems for some time, when, in 1574, Hans Langnauer attempted to address these problems by mortgaging 3,000 cwt of Idrijan mercury to the Fugger company. This prompted the «Katzbeck und Manlich Company», which held a 37.5 percent interest in those goods, to petition the Augsburg city council to declare the company bankrupt (Haßler 1928, 30-32). The City Council ordered the immediate arrest of Ludwig and Anton Haug and appointed curators to lead the initial negotiation (Haßler 1928, 32-34; Strieder 1914, 350-51). News of the default spread quickly, and creditors began to seize the property of the bankrupts, despite the new bankruptcy ordinance. To prevent further plunder, the curators petitioned for access to the firm's chancellery and the accounts that would provide an overview of its assets. Negotiations began in January 1575. By December 1576, the curators had to admit that further talks would serve little purpose, and the creditors petitioned to have the bankrupts questioned under torture. Ludwig finally confessed to the fraudulent alteration of his firm's founding charter. His brothers were released, but he died in chains in 1580. Formal proceedings ended in 1576, but lawsuits continued into the seventeenth century.

What becomes clear upon examination of these case records is that the magistracy responded to – the city's bankruptcy ordinances emerged from – the quotidian necessities and practices adopted by economic agents to confront the uncertainties of their situations (Safley 2008). Many of the initiatives and adaptations attributed to the magistracy emerged as private-order solutions to commercial problems, customary practices that were only gradually fixed as legal regulations in the sixteenth century (Hellmann 1905). Merchants and authorities alike learned by doing.

What does this reveal about uncertainty and bankruptcy? First, it reminds us that all bankruptcies are not alike: they result from different causes; they proceed along distinct courses; they conclude with a variety of consequences. To group them together under a single rubric, as if they were uniform, obscures this contingent quality and the uncertainty that results from it. The contingency and uncertainty of bankruptcy proceedings limit the effectiveness of regulations, which prescribe a set procedure but rarely proceed according to prescription. Second, the uncertainties that become visible in bankruptcy are distinct from but related to those that characterize commercial enterprise. Investors, depositors and creditors become uncertain about the reliability of their debtor, his «*Trauen und Glauben*», but they have little means to manage that uncertainty apart from past performance and established reputation, another form of path dependency. Borrowers and debtors, by contrast, confront the uncertainty that arises from the degree of leverage their companies bear

⁴¹ StAA, Stadtgericht, Schuld-, Klag- und Appellationssachen, Teil 2, Karton XI-XIII. Konkurs on Haug-Langnauer-Linck, 1570er; Stadtgerichtsakten, 87, 122, 171, 172, 188.

and how to manage repayment. Settlement or composition depend more on the management of these uncertainties than on state intervention and regulation.

6. Conclusion

Mercury production and trade at Idrija can be written in terms of managing economic uncertainties. Merchant-capitalists bargained for monopsony privileges and regulatory protections that would enable them to make a market in the commodity and avoid the uncertainties that attended commerce in the sixteenth century. Producers sought to mitigate the uncertainties of mining and refining through agreements that guaranteed sales, profit and employment through fixed volumes and prices. The state sought to avoid economic and fiscal instability through long-term agreements that offered tax revenue and market access.

Yet, none of these negotiations proved perfect instruments of management or impervious to external shocks. The collapse of the Höchstetter company, the ambitions of the Paumgartner family, the fire at the Almadén mine and the defaults of territorial states are cases in point. Nor could they prevent the internal shocks that weaken family firms, to which three of the companies presented here all fell victim: when membership in the family does not align perfectly with ownership or management of the firm; when family membership leads to the promotion of less qualified owners or managers; when emotional ties among family member results in poor or biased decision-making; when an informality of business procedures encourages inefficient, unprofitable or dishonest business conduct. Indeed, the very notion of ‘shocks’ emphasizes their unpredictability.

Of course, those shocks resulted in bankruptcies, for which state laws and regulations were a similarly imperfect remedy. These cases demonstrate that customs – to say nothing of the regulations that articulate them – emerge, function and evolve according to conscious decision-making over time (Commons 1931; Commons 1936; Dewey and Malcolm 2008; Hamilton 1919). Negotiation frequently veered beyond prescribed principles and procedures; opportunism occurred in defiance of legal or social norms. This is not to suggest that institutions have no role in economic life. Far from it. At the center of all four cases stood ancient and hallowed principles of legal thought and economic life: *Trauen und Glauben; pacta sunt servanda*. Yet, despite their apparent simplicity, they left fundamental questions unanswered: What constitutes an obligation or agreement; how should it be kept; how should a breach be amended? The answers emerged over time. By the end of the sixteenth century, Augsburg’s bankruptcy ordinances prescribed (I wish to emphasize this word, because practice rarely followed prescription) an orderly, efficient settlement of bankruptcy that varying and complex perceptions of uncertainty often rendered ineffective.

The hiving off of capital and labor, of institutions and behaviors, have created an artifice that obscures the real workings of premodern capitalism and the premodern economy. Historians and economists insist with near unanimity that laws – open-access institutions – improve market function in the first place by preventing

opportunism and limiting uncertainty in economic relations. While economic life cannot be fully understood in ignorance of them, I would argue that it can be obscured by over-reliance on them.⁴² Adam Smith famously wrote of «the propensity to truck, barter and exchange one thing for another» that he understood to be «common to all men» ([1776] 1994, 14). Yet, those men also steal and seize. Agreements must be kept – customs observed, laws obeyed, debts paid – but, as these cases demonstrate, only if they serve one's interest. In economic life the unforeseen occurs, opportunism persists and effective measures to manage them remain elusive. Scholars need to think of opportunism as normal rather than aberrant. They need to recall Albert Hirschman (1977) as well as Douglass North (1990); they need to consider the passions and the interests as well as the institutions and the organizations; they need to consider how uncertainty persists, even in the age of risk.

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⁴² Herbert Simons argued in an early critique of institutional economics that institutions cannot and should not be understood purely in terms of market mechanisms and neoclassical economics. (Simons 1991, 25.44).

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*Venetian creditors and Ottoman defaulters:
handling bankruptcy in seventeenth-century Istanbul*

In the early modern Levant, bankruptcies were common occurrences among European merchants. Cash was notoriously scarce in Ottoman trade hubs, and European merchants often had to turn to credit transactions with their Ottoman partners, a practice that entailed substantial risk for account balancing. Additionally, from the late sixteenth century onwards, repeated debasements of the Ottoman silver currency (aspers, *akçe*) and the widespread circulation of numerous European coinages increased the unpredictability of monetary transactions.¹ Furthermore, bankruptcies not only ruin individual merchants and trade companies but could also lead to diplomatic crises between the European and Ottoman governments (Arbel 1995, 95-144)

This paper analyses bankruptcy episodes that affected the Venetian mercantile community in Istanbul during the first decade of the seventeenth century. It focuses on Venetian creditors seeking redress from their Ottoman defaulting partners – in our case, Ottoman Sephardic merchants – in Ottoman tribunals and the Venetian consular court. It aims to shed light on the institutional framework devised by Ottoman authorities to prevent bankruptcies and facilitate their resolution, as well as on the role of consular jurisdiction and international diplomacy in this process. It relies on Venetian legal and economic documents produced by the Venetian consular court and Ottoman imperial commandments (*hüküm*) dealing with bankruptcy disputes between Venetian and Ottoman merchants.

This paper puts forward two arguments. First, between the sixteenth and seventeenth centuries, due to the increased trade activities of European merchants in Ottoman territories, Ottoman authorities developed specific legislation to address debt recovery and bankruptcy disputes. This new legislation, it is argued, aimed to overcome the formalism of Islamic law (Sharia) in adjudicative processes in cases involving international businessmen. It, therefore, demonstrates the dynamism of the Ottoman legal system during a period of substantial development in international trade in the Eastern Mediterranean. Second, by analysing the interplay between consular and Ottoman courts in disputes arising from insolvency, this piece demonstrates how the consular and Ottoman judicial systems reinforced each other in addressing a common threat to commercial prosperity. They offered distinct but

¹ For European trade in the early modern Ottoman Empire and its impact on the Ottoman economy, Faruqi 1986; Masters 1988; Goffman 1990; Frangakis-Syrett 1992; Çizakça 1996; Eldem 1999; Pamuk 1999; Kadı 2012; Oral 2017; Nye 2023; İlban 2024.

complementary avenues for European and Ottoman merchants to enforce contacts and monitor business associates.

Despite their ubiquity and importance in international diplomacy and commerce, our knowledge of bankruptcies involving international merchants, especially concerning the legal framework for their resolution in the early modern Ottoman Empire, remains limited. A dearth of empirical studies on bankruptcy disputes and long-standing negative depictions of the role of Islamic law in commercial life in the pre-modern period are mainly responsible for this situation.² So far, the most important study is Maurits Van den Boogert's pioneering research study of the Capitulations (Tr. *ahidname*) – commercial and diplomatic agreements between the Ottoman government – and the Ottoman legal system, which also analyses the resolution of bankruptcy disputes involving Dutch merchants in the second half of the eighteenth century considering Ottoman legal institutions (Boogert 2005, 207-262).³

This paper deals with the first half of the seventeenth century for two main reasons. First, from the late sixteenth century onwards, apart from the Venetians, numerous Western European merchants began to operate in the Ottoman Empire, increasing commercial exchanges and the number of commercial disputes handled by consular tribunals and Ottoman courts (Greene 2002; Eldem 2006). For the first time, Ottoman authorities and European diplomatic officials had to contend with the far-reaching consequences of bankruptcy cases. However, in contrast to the eighteenth century – the period studied by Van den Boogert – no established legislation existed on how to deal with bankruptcy disputes between international merchants and Ottoman subjects. As we will see, this legal uncertainty fostered experimentation in resolving controversies and the production of new legislation by Ottoman authorities.

Second, in the seventeenth century, the Ottoman Empire was the primary political and military power in the Eastern Mediterranean, and its economic and legal systems were largely unaffected by European encroachment, which began only in the second half of the eighteenth century (Greene, 2002; Eldem 2006, 311-324). Therefore, focusing on this period, we can see how Ottoman authorities handled bankruptcy cases and produced new legislation in a historical context characterized by Ottoman ascendancy.

2. The Institutional Setting

A plurality of normative orders regulated the resolution of bankruptcy cases for foreign merchants in the Ottoman Empire. The Ottoman legal system included three

² For negative accounts of Islamic law and commercial development in the early modern period, see İnalçık 1969, Masters 1988; Lydon 2009; Kuran 2011; and Rubin 2017. For a critical reassessment of the scholarship on Islamic law and economics from the 1950s onwards, see Bishara 2020.

³ For other studies dealing with bankruptcy disputes, see Apellániz 2016; Vanneste 2022, 203-209.

domains – Islamic Law (Sharia⁴), sultanic legislation (*kanun*), and local customs (*adet*) – which Ottoman courts applied throughout the empire.

Ottoman authorities allowed the heads of socio-economic and religious groups (*taiife*), like Christian and Jewish communities, associations of artisans in the marketplace (*esnaf*), and nomadic groups, to solve intra-group disputes according to their «customs» (*adet*). Religious authorities (patriarchs, bishops, and rabbis) and the masters of artisanal groups administered justice in these disputes without the involvement of Ottoman authorities (Akarlı, 2006; Boogert, 2005; Kermeli, 2012; Stefini, 2021). Following Byzantine and Mamluk precedents, the Ottoman sultans applied the same arrangement to those European merchant groups whose sovereign had obtained the Capitulations from the Ottoman sultan (De Groot, 2003).

However, civil and criminal disputes between members of different communities fell under the jurisdiction of Ottoman Islamic courts. Two types of state tribunals existed in the Ottoman Empire: courts (*mahkeme-yi şer'*) headed by Qadis (a Muslim judge and public notary), which were located in every town of the empire and the central districts of large cities, and assemblies (*divan*) presided by the grand vizier and provincial governors. The empire's most important *divan* was the sultan's court, the Imperial Council (*divan-i hümayun*), a cabinet of state and a court of justice, which included the empire's most preeminent administrative, military, and judicial officials, located in the royal palace in Istanbul.

2.1 Consular jurisdiction

The chancery of the Venetian embassy (*cancelleria del bailo*) in the district of Be-yoğlu operated as both a consular tribunal and a public notarial office for the Venetian community. The Capitulations recognized the jurisdiction of the *bailo* (pl. *baili*, Venice's permanent ambassador and consul in Istanbul) over intra-Venetian Venetian affairs according to Venetian «customs» (*adet*) (Theunissen 1998, 586). These «customs» included Venetian legislation on navigation and commerce, as well as an uncoded body of regional and international commercial and customs law widely known among long-distance merchants in the eastern Mediterranean (Stefini 2021, 130-37; Vanneste 2023, 84-136). The *bailo* operated foremost as a commercial arbiter seeking to repair business relations by applying summary procedure – also called «commercial procedure» (*alla mercantile*) – which entailed fast and cheap trials, a less formalist approach to legal evidence, and the absence of witnesses, lawyers, or other legally trained professionals.

Although the *bailo* formally possessed authority only over intra-Venetian disputes, he also adjudicated disputes involving non-Venetian merchants. In the late sixteenth and early seventeenth centuries, numerous Ottoman merchants, including Sephardic Jews, Orthodox Greeks, Muslim Turks, and a few European merchants who traded with Venice (Mavroidi 1992; Stefini 2021, 122-62) applied to this institution to sue Venetian merchants or were brought before the Venetian consular court

⁴ In this paper, I employ the term «sharia» to refer to Islamic jurisprudence (*fikih*), the law produced by Muslim jurists, and specifically to Hanafi law, the official school of law (*mezhep*) of the Ottoman Empire.

to litigate commercial disputes.⁵ As a matter of fact, merchants trading with Venice recognized the *bailo's* authority as a commercial arbiter regardless of their religious affiliation and political status.

The *bailo's* procedures concerning bankruptcy followed those of Venetian courts. In Venetian law, bankruptcy procedures distinguished neither merchants nor non-merchant debtors nor Venetian citizens and strangers (Cassandro, 1938, 98/99).⁶ Once an individual was declared bankrupt (*fallito*), the *bailo* ordered the creditors to present any written evidence of their claims and issued a sequestration order (*intromissione*) against the defaulter's belongings, lodging, and warehouses in Galata. If there was a risk that the defaulter could flee Istanbul, the *bailo* could order his imprisonment in a prison located within the premises of the Venetian embassy.⁷ The embassy's janissaries were responsible for the arrest of the debtor.⁸

Venetian law encouraged the defaulter to reach an agreement with his creditors. For this reason, the *bailo* could grant the debtor a period to pay his debts, issue him a safe conduct to return to his hometown to retrieve the capital needed to pay his debt, or order the registration of a proxy, a guarantee (*piezzaria*) for payment. Only if no agreement was reached did the *bailo* rule for selling the defaulter's possessions in a public auction at his chancery.⁹

2.2 Islamic law of bankruptcy

In Hanafi Islamic law, rules over bankruptcy (*iflas*) belonged to a section of jurisprudence known as *muamelat* («transactions»), which contained norms regulating social and economic interactions, including business exchanges, inheritance, and marriage. In all these matters, Hanafi law applied the same standards to Muslims and non-Muslims, as well as to men and women, and like Venetian law, it did not distinguish between merchants and other social and professional categories (Johansen 1999, 202-03).

If a debtor (*medyun*) failed to honor his debt, it was up to the creditor (*garim*) to submit the case to the Qadi. In case the plaintiff managed to prove his credit, the Qadi would initiate an investigation into the debtor's financial assets. If the latter's debt exceeded his assets (cash, personal property, and real estate), he became bankrupt (*miflis*), and if the creditors feared his escape, the Qadi imprisoned him. The defaulter could free himself by paying his creditors with his non-essential assets,

⁵ For instance, between 1609 and 1621, Ottoman Jews were involved in 34% of 434 disputes litigated in the Venetian consular court. Stefini (2021), 224.

⁶ For bankruptcy law in Venice, see also Ferro 1845, Vol. 1 «Fallito», 692-94. In Venice, bankruptcy disputes fell under the jurisdiction of the court of the *Sopraconsoli*.

⁷ Venetian bankruptcy law distinguished between the condition of the «insolvent» (*gravato di debito*) and that of the «fugitive» (*fuggitivo*), which applied to those debtors who either tried to hide or were suspected of doing so by their creditors. In the former case, the law was more lenient. Cassandro 1938, 123.

⁸ For an instance of debtors being imprisoned in the Venetian embassy, see Stefini 2021, 264/265.

⁹ For a rare example of the public sale of a bankrupt's possessions, see Archivio di Stato di Venezia (ASV), Bailo a Costantinopoli (BOA) 272, Registro (Reg) 387, foli 31r-34r (17-10-1600) on the bankruptcy of Paolo Grassi.

those properties whose sale did not compromise his and his family's sustenance. If he refused to pay from his properties, the Qadi could order their sale to benefit the creditors. If the debtor did not possess non-essential property, the Qadi could release him; however, his creditors could demand the payment of their credits once the debtor managed to produce non-essential goods (Tyan 1964; Akgündüz 2011, 601-06; Kilborn 2011, 323-62; Moumtaz 2018).

As in Venetian legislation, Islamic law prioritized the peaceful settlement of bankruptcy disputes. The Qadi sought foremost to repair social and economic relations between creditors and debtors, and, as such, they operated as mediators between the parties. (Kilborn, 2011, 26-28). In this role, the Qadi enjoyed substantial latitude in determining what constituted the debtors' «essential property,» which was the subject of a potential forced sale. Overall, the Qadi promoted the forgiveness of part of the debt, and, at least in the Ottoman case, they rarely ruled to sell the properties of defaulters (Moumtaz 2018, 601).

Two important caveats of Islamic law of bankruptcy are essential for our topic. In pre-modern Sharia, the procedure of debt recovery did not require the possession of written evidence to prove one's claims. In Hanafi law, oral testimony was the most important typology of legal proof, while documents were used primarily as litigation instruments (Aykan 2016, 87-114). This situation greatly favoured Muslim men over non-Muslims and Muslim women alike. Christians and Jews could not testify against Muslims, and the testimony of two Muslim women equalled that of one Muslim man. In Ottoman commercial life, the ban on non-Muslim testimony on Muslims constituted a severe handicap for European merchants because they, on the one hand, could not testify against Muslim businessmen, and, on the other hand, they could not employ documents on their behalf at court (Kuran, Lustig 2012, 645).

Second, if the debtor was missing (*gayb*), the Qadi could not rule over the sale of his possessions to benefit his creditor. In contrast to Venetian legislation, pre-modern Hanafi law prohibited trials in absentia in both civil and criminal cases (Akgündüz 2011, 602; Ghazzal 245).¹⁰ Consequently, Venetian creditors in Istanbul could not sue their Ottoman debtors in Islamic courts if the latter were not present in the Ottoman capital and if they did not leave court-recognized legal representatives there (*vekil*).

2.3 The Capitulations

The Capitulations regulated the trade rights and the legal status of European merchants residing in Ottoman cities. The Capitulations belonged to *kanun*, a fact that granted the sultan and his representatives substantial leverage in interfering in the legal matters of foreign merchants vis-à-vis Ottoman judicial authorities. Sultanic orders (*hüküm*) and imperial edicts (*nişan-ı hümayun*) were issued ad hoc when the need arose, and they produced new legislation on specific issues, which, thereafter, became part of the system of the Capitulations.

¹⁰ On trial in absentia in Venetian law, see Ferro 1845, Vol. 1 «Assenza,» 152- 158, and Vol 2 «Sentenza,» 678.

Concerning bankruptcy, until the French Capitulations of 1740, the Capitulations did not include specific clauses on how to deal with bankruptcy cases, but only with individual debts and collective reprisals (Boogert 2005, 209). From 1454 onwards, the Capitulations granted to Venice and later to other Western European powers all contained the clause that a Venetian merchant, as well as Venetian ambassadors and consuls, could not be held accountable for the debts of a fellow Venetian as long as he had not stood bail for the debtor (Predelli 1876-1914, Vol. 5, 91-92; Boogert 2005, 208-09).

This prohibition of collective reprisals for individuals' debts addressed a significant threat to trade prosperity. Reprisals for debts of individual merchants – as well as those arising from piracy and individual crimes – compromised the investments of individual merchants and companies, leading to bankruptcies and, at times, to diplomatic controversies. They occurred in both Western Europe and the Eastern Mediterranean during the late medieval and early Modern periods and were the subject of substantial state legislation.¹¹

Related to the ban against collective reprisals was the mutual requirement for both Ottoman and Venetian authorities to prosecute their merchants who failed to honor their debts to the subjects of the other state. If an Ottoman merchant bought goods from a Venetian merchant in the Ottoman Empire but did not pay the latter and fled the locality where the trade transaction had taken place (*gaybet eylese*), Ottoman authorities had to find and arrest him. The same applies to Venetian merchants who did not pay their Ottoman customers and fled to Venetian territory (Theunissen 1998, 382). This article, which had been part of the Venetian Capitulations since the early sixteenth century, is significant for bankruptcy cases because it compelled Ottoman authorities to prosecute Ottoman subjects who failed to pay their Venetian partners, regardless of where they fled within Ottoman territories. Therefore, it addressed the problem of fleeing defaulters, against whom Islamic law forbade trials in absence.

Starting in the sixteenth century, Ottoman officials also introduced new legislation on legal evidence to prevent debt-related disputes and facilitate their resolution. As already mentioned, Islamic law prioritized oral testimony over other types of evidence and forbade non-Muslims from testifying against Muslims in Islamic courts. This legal disability constituted a serious threat to European merchants because they could not testify in court against their Muslim business partners for unpaid debts or for reneging on commercial agreements. In such instances, European merchants had to produce Muslim witnesses; however, these witnesses were not always available and often required a fee for their testimony (Stefini 2021, 320).

To address this issue, in the second half of the sixteenth century, Ottoman authorities introduced two new regulations regarding legal evidence. First, they encouraged European merchants to register their commercial exchanges (*bey' ü şirâ*), surety contracts (*kefâlet*), and any other legal and economic transactions that fell under

¹¹ For the economic importance of collective reprisals, see Greif 2006; Ogilvie 2011, 270-285. For the prohibition of collective reprisals against the Venetian community in medieval Egypt, see Christ 2012, 255. For instances of threats of collective reprisals against the Venetian community of Istanbul due to debts and bankruptcies, see Arbel 1995, 118-20; Stefini 2015; Apellániz 2016.

Islamic law (*umûr-ı şer'îyye*) in the Qadi courts, and to obtain court documents (*hüccet*) recording these transactions. Second, Ottoman officials stipulated that if an Ottoman subject sued a European merchant over a commercial contract or transaction, they had to provide documents produced by a Qadi related to the matter and were not permitted to employ witnesses alone.¹²

For instance, an imperial order issued in 1588 to the governor and chief Qadi of Cyprus states:

A Venetian merchant who engages with someone in my Well-Protected Domains in matters of selling, buying, guarantees, and other issues administered by Sharia should go to the Qadi, have him register the transactions in his safeguarded books (*sicil*), and obtain a certificate (*hüccet*) in accordance with the established customs and imperial legislation (*âdet ve kanun üzre*). If a dispute arises over such matters, the Qadi should act in accordance with the aforementioned documents. If the Ottoman plaintiffs do not possess written evidence and produce false witnesses (*sâhid-i zûr*) residing in the same locality, they cannot demand anything from the Venetian merchants.¹³

These new rules on written evidence were extremely important for bankruptcy cases litigated in Ottoman courts. Subsequently, credit recovery procedures in disputes involving European merchants were based on documents rather than relying solely on oral testimony. These novelties represented an important privilege enjoyed by European merchants trading in the Ottoman Empire.

Lastly, concerning debts, from the early seventeenth century onwards, a last rule established a hierarchy among Ottoman courts for commercial disputes between Ottoman and European merchants. In 1601, the new English capitulations introduced a clause that lawsuits involving claims exceeding 4,000 aspers should be heard only in the Imperial Council in Istanbul, and this clause was applied to all other European communities (Boogert 2005, 48-49; Talbot 2015, 176). This new regulation allowed any trade-related disputes with substantial claims, which took place throughout the Ottoman Empire, to be heard in Istanbul in the sultan's court, where foreign ambassadors could negotiate a settlement favorable to their countrymen.

3. Bankruptcy in seventeenth-century Galata

3.1 The historical context

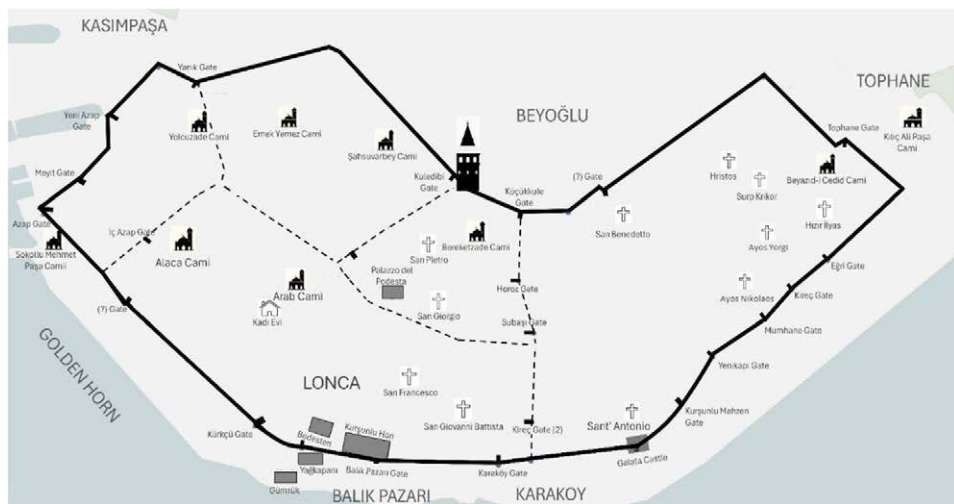
Our case study took place in the first decade of the seventeenth century in Galata (Fig. 1), a commercial neighborhood of Istanbul where European merchants resided and conducted business. It involved several bankruptcies of Ottoman Jewish

¹² The Capitulations issued to France in 1569 were the first to include these two requirements on written documents (Boogert 2005, 44, note 49). The Venetian Capitulations of the sixteenth and seventeenth centuries did not contain such rules. However, imperial orders on single disputes repeated these regulations. Stefini 2021, 286.

¹³ ASV, Documenti Turchi (DT) 8, No 976 (evâsıt-ı Muharram 997/ 11 November-9 December 1588).

businessmen who traded with Venetian merchants. The Venetian *baili* Ottaviano Bon (office, 1604-1609) and Simone Contarini (office, 1609-1611), as well as numerous Ottoman political and judicial officials, participated in the resolution.

Fig. 1. Galata in the 1600s



In the 1600s and 1610s, Sephardic Jews were the main Ottoman business partners of Venetian merchants operating in Istanbul. During the sixteenth and seventeenth centuries, Istanbul's Ottoman Jewish businessmen constituted a prominent political and economic elite. They established far-flung commercial and family connections with Western Europe, particularly with Venice and later Livorno, and operated as advisors, diplomatic and commercial agents of Ottoman grandees, as well as informants on European politics (Arbel, 1995). In Istanbul and other Ottoman trade hubs, Sephardic businessmen traded with European merchants, acquired lucrative tax farms (*iltizam*), especially those of customs duties, and monopolized the important role of commercial broker (It. *sensali*, Tr. *della*), whose service was obligatory in any significant commercial dealings between Ottoman and European merchants. Finally, Sephardic merchants organized themselves in artisanal associations (*esnaf*) and, with the state's endorsement, monopolized the supply of many Ottoman wares, above all Anatolian wool, to Venetian merchants and the purchase of Venetian products (Simon 1984, 998-1000; Shmuelevitz 1984, 128-75; Goffman, 1990 77-118; Eldem 1999, 222-24; Bulunur 2014, 159-67).

Their roles as long-distance merchants, commercial brokers, customs officials in Galata, and members of oligopolistic artisan associations conferred substantial leverage on Istanbul's Sephardic merchants in controlling European trade in Ottoman Istanbul. Unsurprisingly, the Venetian *baili* often complained about their influence in long-distance trade, which was detrimental to the interests of Venetian merchants. For the *baili*, Jewish merchants sought to dominate the role of interlopers between

Venetian merchants and their Ottoman customers, forcing Venetian merchants, who lacked alternative sources of goods, to purchase Ottoman wares exclusively from them and comply with their conditions.¹⁴

In particular, the *baili* complained about Jewish merchants forcing Venetian merchants to sell their goods to them on credit («*a tempo*» or «*in credenza*») instead of using currency. Such transactions involved substantial risks, as potential payment delays could jeopardize the balance of accounts with multiple partners, potentially ruining a trading company. Since the fifteenth century, the Venetian government had prohibited Venetian merchants in the Levant from accepting credit from and making forward purchases from non-Venetians. In 1545, it specifically prohibited «Venetian nobles, citizens, and subjects» who traded in Syria, Istanbul, and Egypt from buying on credit from Ottoman subjects, whether «Christian, Moorish, Turks, or Jews», under the penalty of imprisonment, confiscation of goods, and banishment from Venetian territories.¹⁵

Despite these harsh fines, trade on credit remained widespread in Istanbul and other Ottoman ports for Venetian and other European merchants well into the eighteenth century (Frangakis-Syrett 1992, 90; İlban 2024, 174-75). The main reasons for this persistence were the frequent lack of cash, the continuous debasement of the Ottoman aspers during the first half of the seventeenth century, and the circulation of numerous foreign coinages in the Ottoman Empire. Despite the risks of trade on credit, Venetian merchants had to extend credit to their Ottoman Jewish partners to avoid losing business to their European rivals, especially the British, who were rapidly expanding their trading activities in the Ottoman Empire in the seventeenth century, to the detriment of the Venetians (Sella 1961, Fusaro 2015).

A transaction on credit involved an oral agreement (*bazaro*), mediated by a broker, between the Venetian merchant selling goods to a Jewish merchant, which included a pledge (*promessa*) about the time of the delivery of Ottoman goods in exchange, and it could include a third-party standing surety or the submission of pawns. The parties later recorded the entire agreement in a private document.¹⁶ Unfortunately, our sources did not provide the time allotted to the Jewish buyers for the payment. Other studies of European trade in the early modern Ottoman Empire mention a timeline of six months to two years as the deadline for payment in transactions on credit (Frangakis-Syrett 1992, 90).

3.2 Our cases

Our bankruptcy cases occurred between 1604 and 1610. They stemmed from unfulfilled trade exchanges – mostly Venetian silk and woolen cloths exchanged for Ottoman raw wool and textiles – between Venetian and Ottoman Jewish merchants based on credit. Unfortunately, we possess limited records regarding the

¹⁴ «Relazione di Ottaviano Bon (1609)» in Pedani 1996, 520-21.

¹⁵ BAC 263, Reg. 1, fol. 6r-9v (20-12-1545). For the medieval prohibitions about trade on credit in the Levant, see Christ 2012, 229-30.

¹⁶ For instance, see BAC 274, reg. 391, fol. 156v (2-11-1605) and 166v (15-11-1605); and 275, reg. 392, fol. 140r (19-11-1607).

circumstances of these disputes, particularly regarding the individual trade transactions, the various court sessions, and the out-of-court agreements between the parties.¹⁷ What follows relies on the correspondence between the *bailo*'s letters to the Venetian government, Ottoman imperial orders (*hüküm*), and documents produced by the Venetian consular courts during debt recovery processes.

Between 1604 and 1610, the bankruptcies of several Sephardic merchants significantly impacted the Venetian mercantile community in Galata. According to the *bailo* Bon, the Jewish merchants refused to use currency in the exchanges with the Venetian merchants, and the latter sold them goods on credit (*in credenza*) but had not received their payment in time to balance their accounts (*la ritirata veniva prima*).¹⁸ In 1610, his successor, Simone Contarini, submitted to the Grand Vizier Kuyucu Murad Pasha (o. 1605-1611) two documents (*scritture*) showing that the debtor Jewish merchants owed their Venetian merchants more than 100,000 sequins from credit transactions.¹⁹ The Jewish defaulters included long-distance merchants who were members of the clothier associations (*çuka taifesi*), commercial brokers, and customs officials in Galata (*gümruk emini*).

Before the Jewish merchants became insolvent, their Venetian creditors had sought to recover their credit by applying to the Venetian consular court. Being the debtors Ottoman subjects, the *bailo*'s jurisdiction over the insolvency of Jewish businessmen was severely constrained. He did not have the power to enforce his sentences in Ottoman territory without the backing of Ottoman officials and could not order the arrest of Ottoman subjects in the embassy's prison when they refused to honor their debts towards Venetian subjects.

When a Venetian merchant filed a complaint against his Ottoman creditors in the Venetian consular court, the *bailo* could follow three courses of action. First, he could issue court injunctions (*intimazione*) to urge the Ottoman debtor to pay the Venetian creditor or fulfill their commercial agreement. The court's marshal (*cavaliere*) would deliver the injunction to the debtor's dwelling in Galata or elsewhere in Istanbul. Second, the *bailo* could directly subpoena the debtor to court to answer the claims of his creditors. The court usher would deliver the subpoena (*citatione*) to the debtors' dwelling place and may also announce it aloud (*per stridore*) in the district of Lonca (*lonca mahallesı*), the central commercial zone of Galata. The subpoena included the threat of confiscating (*intromissione*) the debtor's assets and issuing a sentence in absentia if the debtor failed to comply with the subpoena (Stefini 2021, 232-61).

¹⁷ In particular, we regrettably do not possess the records of the trials in the Qadi court of Galata, which had jurisdiction over disputes between Ottoman subjects and foreigners residing in that commercial district. The court records (*sicils*) of Galata do not survive for the period of five years, 1606-1611. From other Ottoman sources and Venetian documents, we know that trials took place in such a court. See note No. 23. The Venetian archives contain several fatwas (non-binding legal opinions) issued by the chief jurisconsults of the Ottoman Empire (*seyhülislam*) in the early seventeenth century on debt-related controversies, such as the validity of surities and the annulment of trade transactions. While these fatwas may pertain to our bankruptcy cases, their lack of precise dating prevents us from establishing a definitive connection with any degree of certainty. BAC 345, No 6 and 7.

¹⁸ ASV, Senato Dispacii Costantinopoli Filze (SDCF), No 65, 136-140 (6-12-1607).

¹⁹ SDCF 69, 408/409 (10-07-1610).

At court, if the Ottoman debtor rejected his creditors' claims, litigation ensued, and the *bailo* passed judgment on the dispute. Merchants' papers and documents, produced by Venetian and Ottoman courts, constituted the most commonly employed legal evidence. If the *bailo* sentenced an Ottoman merchant who refused to comply with the sentence, the *bailo* could resort to two actions. He could issue an order for the sequestration of the goods and sum of money of the debtors held by other merchants. Lastly, the *bailo* could declare the banishment (*battellazione*) of the creditor. According to it, no member of the Venetian community could conduct business with the victim of a boycott; otherwise, he would be severely fined by the *bailo* or other Venetian authorities elsewhere. A boycott was highly detrimental to a merchant's business reputation and could jeopardize current and future commercial dealings in Istanbul and other Ottoman and Venetian trade centers. Unsurprisingly, it was a rare occurrence in seventeenth-century Istanbul (Stefini 2021, 265).

An example of a boycott is the dispute between the Venetian merchant Tranquillo Coletti and the Jewish merchants Iosua Abravanel and Menachem Alguadis. In the fall of 1604, Iosua and Menachem remained indebted to Tranquillo for a load of wool (161 kantars), which they failed to deliver by the deadline of their agreement, July 1604. Tranquillo obtained a sentence in his favor by the *bailo* Francesco Contarini (o. 1602-1604) on October 27. In the meantime, Iosua and Menachem became insolvent (*falliti*), failing to honor their debts toward Tranquillo, but, according to Venetian sources, they continued to conduct business with other Venetian merchants.

On January 12, 1605, Tranquillo petitioned the Council of Twelve (*Consiglio dei XII*), the legislative and administrative body of Istanbul's Venetian community, which was held in the Venetian embassy. In his petition (*supplica*), he asked for a boycott against Iosua and Menachem, so that no Venetian merchant could trade with them. He added that, without a boycott, other Jewish merchants would refuse to honor their agreements with Venetian merchants. The Council approved Tranquillo's petition, and the *bailo* declared a boycott against Iosua and Menachem, which was publicly announced in the district of Lonca in Galata. However, two days later, they appeared before the *bailo*, who decided to lift the boycott. Unfortunately, we have no information about why the *bailo* lifted the boycott. Still, this action strongly suggests that an out-of-court agreement was reached between Tranquillo and his two Ottoman debtors.²⁰

If Venetian merchants failed to recover their credits through consular justice, they could appeal to Ottoman courts, which, according to the Capitulations, had jurisdiction over disputes between Ottoman and Venetian subjects. Being state courts, Ottoman tribunals had the full power to enforce their sentences throughout the empire. However, despite this and the fact that the Capitulations included articles that improved the standing of European merchants vis-à-vis Ottoman subjects in Islamic courts, the latter never became a popular choice for European businessmen (Kuran, Lustig 2012; Stefini 2021, 274-373).

In early January 1605, Levi Valensi and Mose Abes,²¹ two business partners (*compagni*) who traded textiles with international merchants and belonged to the

²⁰ The whole description of the case is in BAC 274, reg. 391, fol. 28v/29v (12-01-1605).

²¹ In Ottoman sources, they are called Levi veled-i Valençi and Musa veled-i Abas.

association of the broadcloth makers (*çuka taifesi*), defaulted to the detriment of ten Venetian merchants.²² Unfortunately, we have only limited information about the commercial transactions that led to the bankruptcy and the monetary value of the debts of the two Ottoman Jews. We know that the latter became indebted to the Venetian merchants after they had sold them broadcloth on credit, and that the Venetian party had their credits registered in the Qadi court of Galata and possessed Ottoman documents (*hüccet*) as evidence of their credits. We also know that Levi and Moses, as shown by a promissory note dated 12-01-1604, owed 553 Venetian sequins to three Venetian merchants and business partners, Nicolò Soruro, Giovanni Maria Parente, and Agustin Franchi, for six pieces of cloth sold by the Venetians to the Ottoman merchants. Levi and Mose committed themselves to paying their debt within five months in weekly installments.²³

Levi and Mose's debt to the ten Venetian merchants must have been substantial because the *bailo* Ottaviano Bon intervened in the dispute by petitioning the Imperial Council in favor of the Venetian creditors.²⁴ As we have seen above, this court only heard commercial disputes with considerable monetary claims (more than 4,000 aspers), which is strong evidence of the economic importance of this dispute for the Venetian mercantile community. Usually, the Venetian *baili* did not become involved in private disputes (*negozi privati*) between Venetian and Ottoman merchants, preferring a resolution of these cases in the Venetian consular court or Ottoman tribunals to avoid potential diplomatic accidents (Arbel 1995, 103-04; Apellàniz 2016, 646/647). However, the number of Venetians involved and the substantial credits they owned must have motivated the *bailo* to intervene in the controversy to protect the investments of numerous Venetian citizens, including nobles, back in Venice.

In the Imperial Council, the Grand Vizier Sokolluzade Lale Mehmed Pasha (o. 1604-1606) ruled in favor of the Venetian merchants ordering the imprisonment of Levi and Mose until they found an agreement with their creditors and the seizure of their commercial goods in their shop (*bottega*) and storehouses in the covered market (*bedesten*) of Galata, which Ottoman authorities locked up and affixed a seal (It. *bollo*, Tr. *mühür*) to their doors.

On January 7, the Venetian creditors applied to the Council of Twelve. In their petition to the Council, they reported that Levi and Mose had offered to pay their debts with new commercial dealings (*partiti compostabili*). They asked the Council to allow this settlement method to benefit their senior partners (*principali*) in Venice. Such a request illustrates the concern of Venetian merchants in Istanbul, most of whom operated as commission agents (*fattori*) for other businessmen based in Venice, to settle the bankruptcy case, limiting capital losses for their partners in Venice, who

²² The Venetian creditors were Nicolò Soruro, Zuanne Maria Parente, Agustin di Franchi, Ieronimo Paese, Ludovico Vidali, Cesare Vauro, Stefano Manzoni, Zorzi Colonna, and the brothers Iseppo and Benetto Bozza.

²³ BAC 274, reg. 391, fol. 62v/63r (13-04-1605). The goods belonged to Giovanni Maria Parente and Giovanni Antonio da Fin in Venice, for whom Nicolò Soruro, Giovanni Maria Parente, and Agustin Franchi operated in Istanbul as commission agents. Nicolò Soruro had the promissory notes (*scrittura*) registered in the Venetian chancery on April 13, 1605.

²⁴ For the entire narration of the Venetian appeal to the Imperial Council and its aftermath, see BAC 274, reg. 391, fol. 25v/26r (7-01-1605).

had sent them the goods to trade in Istanbul. By receiving the approval of the Council of Twelve over their handling of bankruptcy cases, the Venetian merchants in Istanbul likely sought to preserve their business reputation vis-à-vis their senior partners in Venice and continue trading with them. The Council of Twelve ruled in favor of the petition of the Venetian creditors, formally allowing them to pursue the aforementioned agreement with their Ottoman creditors.²⁵

Each Venetian creditor pursued his settlement with the Ottoman debtors in the following months. However, as late as November 1605, Levi and Mose still owed 2,600 sequins to seven Venetian creditors. At that time, they fled from Galata with some merchandise (indigo textiles).²⁶ This development was highly detrimental to the Venetian party. As we saw above, pre-modern Islamic law prohibited issuing sentences in absentia. Therefore, theoretically, Ottoman legal authorities in Istanbul could not intervene against the goods left by the defaulters in Istanbul to benefit their Venetian creditors. However, the Capitulations bound Ottoman officials to bring to justice Ottoman debtors of Venetian merchants who attempted to evade payment.

Informed that Musa and Levi were in Gelibolu, a port on the Dardanelles, en route to Egypt, the *bailo* again applied to the Imperial Council in early November to have them arrested and sent back to Istanbul. He submitted to this court all the Ottoman documents (*hüccet*) regarding the credits of Venetian merchants, according to which such credits amounted to 2,556 *altun* (the Ottoman gold currency). In early November, the *divan* ruled in favor of the Venetian party, ordering the Qadi of Gelibolu to arrest Musa and Levi and send them back to Istanbul. Another imperial order, dated April 1, 1606, again commanded their arrest.²⁷

Following this order, we have no further information regarding this dispute. It was one of the numerous bankruptcy-related disputes affecting the Venetian community between 1605 and 1610, about which we have only scant information in the records of the Venetian consular court and Ottoman documents.²⁸ One reason for this dearth of documentation is that the majority of bankruptcy cases were likely resolved through private agreements between debtors and creditors, without recourse to the court, in order to avoid court expenses and the disclosure of business dealings, which carried substantial reputational costs for the businessmen involved. In early modern Europe and the Ottoman Empire, only disputes involving substantial sums of money and prominent businessmen produced a considerable paper trail, allowing for the reconstruction of the entire resolution process (Boogert 2005, 207-62; Trivellato 2009, 251-69).²⁹

²⁵ For another bankruptcy dispute in which Venetian merchants sought the approval of the Council of Twelve for their agreement with their Ottoman debtors, see BAC 274 r. 391, fol. 35/36 (26-01-1605).

²⁶ BAC 274, reg. 391, fol. 161r/162v (7-11-1605).

²⁷ Başbakanlık Osmanlı Arşivi (BOA), Düvel-i Ecnebiye Defterleri (DED)13/1, sayfa 28, no. 104 (27 Cemaziyelahir 1014 – 9 November 1605), and s. 30, no. 119 (23 Zilkade 1014 / 1 April 1606). For two other instances of debtors fleeing Istanbul, see Ibid, s. 40, no 164 (6 Zilkade 1015/5 Mart 1607) and s.106, no. 523 (Cemaziyelahir 1022/5 August 1613).

²⁸ For other cases, see notes No. 40, 50, and 49. BAC 274, reg. 391 is replete with disputes over the debts of Jewish merchants to Venetian merchants.

²⁹ For an instance Trivellato, 2009.

Our bankruptcy cases share two key features. The Venetian consular court was the first institution to which Venetian merchants applied to recover their credits from Ottoman Jewish partners after out-of-court settlements failed, at least in the case of Ottoman Jews and Christians. Second, the debt recovery process in both Venetian and Ottoman courts was based on documents. Venetian merchants routinely registered the credits towards Ottoman subjects in Qadi courts to employ Ottoman documents in case their debtors failed to pay them.

As a result of these bankruptcy cases, on March 1, 1606, at the request of the *bailo* Bon, Ottoman authorities issued an imperial order containing instructions to the Qadi of Galata on how to deal with the bankruptcies of Ottoman subjects trading with Venetian merchants.³⁰ This Ottoman document offers a unique Ottoman perspective on our bankruptcy disputes. According to it, Ottoman Jews and Christians in Galata bought broadcloth (*çuka*) and textiles (*kumaş*) on credit (*deyin ile*) from Venetian merchants but they did not pay them by deceitfully (*bile ile*) claiming they were indebted to the Ottoman treasury. They later became insolvent (*mıflis*) and possessed a certificate of insolvency (*iflas hücceti*) issued by the Qadi of Galata. Despite this, these merchants continued to conduct business (*kar u kesb*), refusing to pay their Venetian creditors.

The imperial order prescribed that Venetian creditors should appeal to the Galata court, presenting Ottoman court documents (*sicil el-ser'*) to support their claims. The Qadi should then summon the Ottoman debtors and conduct an investigation (*teftiş*). If the credits of the Venetian merchants are proven, the document continues, their Ottoman debtors must pay them. However, if they refused, Ottoman officials had to detain them in the prison of Galata (*zindan*). Then, the Qadi should assess who among the debtors – even among those who held a certificate of insolvency as requested by the Venetian creditors – possessed movable or immovable assets (*mal ve mülk sahipleri*) and seize and sell such properties to pay the Venetian creditors.

To the best of my knowledge, this is the earliest Ottoman commandment that specifically addresses the issue of insolvency in Ottoman and European trade. It did not apply to the entire empire, but only to a specific context: early seventeenth-century Galata, when numerous bankruptcies of Ottoman subjects affected the Venetian community. The imperial order essentially replicates the Hanafi Islamic law of bankruptcy, according to which it was the duty of the Qadi to inquire about the economic condition of the imprisoned debtor to assess if he possessed any non-essential property that may be sold to pay the creditors. What was new in the Ottoman Empire was the emphasis on producing documents to prove both one's credit and one's insolvent condition in court.

The document was addressed only to Ottoman Jews and Christians and not to Muslims. This fact raises the question of whether the same document-based court procedure was applied in cases where the defaulter was a Muslim merchant. Scholars have advanced the hypothesis that Muslim businessmen may have been treated preferentially in bankruptcy disputes as privileged creditors and that, in the early modern Ottoman Empire, they continued to conduct trade primarily through oral commitments (Eldem 1999, 222-226). So far, in my research on Ottoman-Venetian trade, I

³⁰ BOA, DED, 13/1, s. 29, no 109 (Şevval 1014/1 Mart 1606).

have found no evidence of a different procedure for debt-related controversies between Venetian merchants and Ottoman Muslims, at least in Ottoman courts.³¹ The only notable difference I noticed was that Muslim debtors never appeared as defendants in the Venetian consular court. Still, the latter heard the complaints of Muslim merchants against Venetian debtors (Stefini 2021, 243).

Lastly, another consequence of these bankruptcy disputes was the reiteration of Venetian bans against trade on credit in the Ottoman Empire. In 1607, the *bailo* Bon issued a commandment (*terminazione*) to the entire Venetian community in Istanbul, prohibiting Venetian merchants from selling to Jewish merchants both on credit and by barter, and commanding them to trade only with coinage and to write down all their contracts with them.³² In 1610, the *bailo* Contarini repeated the same commandment, demonstrating that trading on credit remained widespread among Venetian merchants and led to new bankruptcies. Jewish merchants complained to the Grand Vizier Kuyucu Murad about this prohibition but failed to obtain his support.³³ Furthermore, in 1612, the Venetian ban on credit dealings in the Ottoman Empire was followed by a similar prohibition issued by the English Levant Company to English merchants throughout the empire (Davis 1967, 213).

4. Conclusions

This preliminary study of bankruptcy disputes in the seventeenth-century Ottoman Empire has reconstructed the legal infrastructure devised by Ottoman authorities to address debt and insolvency and provided some examples of how bankruptcy disputes among European and Ottoman merchants were resolved. During the sixteenth and the early seventeenth centuries, Ottoman authorities introduced procedural innovations, above all, the requirement of employing documents in Ottoman courts, created a hierarchy of courts for dealing with commercial disputes, committed themselves to prosecute Ottoman debtors of European merchants wherever they were in Ottoman territory, and forbade practices highly detrimental to international trade, like collective reprisals for an individual's debt. These measures created a more predictable environment for trading and debt recovery between merchants belonging to different political and religious groups. The fact that the Capitulations, which regulated the legal status of European merchants in the empire, fell under sultanic legislation allowed considerable leeway to Ottoman state officials to intervene in judicial processes against the formalism of Islamic law concerning the standing of non-Muslim businessmen in Ottoman courts.

³¹ For instance, in 1622, in Aleppo, an insolvent local merchant named Ahmed bin Osman owed 1,800-riyal kuruş to a Venetian merchant called Mihail veled-i Petru. The latter possessed an Ottoman certificate (*biücefi*) testifying to his credit, and, after appealing to Aleppo's chief Qadi, he managed to have Ahmed imprisoned until he paid his debt. BOA, Maliyeden Müdevver 6004, s. 22, no. 1 (Evahir-i Şaban 1031/ between 29 June and 9 July 1622).

³² «Mi ha parso necessario in conformità delle legge far una terminatione che li nostri mercanti non possino per l'avvenire vendere più a tempo ne far li loro baratti a consignare, ma il tutto debbano pagare per containti et da mano à mano farre li loro contratti». ASV, SDCF 65, fol. 136r-140v (6-12-1607).

³³ ASV, SDCF 69, fol. 408v/409r (10-07-1610).

Furthermore, this study has also shown the importance of multiple and complementary avenues to debt recovery and dispute settlement. The Venetian consular court was the preferred institution for recovering credits for Venetian and Ottoman merchants (at least for Christians and Jews) trading with Venice. Despite its limited enforcement power in Istanbul, Ottoman merchants, such as the Sephardic Jews studied here, routinely appeared there to register and recover debts, or were brought there by Venetian creditors. Apart from commercial litigation, the Venetian consular court offered multiple mechanisms to resolve disputes arising from insolvency, such as summoning the Venetian mercantile community to make collective decisions on important bankruptcy cases or issuing boycotts against defaulters. When this court was unable to produce a settlement between debtors and creditors, Ottoman courts intervened to enforce contracts between Ottoman and Venetian merchants.

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*Dealing with economic precarity through microcredit.
The Monti di Pietà in late medieval and early modern Italy and Germany*

1. Introduction

Around 1590 Giulio Cesare Croce, a blacksmith and poet from Bologna wrote a song called «Lamento de poveretti» in which he described the difficulty of paying rent due to shortage of money. The song comprises 28 verses, wittily illustrating the problem of illiquidity faced by the working poor.¹ Already the first three verses directly lead us into the blacksmith's world of economic precarity.

Mala cosa è la pigion,
Per colui che l'ha a pagare,
Ma per quel che l'ha a tirare
Gli è una gran consolation,
Mala cosa è la pigion.

E si scopre questo male
Per Agosto e per Natale,
Che si vedon camminare
I patroni a visitare
Quei che stan ne' lor camini,
In botteghe e magazzini,
Acciò faccian provvision,
Mala cosa è la pigion.

E si sentono i lamenti
Che fan tutti i pigionanti,
Che già son sotto alle feste,
E non hanno panni né veste,
Che le legne, il pane, e 'l vino
Non li lassano un quattrino,

¹ Rouch 1982, 151-58.

Another impressive example we find in the *diario* by Gaspare Nadi (1418-1504), a fifteenth-century mason from Bologna. This fascinating ego-document written after the year 1452 points out how Guaspare repeatedly experienced phases of monetary shortage and poverty (insolvency) mostly induced by sickness, but also by disruptions of his familiar nurturing structure. At the age of 85 he split from his third wife Catherina and had to move out of the house. He continued to live with one of his sons Giovanni afterwards.

E non vi è compassion,
Mala cosa è la pigion.²

The leading line 'rent is a bad thing' («mala cosa è la pigion») points to the fear and despair experienced by those unable to pay their rent due twice a year in August and around Christmas. The rents are being paid for 'chimneys, shops and workshops' pointing out the living and housing conditions of sixteenth century craftsmen and -women.³ The poem continues with the description of the people going to the pawnshop (the Monte di Pietà) seeking small-scale credit on a short-term base in exchange for objects like pieces of furniture, clothes or their wedding rings:

Chi ha impegnato il ferraiolo,
Chi la cappa, chi un lenzuolo,
Chi l'anel de la mogliera,
Chi ha venduto la lettiera,
Chi il giuppon' e le calzette,
Le banzolle e le cassette,
Le carieghe e i credenzon,
Mala cosa è la pigion.⁴

As becomes clear, the credit economy of the Monte's customers was based on every-day household objects and clothing. In Valentin Groebner's words this was a «Kleiderökonomie», an 'economy of clothes' (Groebner 1993, 235-43 and Groebner 2004, 175, 179), making use of the humble possessions of the debtors and simultaneously referring to the importance of the material cultural of premodern credit

² The English translation of these first three verses reads: Rent is a bad thing for the one who must pay; but for the one who collects, it is a great source of comfort. A bad thing is the rent. And this misfortune occurs in August and at Christmas, when one sees them running around, the landlords, who visit those who dwell in their chimneys, shops, and storage rooms, and who must then pay. A bad thing is the rent. And one hears the wailings of all the tenants, who are already celebrating, yet have neither cloth nor dress, whom wood, bread, and wine leave not a single penny, and for whom there is no pity. A bad thing is the rent.

³ Two more verses illustrating this read: Ed io poi sto in un camino / Buio, basso e piccolino / Tutto pien d'humiditate / Le muraglie scalciate / Di granar' ho carestia / La cantina e compagnia / E non v'è nulla di bon. / Mala cosa è la pigion. // S'apro gli uscì, mi consume / S'io gli serro, piango al fumo / E le mura sopra e sotto / Son vestite da carotto / E il freddo passa drento / Ch'ogni buco mena vento / Hor, guardate s'ho ragion / Mala cosa è la pigion. https://web.archive.org/web/20160730110548/http://giuliocecarecrocce.it/testi/lamento_poveretti.pdf English translation: And I live, alas, in a chimney stack, dark, low, and very small, all full of dampness and humidity, the walls are peeled and crumbling, I have a scarcity of storerooms, the cellar and similar spaces, and there is nothing good at all. A bad thing is the rent. If I open the doors, I suffer cold, if I close them, I weep from the smoke, and the walls, both high and low, are dressed in grime and decay, and the cold passes right through, since every hole brings in the wind, now, see if I have a reason. A bad thing is the rent.

⁴ Some have pawned the cloak, some the cape, some a bedsheet, some the wife's ring, some have sold the bedstead, some the doublet (jacket) and the socks, the baskets and the chests, the chairs and the large cupboards. A bad thing is the rent.

history.⁵ The working poor – making up between 50 and 80 per cent of the medieval urban population (Schubert 2000, 664f.; Braunstein 1999, 97)

– used the means they had to buffer phases of financial crisis that could be summed up under the terms insolvency and bankruptcy.

As this source example shows, insolvency, over-indebtedness and risk were problems faced not only by medieval entrepreneurs, merchants and nobles, but also by craftsmen, day labourers, etc. in short: by nearly all members of the premodern society.⁶ Looking at the lower social strata, the term illiquidity might be more suited to describe the state of economic precarity they were living in.

Microcredit⁷ was and is a crucial part of the strategies of survival of the working poor (Fontaine 2008; Ledgerwood 1999).

As Laurence Fontaine has pointed out, premodern people had multiple jobs, they rented gardens, rooms and immobilia and were constantly striving to mitigate the precarity of their living circumstances. Especially the urban population was repeatedly effected by food shortages caused by bad weather, wars and pandemics. The risk of being unable to pay bills for tools, foodstuff and clothing and consequently the effects of cyclical poverty remained virulent throughout the medieval and early modern period. As in the premodern age, also today, microcredit is a vital tool to enable economic actors to participate in the market – be it as small-scale business-woman and thus producers or as consumers in times of shortage of money for everyday commodities. Founded in 1979, Muhammad Yunus' Grameen bank was the first of these initiatives providing some kind of help for self-help.

The thought of enabling the working poor to help themselves is not new, it already existed in late medieval times. In the mid-fifteenth century, Italian cities established urban small-scale credit institutions, the *Monti di Pietà* (also mentioned above in Croce's poem) based on the system of pawn-broking. The customers also had to pay a sum of interest of 4-10%. These 'mountains of piety' were financed and administered by the city governments as part of their strategy to fight cyclical poverty. Of course, they did not invent pawn-broking as a tool of provision of small-scale credit. Private moneylenders were known and active in the medieval society, providing short-term cash to their customers. Motivated by members of the Mendicant orders (mostly Franciscans, but also some Dominicans as we see later), city governments adopted and professionalized this tool aiming at provision of the poor and very possibly also social control.⁸

⁵ Pledging clothes appears to be a practice born of necessity for the poor. Unredeemed garments were then often acquired and resold by used clothing dealers at auctions. This clearly illustrates the intertwining of microcredit and the second-hand trade. The pawned objects themselves became bearers of capital. They replaced money in a debt economy where credit was omnipresent. The medieval material-value economy, which Groebner discusses, necessitated tactics and strategies for the survival of a segment of the population without resources.

⁶ Sven Rabeler proposed the concept of 'pauperism' for the late medieval period.

⁷ Microcredit is a tool of self-help and economic emancipation, allowing for market participation, not a concept of passive customers receiving alms, etc.

⁸ Marginalisation of private Jewish moneylenders and prevention of social unrest are two motives that drove the initiators of the *Monti*.

Hence, this article aims at tracing the concept of self-help and mitigation of economic precarity through microcredit on three levels and in a chronological and comparative way: The leading questions of this chapter are how the concept of microcredit was integrated in the economic discourse of the later Middle Ages and how it influenced the evolvement of new norms and practices of public credit institutions. These three levels of discourse, institution and practice will be analyzed using examples from late medieval Italy and Early modern southern Germany. Thereby, the distribution of financial innovations like the Monti di Pietà throughout one part of Europe will be exemplified as well.

2. The Italian Monti di Pietà – discourse, norms, practices of late medieval microcredit

Although the limited space of this article does not allow for a full picture of the establishment and history of the late medieval Monti di Pietà and their history has already been told elsewhere (Skambraks 2023; Delcorno 2020; Muzzarelli 2001; Avallone 1999; Carboni 2012), I would like to assess this topic using a few case studies that show the innovative character of these institutions and point out crucial aspects like self-help and market participation with regard to the manifold ways to mitigate economic risk.

The discourse around microcredit was conducted mainly by Franciscan theologians and jurists and points to an innovative economic thinking of parts of the medieval Church on the subject of credit, (which was at the same time highly antisemitic) (Todeschini 2009; Todeschini 2016; Skambraks 2023). Secondly, I will shed light on the normative, institutional side of how these pawnshops were organized. The regulations and statutes of various Italian and German cities show how the nascent banking institutions tried to ensure the efficiency of their business by means of sophisticated administration and accounting. The third building block of this chapter is the practice of small-scale lending, visible in the account books and pledge inventories. There we see clearly that the clientele of pawnshops from the fifteenth to the seventeenth century were primarily and especially working poor, such as craftsmen, day laborers and widows – a group often invisible in our source material. My paper will also emphasize the essential role of material objects (especially household items, clothing) - even with low value - for the poverty economy of the late medieval and early modern period.

2.1 Elements of economic discourse on the Monti: interest, bonum commune and economic self-help

The history of the Italian Monti di Pietà is closely linked to the development of late medieval economic ethics, more precisely, the discourse on usury and interest taking. The provision of credit against interest had long been a controversially discussed problem visible in canon law. Although some Monti, like in Milan, provided interest-free credit from the beginning and successively went bankrupt, most Monti justified the interest sums with the payment of their employees' wages and rent of

depositories, thus the running of the business. During the 1480ies and 1490ies the question of the usurious character of the institute was hotly debated.

The discourse on usury and interest surrounding the Monti di Pietà was led by legal experts who were also theologians (Skambraks 2023, 72-128), declaring the legitimacy of interest-taking by the Monti on the basis of contract law. This was done in the following way: by theoretically dividing the loan contract between a customer with a Monte into several contracts involving private persons (officers working in the monte and the customers) as well as institutional actors (the monte as creditor and the customers) and redefining the interest rates as *stipendium laboris* for the services rendered by those persons administering the pawn objects (e.g. keeping them clean and save). This process of legitimation of interest taking culminated in the year 1515 when pope Leo X. proclaimed at the Fifth Lateran Council the righteousness of interest for the sake of the Monti di Pietà as a Christian credit institution (Wohlmuth 2000, vol. 2, 625f.).

In the last third of the fifteenth century, the new legal ideas were diffused immediately through the medium of the sermon and preaching to the urban population and the oligarchy, who were then moved to become founders of new Monti. In the following I will discuss two examples, one depicting the crucial role of preaching by a Franciscan Friar, and the second discussing a hitherto unstudied treatise by a Dominican promoter of the Monti, Annio da Viterbo, connecting charitable credit with a wider concept of a Christian society based on common property. Both examples clearly show the innovations in economic ethics evolving around the sociopolitical challenges throughout the fifteenth century.

One of the most famous and notorious promoters of the Monti di Pietà was Bernardino da Feltre, who toured northern and central Italy during the 1480ies and the beginning of the 1490ies with a socio-political campaign against Jewish money-lending and for the installation of Monti di Pietà. From 1469 until his death he initiated the foundation of numerous Monti or even founding them himself. It is proven that Bernardino carried a bundle of 18 contemporary legal treatises in his saddlebag during his tour. The Italian archivist Saverio Amadori published these texts in the Edition «Nelle Bisacce di Bernardino» (Amadori 2007). Bernardino thus based his preaching directly on the latest legal texts and expertise, however, using a very direct tone in his sermons held in the vernacular. Let's look at one example taken from four Lenten Sermons written in Pavia between 1493 and 1494 (Varischi da Milano 1964, No. 55, 56, 57, 73). In all of those sermons he thematized the Monte as ideal solution for the urban communities' problem with poverty. The first of the four sermons (written for the Monday after the Easter Octave, «De Monte Pietatis Papie erigendo», 15.4.1494) is the most detailed and describes the Monte as a divine work. First, it deals with the aforementioned theme of interest as «*stipendium laboris*» and emphasizes the 'positive' effects of the installation of the Monte:

Dicam ergo de Monte Sancto pietatis. Vere est victoria que vincit mundum, placet iram Dei, fugat peccata, animam salvat, corpus sublevat, pauperes adiuvat, divites alleviat, judeos fugat, etc. (Varischi da Milano 1964, 185)

Bernardino da Feltre then turns to the problem of poverty and the lack of capital in the cities as well as the necessary provision («provisio») and support, as he describes these as the necessary accumulation of a «congregatio denariorum»:

Considerato quod sunt multi pauperes e pochi denari; et si bene sunt, sunt male divisi, quia chi tropo, chi pocho; et volendo subvenire ne pauperes devorentur a Judeis, dicit Dominus: Faciamus unam congregationem denariorum, ubi fideliter sia servito a chi ha bisogno de dinar; et quanto maior sit congregatio nummorum; sic fiat provisio. [...] Ista autem congregatio sit posita in bona manu; et ut illi qui mutuant, per piu securita, non vol scritto ne obligatione, sed pignus, quia tutius est incumbere pignori. (Varischi da Milano 1964, 186)

A service rendered cannot remain without remuneration, especially since an unpaid or poorly paid official will also not do a good job and neglects to take care of the pawns.

Quando enim unus e mal pagato, non mireris se mal te serve. [...] Preterea si facit gratis, non erit sic obligatus de observatione pignorum etc. Si est unus qui servit gratia, si in fine anni perdiderit pignus, como farà tu?

In another sermon we come across another essential argument, which relates to the importance of the Monti for the city's wellbeing as a commune: the common good. The «bonum commune» is better than the wellbeing of the individual, the text states: «hoc verum est quod melius est bonum commune quam privatum, ut probavi die veneris preterita, quando predicavi de re publica, ubi probavi, tot vijs et rationibus, quod melius est publicum» (Amadori 2007, 230-73, 258).⁹

Furthermore Bernardino states, that the money put into circulation through small loans is like the blood of the state. The injection of these funds is free of sin and beneficial to all. Thus, little by little, a necessary amount of money would be accumulated through collective action. The concept of the communal responsibility of a «societas pauperum» is echoed in these remarks. This echo is reinforced in the following section, which concerns the multitude of the poor, for whom the Monte offers a total service: «invenio in hoc Monte servitium de pluralità: personale, temporale, totale».

As these examples show, preaching played a crucial role in the process of distribution and institutionalization of innovative ideas and economic ethics regarding the Monti di Pietà.

⁹ Hoc est igitur a fine civilis societatis precetum obligans episcopos et rectores et magistratus urbium ad providendum mendicis quidem de perpetuo subsidio hospitalitatis et pauperibus civibus de perpetuo promptoque mutuo ad usum necessitatis ipsorum quid proprie servatur in hoc apostolico deposito de quo dicitur Actuum apostolorum. Annio da Viterbo, Quaestiones due disputate super mutuo iudaico et divino, in: Amadori 2007, 258.

Around the same time as Bernardino da Feltre's Lenten sermons were written and performed another author was actively thinking about the Monti's socio-political potential. Annio da Viterbo is one of the few exceptions of Dominican Friars writing in favour of the Monti's interest taking. The treatise analysed here has not been studied in depth until now, although it offers many innovative thoughts on the community of the working poor as self-enabling social group and thus sheds a light on views we know from present day alternatives to capitalism. In his «*Quaestiones*» of 1492, Annio portrays an «apostolic community of the poor» who – empowered by the small-scale credits of the Monti di Pietà – not only achieve a dignified livelihood in a cycle of self-help, but also advance the improvement of society as a whole. In contrast to the Franciscan tracts, which argue primarily on the basis of contract law, Annio shows himself to be an independent thinker in a different, one could say much more socio-politically arguing tradition. He describes the Monte as a part of a charitable social contract and thus as a building block of a targeted urban social policy. From Aristotle's *Politics* and the fifteenth chapter of Deuteronomy, he derives the duty of care of politicians for the welfare of their citizens. The commandment obliges bishops, rectors and city magistrates to provide at least a permanent lodging allowance to beggars and a perpetual loan to poor citizens to meet their needs, as is the case in this apostolic deposit. On the one hand, this care took the concrete form of the statutes of the city fathers, which ensured welfare and the «*bonum commune*».

Furthermore, the debtors ultimately achieve a profit for themselves through the interest paid, in that these funds benefited the Monte and thus the poor. (Amadori 2007, 260).¹⁰ Here, profit is linked to the desirable growth of the charitable institution. Profit in the sense of the «*bonum commune*» thus has a positive connotation. In this system, the poor formed a legal community supporting each other through loans on the basis of several legitimate contracts. The deposit of the community of the poor also makes them better people and enhances the whole society. This would create an urban society modelled on the apostolic community that shared everything (Amadori 2007, 264).¹¹ Annio da Viterbo provides a highly interesting model of a 'moral economy' based on common property; an idea that has not been associated with the Monti in this clarity before, and which is still reviving today in various political and economic alternatives to capitalism. According to this concept, the ethical basis of this welfare was Christian charity and piety.¹²

¹⁰ At in hoc casu depositum pauperum mutuans non distinguitur omnino a paupere accipiente sicut nec depositum societatis a sociis et item beneficium non solum cedit in utilitatem officialium montis qui non participant nisi salarium sed cedit in utilitatem accipientis dum sibi et sociis augeat depositum commune quare non est hic usura. Ibid, 234.

¹¹ Sexta conclusio: Hoc depositum societas pauperum non modo apostolicum dicitur sed est etiam civitas optime instituta. Nam ubi est civitas in qua omnia sunt communia omnibus ut nemo sit egens in qua quisquam proprios nescit affectus ibi vita est apostolica et ius nature servatur et societas ac civitas est optime instituta [...]. Ibid, 264.

¹² However, this only includes a certain group: namely Christians. This marginalization of Jewish moneylenders is echoed in the statutes of the Monti di Pietà, naming the bankruptcy and insolvency of the inhabitants as induced by high interest rates taken by Jewish moneylenders.

The aforementioned elements of economic discourse heavily influenced how city governments and customers, i.e. the founders of pawn-broking houses, regarded the role of credit in a society. The acceptance of interest-bearing microcredit as part of a socio-political programme based on the «*bonum commune*» and the idea of self-help of the working poor led to the spreading of the Monti di Pietà throughout Italy with over 200 foundations in 100 years' time.

2.2 Success-story microcredit

The theorists' efforts described above soon bore fruit in the foundation of numerous Monti di Pietà. Although a concrete statistical measurement of economic impact or efficiency of the Monti is impossible, we can state that the mere degree of diffusion of the institution within the first one hundred years after the first foundation in Perugia in 1462 in Italy points to the success of this credit instrument.

Fig. 1. Distribution of Monti di Pietà in Italy (1462-ca. 1550)



Furthermore, if we look at the development of individual Monti like in Rome (Arcelli 2003), we see that the number of loans was constantly rising and also the number of deposits with the monte as a bank increased. According to Federico Arcelli's work, which is based on a collection of sources from the Fondazione Roma that was unfortunately not accessible to me, in 1539, the year of its founding, 729 pawn loans were already carried out. On average, loans were granted for six months, with amounts ranging between one and three Scudi. The number of pawn loans

continuously increased up to the period from which the pawn register examined here originates: In 1540, the number of loans was 2,643, and in 1550, it was 2,943, with the available annual capital also increasing from 1,200/1,500 Scudi to 4,000 to 5,000 Scudi. In the period of our source (1580-1585 or 1589), there were already 15,000 and 25,609 loans annually, respectively.

Tab. 1. **Number of loan transactions in the Roman Monte di Pietà (1539-1550)**

Year(s)	Number of transactions	Average amount (sc.)	Total amount (sc.)
1539	729	1½	1093½
1540	2643	1½	3964½
1541–2	n/a	1½	n/a
1543	2869	1½	4303½
1544–9	n/a	1½	n/a
1550	2943	1½	4414½
1551	3837	1½	5755½
1552–5	n/a	1½	n/a
1556	6576	1½	9864
1557–8	n/a	1½	n/a
1559	2437	1½	3655½
1560	3120	1½	4680
1561	3907	1½	5860½
1562	2478	1½	3717
1563	3614	1½	5421
1564	4450	1½	6675
1565	4782	1½	7173
1566	7266	1½	10,899
1567	7486	1½	11,229
1568	8257	1½	12,385½
1569	6842	1½	10,263
1570	6014	1½	9021
1571	6629	1½	9943½
1572	8584	1½	12,876
1573	12,705	2	25,410
1574	12,142	2	24,284
1575	12,898	2	25,796
1576	13,850	2	27,700
1577	13,176	2	26,352
1578	12,508	2	25,016
1579	14,111	2	28,222
1580	15,470	2	30,940
1581	13,749	2¾	37,809¾
1582	12,860	3	38,580
1583	14,351	3	43,053
1584	13,543	3	40,629
Total	256,826		Sc. 516,986 b. 25

How were they organised financially? Some Monti, like the Roman one, were organised as «confraternitae» like in Rome – in which members paid a certain amount of money (2 carlini) per annum (Tosi 1937, 347ff.).¹³ The capital was furthermore increased by donations collected during religious processions¹⁴ or bequeathed via testaments as well as communal fees like court fees (Tosi 1937, 353-355, 353f.).¹⁵ In other institutions like in Genova (founded in 1483) the capital was provided by two charitable institutions already in existence (the Ospedale della Pammona and the Ufficio della Misericordia) as well as the famous bank of San Giorgio. In this case the money was raised by the selling of promissory notes issued on bank deposits («luoghi») (Bruzzone 1908). A third 'model' was the use of money from Jewish 'creditors' through forced loans, like in Perugia (Majarelli and Niccolini 1962, 231). Depending on the level of complexity and the size of the Monte, the institution's administrative body consisted of two parts: the council or board consisting of influential members of the city elite (patricians, nobles, friars and merchants), and the actual team of paid managers of the every-day business of pawn-broking, including the «depositarius/governatore» as head manager, the «cassiere» (responsible for the payments of loans), the «stimatore» (often a professional tailor or goldsmith estimating the pawn-objects¹⁶ (Weber 1920, 594) and a notary keeping the accounts. These persons were the ones receiving a «stipendium laboris» for their services, being personally liable for any damage or destruction or loss of pawn objects. The success of the Monti was not only based on the material aspect of the customers' need for cash, it was also fostered by the trust in the bank the promoters tried to create by introducing monthly controls, auditing procedures as well as the punishment of fraud and misbehaviour by the officers, as reflected in the statutes. The Monti's interest rates on loans differed between 4% and 10%. In Genova for example they started with 10% in 1483 and lowered interest to 5% in the 1570ies (Bruzzone 1908, 56), whereas in Rome they started with no interest in 1539 and only introduced a 5% rate in the 1550ies after three years of discussion if a possible voluntary payment by the debtors. In 1552 authorities had introduced deposits as part of the financial strategy of the Roman Monte. Although the sources show a certain degree of discomfort with the

¹³ Item se concede, che si possa instituire una Confraternità, ovvero compagnia di Cinque mila persone, computando marito, & moglie per una persona, con faculta di poter sostituire altre persone in loco delli confratri, o censore, che moriano, li quali habbiano a pagare ogni anno doi Carlini al detto Monte. English: Item, it is granted that a Confraternity, or company, of Five thousand people may be instituted, counting husband and wife as a single person, with the faculty to substitute other people in place of the brothers (*confratri*) or *censor* (official) who may die, who shall be required to pay two Carlini every year to the said Monte.

¹⁴ A most impressive example for such a processions stems from the city of Verona.

¹⁵ After years of financial and institutional precarity since its foundation in 1539, the Roman monte was finally stabilized in 1584 by a papal decree of Gregory VIII. ordering the payment of communal court fees above 5 scudi. The citation reads: [...] praecipimus et mandamus, ut in quibusvis causis, etiam criminalibus coram eis pendentibus, in quavis instantia, et quas in futuram perpetuo pendere contigerit, ubi actuali pecuniarum deposito, supra summam scutorum quinque, alias locus sit, iuxta decreta per ipsos iudices facienda, illud non amplius Notarios ut hactenus, sed sine ipsorum Notariorum prae iudicio, penes Montem Pietatis, seu illius pro tempore Depositarium, qui fide et facultatibus insignis sit, fieri et deponi mandent.

¹⁶ This was for instance the case in Macerata.

topic (pointing out the striving for a possibly low rate), interest was in most cases clearly regarded and marked as necessary fee enabling the successful running of the pawn-broking business (Skambraks 2023, 189).¹⁷ Remarkably, any further profits should be paid back to the poor, as is stated in numerous statutes (Ghinato, 1959, 102).¹⁸

2.3 Who were the working poor? Analysing the clientele of the Monti

The Monti's services should be dedicated to the working poor, as was propagated by numerous treatises and statutes. Access to microcredit against pawn for the genuinely poor became strictly regulated in the statutes, as in the case of Perugia. There, as in many other cities, customers who wanted to borrow money from the Monte had to be residents of the city or its «contado» and could only do so out of necessity. That the goal of a poorer clientele in real need was not always the case is evident from the 1467 regulation for the Perugian Monte, which prohibited borrowing money for gambling, trade, or «per altra spese superflua, dannosa o vana» (for other superfluous, harmful, or vain expenses) under penalty (namely, the loss of the collateral). In 1470, the regulations concerning the use of the loan were relaxed. Credits could now also be used for «mercantia», i.e., trade (Majarelli and Nicolini 1962, 317).¹⁹ In Macerata, the needy person even had to bring a witness from their district to attest

¹⁷ In Perugia this was made clear in a episcopal decree by Iacopo Vanucci da Cortona of February 22, 1463: *per laboribus et tediis ac periculis recipiendi, scribendi, conservandi restituendi sive etiam vendendi dicta pignora et pro apodixis et scripturis quas facient dum illa accipient et rursus dum illa restituent. Also the amount of interest was fixed to ten denarii per florin pro for one month. This equals an interest rate of c. four percent per month. Majarelli and Nicolini 1962, 324: si pignus fuerit positum pro uno floreno at apud eos steterit tantum uno mese, decem denarios et non ultra, si vero fuerit positum pro duobus mensibus denarios quadraginta, quod si fuerit positum pro minori aut maiori quantitate quam dictum sit vel si steterit apud eos breviori aut longiori spatio temporis quam supra expressum, tunc similiter recipiant eorum provisionem pro rata et proportionem predictis, quo ad quantitatem et quo ad tempus singula singulis congrue referendo.*

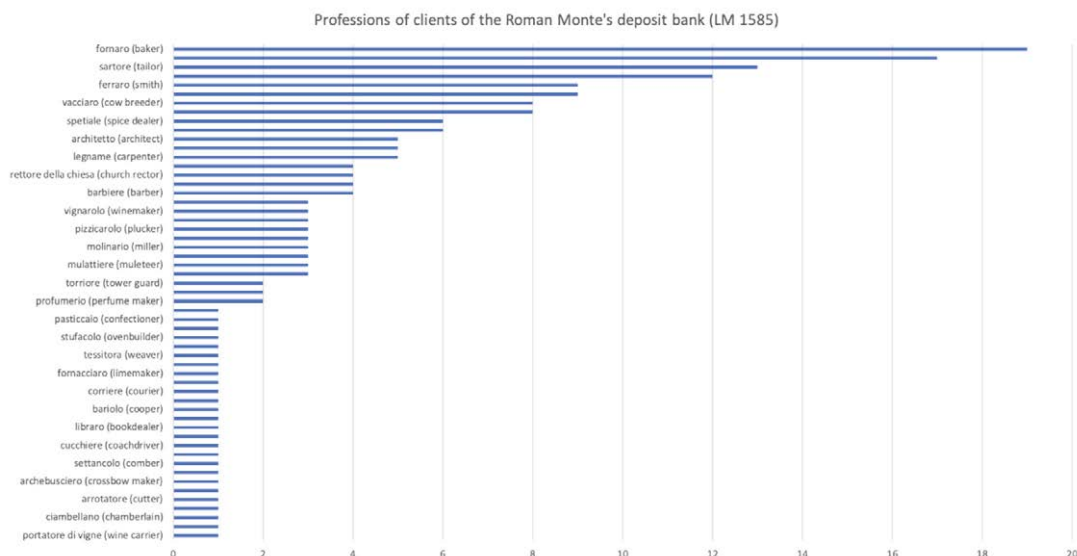
¹⁸ For example in Terni: *Item, statuimo, se in ciascuno anno se recogerliense piu de li quatrini che transcendessero la summa de quello conveniente satisfacere li salariati, vogliamo che si faccia uno bando per la città, nel qual si faccia intendere como ultra lo salario de li ministri de lo Monte, vi sono avanzati certi quatrini, unde se alcuno volesse la restitutione de quello che ha pagato al Monte, debia comparere in termino de 10 zorni, et a lui constando che haverà soluto al Monte li serano gratiosamente renduti. Et se non comparerano siano reservati da dicti conservatori et collocati ad opere pie, secondo che parerà a loro piu espediente et opportuno. Ne per nullo rispetto siano applicati al Monte. English: Item, we decree that: If, in any year, more money is collected than the sum necessary to conveniently satisfy the salaried personnel (the wages), we require that a proclamation (or public notice) be made throughout the city, in which it is made known that certain funds have been accrued beyond the salaries of the Monte's administrators. Therefore, if anyone wishes for the restitution of what they have paid to the Monte, they must appear within a term of ten days. And to him, upon confirming that he has paid the Monte, the funds shall be graciously returned. And if they do not appear, these funds shall be reserved by the said Conservators and placed toward pious works, as shall seem to them most expedient and appropriate. Nor shall they, for any reason, be applied (or used) for the Monte itself.*

¹⁹ *Como il denari dil Monte si possano acatare ancora per fare alcuna mercantia. / How the funds of the Monte can also be acquired to undertake some merchandise.*

to their poverty (Weber 1920, 87).²⁰ Also, the debtor there had to swear an oath to the depositary that they would use the funds only for themselves and their family, and not for ill purposes. Hence, the phenomena of illiquidity or lack of money – as bankruptcy and insolvency – have a shady side and might also include dishonest motives for taking up a credit, a fact of which the contemporaries were well aware, but could probably not completely control.

Another crucial element are the loan sums, which were regulated by most Monti like what is commonly understood as microcredit: namely, the volume of one month's wage. In Rome in the year 1581 clients were allowed to take out loans between three and five scudi, in Perugia the maximum sum was raised from six to twelve fiorini in 1470 per year per person. In L'Aquila, a maximum of five ducats could be borrowed over six months at an interest rate of six denari per ducat (all references in Skambraks 2023, 195).

Graph 1. Professions of the Monte's clients (Rome 1584/85)



Stepping away from the normative sources and looking at the account books and registers of many Monti, we get a glimpse of the reality behind the clientele, as these sources not only mention the types and material state of the pawn objects, the sums of money lent and the varying and often quite flexible duration of the loan period.²¹ Moreover, they also shed a light on the names, gender and professions of a Monte's

²⁰ Chi vole denarii dallo monte mene conseo quillo citadino dello quarto in soa testimonianza. / Whoever wishes to have loan from the Monte must bring with him that citizen from the district as his witness.

²¹ In some cases the loan duration was exceedingly longer than the one given in the statutes, which was up to 12 months.

clients and thus provide a more clear picture of who actually were the working poor. The picture is surprisingly clear: The clientele of the Monti was composed of craftsmen, day labourers, small-scale entrepreneurs, women and sometimes charitable institutions like hospitals. Graph 1 for instance shows the distribution of professions among the customers of the Roman monte in the year 1584/85 according to *libri mastri*.

2.4 An economy of the poor – an economy of objects

Finally, if we look at the types of pawns that were given as collateral for the loans, we see that most items were of modest value, hence again pointing to the Monti's character as microcredit institute used by the working poor. The statutes provide some orientation on this matter, whereas the accounts and auction lists clarify what was actually pawned. The statutes from Rome in 1581 specify for example: «They shall lend money on all sorts of goods, except offensive and defensive weapons, furs, unwound yarn, noting concerning gold and silver that is drawn or fluted, that there be no defect underneath [...]» Accordingly, all types of clothing were permitted as collateral. Not allowed were the aforementioned weapons, but also furs, unwound yarn, as well as unmounted gold and silver, and damaged items. The Perugia statutes from 1467 had already prohibited the pawning of liturgical vessels (without the bishop's approval) and unfinished goods (without permission from the wool weavers' guild) under penalty (Skambraks 2023, 197). Looking at the pawn registers from the Monte of the small town of Lapedona in the Marche region in the late sixteenth century, it becomes clear that most objects were of very modest value. Tab. 2 shows the distribution of the mentioned pawning objects in 294 entries of the register of 1578-1590.

Looking at the types of objects, it's immediately clear that textiles played a dominant role as collateral. The majority of the pawned items consisted of simple household goods like bedsheets («denzolo») at 27%, tablecloths («tovaglia») at 12%, and cushions at 12%. Gold and silver rings (12%) as well as coral or pearl necklaces also appear in considerable quantities. Other items given as collateral included: articles of clothing such as women's and men's dresses («camisiae»), bonnets («cuffia»), ruffs («gorgiera»), scarves («assciucatoro»), pouches and sacks, towels, bolts and pieces of fabric, and dishes. Weapons and parts of armor also appear five times in the register, alongside a sickle, an axe, and even a barrel of beer.

Furthermore, the mention of devotional items such as rosaries («agnusdei») or crucifixes in the pawn list is interesting. For instance, Domenico Braccolino pawned an «agnusdei» and a small cross together with three pearl necklaces for 50 Bolognini in January 1581. Similarly, two female debtors named Giovanna and Jiacoma each pawned some pieces of jewelry and a gold cross for 1 florin, 26 Bolognini in May 1582, and a «crocifisso» (along with other jewelry for one florin) in November 1588. Their pawning was officially – according to the statutes – forbidden. Apparently, the Monte's officials were not so strict when it came to accepting certain items.

Based on the research of Muzzarelli and Isabella Cecchini on inventories from Venice, it can also be surmised that some of the items, especially textiles, pawned by

women (and their husbands), were likely part of the dowry. This represented a reserve of movable assets that could be utilized in times of scarcity. The same may apply to the many items of women's clothing that appear in the sources discussed here. Central to this was the right of use over the dowry, which transferred to the husband and allowed him to profitably pawn these items.

Tab. 2. **Distribution of pawn objects in Lapedona (1578-90)**

Type of Object	Number of Mentions
bed sheet (lenzolo)	111
gold or silver ring	51
pillow (guanciaie)	50
tablecloth (tovaglia)	48
necklace (coral or pearls)	34
bale or piece of cloth	26
headscarf	24
towel	18
bonnet (cuffia)	11
blouse (camisia)	10
bag or sachet	9
tableware (tin plates), pots, cutlery, casks	7
weapons or pieces of armory	5
devotional Items	3
frill (gorghiera)	2
sleeves	2
shirt	1
ax	1
sickle	1
barrel of beer	1
unclear	1

Unlike the sales register from Perugia, the source from Lapedona shows a smaller range of items, which were generally of significantly lower monetary value. Consequently, one can conclude from the objects alone that the clients of the rural Monte

during this period were very often less wealthy individuals. This is also evident from the sums borrowed. A maximum of two florins were lent, and much more frequently, the amounts were even less than one florin. The currency specified in the third volume's pawn register is the Bolognino, with 40 Bolognini being worth one Florin. Some tablecloths, towels, and headscarves yielded an average of 16 Bolognini. Very often, several items were pawned together to obtain up to 30 Bolognini, as in the case of Simone, known as «spinarello», who on May 15, 1578, pawned a woman's blouse and an embroidered black silk cushion, wrapped in two cloths, for this amount. In contrast, for example, a bedsheet belonging to Cesare di Serena yielded a substantial two florins in November 1578. It should be noted that the monetary value attributed to the objects was by no means consistent: a gold ring («anello d'oro») could sometimes yield two florins, at other times only 16 Bolognini, or yet another time—together with another item—just over one florin. Also surprising is the comparable loan amount in both locations, despite the differing collateral. In rural areas, it seems that people were able to borrow the same sums of money for lower-value collateral as in the city, likely because of their limited possessions.

Another aspect that vividly illustrates the precarious living conditions of the Monte's debtors in Lapedona is the occasional disbursement of loans in kind, specifically in bread or grain. The register shows a total of eleven entries from the winter of 1588/89 and May 1589. On December 6th, 8th, and 12th, three women named Contilia di Colozzo di Traffeta, Contesa di Martino, and Madalena di Monti each pawned a headscarf or a tablecloth for 12 or 24 Bolognini respectively. The entries confirm that in all three cases, the loan was paid out in bread: «dati a lei in pane» (given to her in bread) / «dati a lei in tanto pane da Domenico panifacolo» (given to her in that much bread from Domenico the baker) / «dato a lei in tanto pane di panifacolo» (given to her in that much bread from the baker).

The Monte in Lapedona simultaneously functioned as a «mons frumentari», the pawn-broking for cash running parallel to the provision of grain (Skambraks 2023, 214ff.). Looking at the seasonal distribution of pawning transactions using the example of the Lapedona account book, it becomes clear that the demand for small loans was obviously highest between January and April. This was likely the period when winter provisions were depleted, and the need for investments in seed grain, food, and raw materials was greatest.

Unredeemed pawn objects were publicly auctioned off. From Perugia a list of auctioned objects has come down to us, shedding further light on the late medieval economy of circulating objects (Skambraks 2023, 214-20).²² In contrast to the rural sphere we encounter in the Lapedona registers, the list from Perugia offers a slightly different kind of objects, pointing to a higher living standard.

²²Archivio di Stato di Perugia (ASP), Commune di Perugia, miscellanea di computerista n.3, 1469.

Tab. 3. Types of pawn objects in Perugia (1469-70)

Term in the source	Translation	Number of mentions
vestito	dress	123
tovaglietta	Small tablecloth	69
asciuchatoio	headscarf	63
camorra, gamorra	undergarment	49
tovaglia	tablecloth	47
cintura	belt	44
un stampolo di panno	bale of cloth	40
giornea	gown	36
tessuto	cloth	32
libro	book	23
mantella	coat	18
capuccio	Short coat with hood	14
paio di lenzoli, lenzuolo	bed sheet	11
gonellino, gonella	skirt	10
guarnello	coat	7
berretino	bonnet	7
giupparello, giubbotto, farsetto	Padded doublet	7
tazza	cup	6
guardanappo	napkin	6
anello d'oro	gold ring	6
cupizo do panno	A piece of cloth	5
tramaglio	net	5
paio di calze	A pair of shoes	4
mantilotto	Small veil	4
balestra	crossbow	4
sacchetto	sachet	4
pantiera	belt (milit.)	4
veste	jacket	3
una gumisia, camicia	shirt	3
vergetta d'oro	stick of gold	3
braccia di panno	An ell of cloth (60 cm)	3
Paia de fianchali	Arm protection	3
coltello	knife	2
coralliera	coral necklace	2
capellino	bonnet	2
un paio de pettene da lanare	A pair of wool combs	2
filaia d'ambra	amber necklace	1
bacino	bowl	1
coperchio	cover	1
guanchale, guanciaie	pillow	1
una berrecta di grana	red bonnet	1
pezzo di seta	piece of silk	1
panno bigio	coarse cloth	1

diamante	diamond	1
tenevello grosso e una zappa pichola	drill and plane	1
taffeta da grano / grana	red silk-like cloth	1
nove quinterne de carta bambagina	nine pieces of paper from Amalfi	1
una ongarescha cum guaina	earthenware container with foot	1
una coltre azura	blue duvet	1
un porteletto de forno	an oven door	1
una catena da fuocho oder ventola	bellow	1

The pawn list, spanning 78 folios, documents the sale of unredeemed collateral from the Monte in Perugia between March 1469 and mid-1470. It contains a total of 553 entries with 703 pawned items. Therefore, it wasn't always just a single item that was pawned; more often, groups of objects were monetized. Especially with smaller and lower-value items like household textiles, two or three objects were often pawned together. It's clear that most of the sold items were articles of clothing. «Vestite» (dresses/garments) for men and women are the most frequently mentioned objects, with 123 entries. These are followed by small and large tablecloths (with 69 and 47 entries, respectively) and towels («stuckatoy or asciuchatoio») with over 60 mentions. Belts and long undergarments («camorre»), outerwear, jackets, and coats are also frequently mentioned. Jewelry such as gold rings, coral or amber necklaces, or gemstones like sapphires are rarely mentioned, appearing fewer than ten times. Weapons seem unusual, as does the oven door («porteletto de forno») which was pawned by Elpapa Bailo for 20 shillings and auctioned off by Antonio Angeli for 21 shillings on June 28, 1469. Cloths or bolts of fabric («tessuto, un stampolo di panno») are quite common, which points to the pawning practices of members of certain trades such as tailors, weavers, or cloth makers. This places the small credit offered by the Monti within the context of urban textile production and the precarious living conditions that often forced producers to pawn unfinished goods or products to obtain money. The majority of the objects had a rather low monetary value, less than or up to one Florin. It's important to note that pawned items in the Monti were always supposed to be valued one-third lower than their market value. Objects like a piece of iron («una mazza di ferro») for 12 shillings, a carving knife («coltello») pawned for 16 shillings, a piece of fabric or clothing made of cotton and green ribbon for 18 shillings, or a small tablecloth and a headscarf («tovaglia pichola e uno asciuchatoio») for 15 shillings. While tablecloths, bed linen, and towels were typically sold for only one Florin, more valuable garments, especially women's dresses, could fetch prices between two and up to 14 Florins. Noteworthy high-value objects include finished outer garments («giornea» or «vestite») or those made of black velvet, which cost around six Florins. The source not only provides information regarding the material value of the pawns but also mentions the state these objects were in by using certain attributes. At some points, the entries characterize the items with attributes like «sporca» (dirty), «corrostatto» (worn out, tattered),

or more neutrally, simply «nove» (new) or «usate» (used), thereby describing a new dimension of value attribution beyond monetary worth. But why was this attribution necessary at all? Presumably, on the one hand, it somehow justified the estimated value, and on the other hand, it made it easier to locate the items again in the depositary by providing a precise description, thus ensuring their retrievability. This points to the fact that the precise value of these seemingly worthless items was important both for the depositary, who was responsible for proper safekeeping, and for those who used them as a store of value to obtain a small loan from the Monte. Even if the items were worn and old, sometimes broken or unsightly, they were still good and valuable enough to be used in times of need.

3. Beyond Italy: The Monti of Augsburg and Nuremberg

The model of the Monti di Pietà successfully spread throughout the Mediterranean.²³ However, much less is known about such institutions north of the Alps.²⁴ In the German-speaking lands, it seems odd that nearly no cases of public pawnhouses (with the exception of Salzburg, eighteenth century) are known.

Maybe unsurprisingly, the two main economic hubs in the Holy Roman Empire – Nuremberg and Augsburg – were the first ones to erect urban pawn-broking houses closely following the model of the Italian Monti. Their story can be traced through archival source material pointing to the import of institutional solutions to pressing economic problems within those cities organized by members of the local merchant elite who in the course of the sixteenth century enhanced their activities as promoters of urban social politics. Naturally, their interest in the wellbeing of the local economy as basis of their own wealth must have been one essential driving force, but was also connected to their role as leaders of the common good that had slowly but steadily developed since the 13th century.

This subchapter is dedicated to the development of these German Monti in the late sixteenth and early seventeenth century in comparison to those founded c. 100 years earlier in Italy. Already at the beginning of the sixteenth century, German legal experts/theologians were proposing the erection of Monti in the German lands. Christoph Cuppener, a former syndic in the city of Brunswick and later university professor of law in Leipzig, wrote a treatise on usury in the year 1509 («Ein schoens buchlein ueber den Wucher»)²⁵, containing a substantial part on the «Montes Pietatis» or «Berge der Mildigkeit». Cuppener's writing is addressed to the Dominicans and the merchants of the city. It is part of the penitential literature for confessors and

²³ We know of early modern foundations in France (Avignon 1610, Paris 1637), Spain, Portugal.

²⁴ Antwerp and Namur as well as Salzburg are known examples.

²⁵ Christoph Cuppener, Ein schoens buchlein zu deutsch, doraus ein itzlicher mensche was standes er sey, lernen mag, was wucher und wucherische handel sein und was der berg der mildigkeit der die wucherischen handel vortilget und in deutschen landen bisher unbekannt gewest ist, in sich helt. Auch was rechte und unrechte kaufmannschaft und handel gesein und wechsel aller wechsele des wechsel geldes durch den achtbarn hochgelehrten und gestrengen Herrn Cristoferum Cuppener der freyen kuenste und beider rechte doctor und ritter, got zu lobe und gemeinem nutz zu gut gemacht und geendet, Leipzig 1508 (printed by Melchior Lotter). Bayerische Staatsbibliothek, Signatur: 2 Merc 1 s. https://reader.digitale-sammlungen.de/de/fs1/object/display/bsb10942799_00005.html

prepares juridical and theological knowledge about the ubiquitous matter of combating usury as well as merchandising for the spiritual advisors of urban oligarchs. It can thus be placed in the same context as the Franciscan and Dominican treatises from Italy, whose authors, as advisors to the urban elite, took on the tasks of mediators between ecclesiastical and secular law and the changing economic practices of the late Middle Ages. As in the examples from Italy, the central question debated here is usury and legitimate interest – obviously still hotly debated at the beginning of the sixteenth century. Cuppener, who also studied law in Bologna between 1490 and 1492, concludes – very similarly to Annio da Viterbo and Bernardino da Feltre cited above – that the Monti as instruments of provision and economic care would clearly foster the «*bonum commune*» and help to prevent the economic and consecutive moral downfall of citizens.

Like Annio he mentions six social contracts manifesting the common responsibilities of the urban community for the «*bonum commune*», emphasising the connection between charitable credit and salvation history: for the rich as potential founders of pawn-broking houses and for the working poor as a community with the ability to actively help themselves through credits – in contrast to mere alms. From the perspective of social politics the Monte becomes one important instrument of economic provision («*conomysche vorsichtigkei*»). Those in need should be able to borrow for the duration of 6 to 12 months, with each «*gulden*» yielding half a «*groat*» interest («*ubergabe*»), equaling approx. 2,4% interest. Notably, Cuppener claimed the abolishment of interest if the Monte should gain enough capital.

The government of Leipzig, the city in which Cuppener lived and worked, did not erect a Monte di Pietà and surprisingly the first German Monte was only established in 1603 in Augsburg.

Augsburg and Nuremberg clearly stand out among the later medieval and early modern German cities, as they were both major hubs of international long-distance trade, combined with an elaborate system of proto-industrial forms of production, like the putting-out system in the textile sector employing numerous groups of workers. Both were imperial cities with a typically high degree of civic autonomy *and* political support by the emperor. At the same time they were ruled by an influential and economically potent elite of merchant families and their companies, like the famous Fugger and Welser in Augsburg or the Tucher, Imhoff or Stromer families in Nuremberg. These elite actors figured prominently in the social politics – as was the case in the Italian cities. Augsburg had between 30.000 and 50.000 inhabitants between 1500 and 1600 (with a significant drop after the plague struck the city in 1628), similar to Nuremberg with c. 40.000 inhabitants around 1500. Regarding their economic situation at the beginning of the early modern period, both cities were affected by the contradictory economic trends during the sixteenth and seventeenth century: recovery and crisis (Kellenbenz 1980, Kießling 1984, Pfister 2020). During this time we can see signs of crisis in the bankruptcies of merchant-banker families. On the other hand there was a strong market orientation of the crafts evolved with the putting-out system and a high degree of specialization. Both cities were affected by external crisis factors as well. Nuremberg suffered from the second Margravian War 1552-54, the siege of the town / pillaging of the surrounding countryside leading to a substantial financial crisis as well as a famine in 1570. The war led to an increase of

the city's debt from 450,000 guilders in 1552 to 4.5 million guilders in 1560. The situation in Augsburg was similar. Prosperity and poverty went hand in hand. The textile industry was affected by overproduction and sales difficulties as a result of growing competition from central German linen products and English and Dutch textile imports, and the vast majority of weavers lived in very precarious circumstances, caused by increasing price and resulting in a high degree of inequality (Skambraks 2024, *passim*; Alfani et al. 2020).²⁶

Among the documents the citizens of Nuremberg wrote in March 1579 to the syndicate²⁷ demanding the establishment of a Monte, there is one letter of particular interest regarding the demographic problems caused by the emigration of many impoverished craftsmen- and women. They describe the difficult situation of the weavers suffering from poverty, who are forced to pawn their tools and eventually leave the town – a fact that created severe demographic problems for the whole city community. The solution would lay in the foundation of a communal pawnhouse, for which the authors even provided some preliminary statutes.²⁸

Up to the fifteenth century, the care of the poor in Augsburg was still largely in private and ecclesiastical hands. These welfare providers worked through donations, alms, infirmaries and hospitals. A widely known private welfare initiative was the «Fuggerei», founded by Jakob Fugger between 1514 and 1523. In Nuremberg small-scale credit was provided by a number of Jewish pawn-brokers as well as networks of private credits, which can be hardly traced at all.

The cities took care of cyclical poverty by building up stocks, controlling prices and giving out food free of charge in times of famine. However, there were no municipal credit institutions for the inhabitants. The records of the local city archives document the first efforts by the Augsburg city council to found a municipal pawnshop from the 1570s on. In Nuremberg this process started at the end of the fifteenth century with a charter by emperor Maximilian I. ordering the expulsion of all Jews from town (Höxter 2009).²⁹ In both cities members of the merchant elite were the

²⁶ Contemporary price data for basic commodities (like beer, meat, wine, grain) show a continuous rise in prices between 1400 and 1600. Guido Alfani and Viktoria Gierok have calculated the Gini for Augsburg as follows:

1500 (1498): 0.449

1550 (1554): 0.770

1600 (1604): 0.843

1650 (1660): 0.751

1700 (1702): 0.742

1750 (1717): 0.780

²⁷ Stadtarchiv Augsburg (SA), A Pfand- und Leihhaus 1579-1726, Tom. I Der Herrn von Nurmberg bedecken eines Montis Pietatis 1579, single sheet.

²⁸ The letter describes the difficult situation of craftsmen as follows: 'And as far as the craftsmen are concerned, it does not remain with simple pawns, but they must also pawn their tools in order to feed their wives and children. If such tools are pawned, it must be taken into account what irreparable damage the entire city suffers.' (translation by the author). SA, A Pfand- und Leihhaus 1579-1726, Tom. I Der Herrn von Nurmberg bedecken eines Montis Pietatis 1579.

²⁹ Staatsarchiv Nürnberg, AN, Kaiserl. Privilegien, Urkunden 563. Soon after Nuremberg's Jewish moneylenders settled in places around the city, like Fürth, and continued their business there. The city council tried to intervene during the 1550s to the 1570s, until Maximilian II stepped in issuing another decree forbidding credit transactions between Jews and Christians – without much success, since the

driving forces of the establishment of communal pawn-broking houses, taking on a role as active promoters of the city's welfare. In Nuremberg, names like Tucher, Imhoff³⁰, Baumgartner and Pfinzing³¹ appear in all sources connected to the foundation and later management of the local Monte. The Nuremberg pawnshop was finally opened on 4 November 1618 and became a great success. As early as 1621, 80,000 florins were borrowed (Heisig 2008, 25; Krauss 1952). Its organization seems to have been more flexible pointing towards a wider clientele as well as the character of the microcredit, oriented upon bigger investments. According to the statutes, the loan sum could be up to 500 guilders and immobilia, like pieces of land could be used as pawns. The Monte also employed professional female brokers («Unter-käuferinnen») to estimate the pawns and organize the auctions. Supposedly these actors were connected to the local market for used items, pointing out the close connection between pawn-broking and second-hand trade, that also sparks in the auction lists from Perugia. On a more general note, we could conclude on a broadened profile of the Nuremberg Monte as credit institution, also offering their services to richer social groups of the city's population.

Much the same holds true for Augsburg, where members of the families of Zobel, Stenglin and Welser were actively involved in the Monte's erection. Martin Zobel – a protestant member of the city's merchant elite with close trade connections to Italy – recommended the erection of a public pawnshop in the Italian style and the consultation of an experienced Italian councilor in 1579. The pawn-house should follow the Italian model: for instance, the pledges – as in the case of the Italian Monti – should be valued at $\frac{2}{3}$ or $\frac{3}{4}$ of their commodity value. The profits made from the auctions of unredeemed pawns should be repaid to the poor. In his letter to the city council Zobel emphasized the role of the Monte for the common good, echoing the content of the Italian statutes. Interest up to 10% should be legitimate, although usury should be avoided – and especially the usury of the Jewish moneylenders had to be abolished.

The 'ruinous' role of Jewish moneylenders operating in the villages around Augsburg (e.g. Pfersee, Leitershoven, Steppach and Kriegshabern) had been emphasized in a letter by Paul Welser and Daniel Stenglin from the same year.³² Welser himself was a merchant and banker and thus probably interested in eliminating his business

inhabitants were in constant need of small-scale credit, especially around 1570, when climatic changes of the small ice age led to bad harvests, famine and diseases. Simultaneously, wealthy credit seekers had turned more and more to Christian creditors, leading to a shift in the credit system. The Jewish moneylenders' clientele came mainly from the artisan milieu. Members of the social group of craftsmen and -women were indeed under severe economic pressure at the end of the fifteenth century. The structural pauperisation of the working population (which can also be observed in Italy) led to a growing need for small-scale credit.

³⁰ In 1613, the merchant, Reichsschultheiss, councilor and later co-founder of the «Banco Publico» Endres III Imhof (1562–1637) was commissioned by the city's 'Aldermen' to make enquiries about the pawnshop in Augsburg that should figure as a role model.

³¹ Four representatives of Nuremberg's best-known patrician families were appointed as guardians of the pawnshop: Endres Imhof, Georg Baumgartner, Georg Pfinzing and Philipp Jakob Tucher.

SA A Pfand- und Leihhaus 1579-1726 Tom. I, Faszikel without number. An die Herren Stattpfleger und Gehaime Gehorsamer Fürschlag Pauls Welsers und Daniel Stenglins, Was massen gemainer armer Burgerschaft mit Leihen auff Pfand ettlicher massen geholfen werden möcht. 1579

rivals. Augsburg's pawnshop was finally founded on 11 March 1603. The statutes of April 14 1605³³ list in 30 articles the instructions for the safekeeping of the money and the pawns, the clients allowed (only burghers and inhabitants or members of their «familia»), the duties of the administrators as well as the fixed interest rate of 5% (12 pennies per guilder per month) on a maximum loan of 10 guilders and the monthly auction, called «Gandb». Looking at the development of the business in numbers, we see that in 1632 the pawnshop had already firmly established itself with assets of 44,000 guilders. The crisis and caesura for both cities was caused by the Thirty Years' War, which caused the surplus of the Monte to flow into the state treasury and to alleviate the general shortage of money. The capital in Augsburg shrank to such an extent that the institution faced closing down in 1663. Several enclosures to minutes from the city archives bear witness to this decline. In 1644, the income compared to the expenses was still 10505 guilders (income) compared to 1279 guilders (expenses).

Shortly before its temporary shut-down in 1663 (it re-opened in 1732 only), the administrators sought to write an inventory of all remaining pawns providing us with a little insight concerning the economy of the poor, i.e. some data on the clientele and types of pawn objects. Among the c. 60 to 70 pawn objects left there, we find well-knowns like pieces of cloth and some metalware.³⁴ 40 objects had a value between one and five guilders – again small-scale credit. The names of the clients might also indicate some kind of association with a certain profession: peddler («Kremerin»), shepherdess («Scheiffhüettin»), butcheress («Flaischerin»), melter («Schmelzerin») and one blacksmith («Schmidin»). Here we can conclude that the Monte of Augsburg in the seventeenth century still provided microcredit to the working poor.

4. Conclusion

Late medieval Italian city governments recognized the problems of economic volatility and precarity as socio-political challenges and tried to solve them. They endeavoured to build an effective system of credit provision that enabled the working poor to overcome temporary phases of shortage and crisis – the reasons for private bankruptcy and insolvency. The quantitative data relating to the expansion of the institution, the clientele as well as the number of credit transactions adds to the picture of success of another urban credit instrument. Simultaneously, one could conclude at this point that welfare politics became more and more under the control of civic or state institutions, like the Italian city states with their councils but also the role of prominent Southern German merchant families show. The Microcredit provided there, was intended to prevent overindebtedness and illiquidity threatening the majority of the population in medieval cities (50 to 80%). Basically everybody

³³ SA A Pfand- und Leihhaus 1579-1726 Tom. I, Instruction das Leichhaus betreffend 14. April 1605.

³⁴ The inventory names for instance small rolls of linen and black cloth worth 6,30 guilders, a woolen robe, a black cloak (no values given); pieces of copper, brass, one mortar with pestle, one copper kettle and one a höllhafen (for heating water).

possessing some dispensable household items or clothes, was entitled to a small sum of liquid money. The risk of cyclical impoverishment or at least its consequences could thus be mitigated by another credit instrument in the sphere of the medieval and early modern urban economy. It could maybe also induce a certain sense of relief and agency as suggests the voice of Giulio Cesare Croce, the poet and blacksmith from Bologna.

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Istituzioni: quadri normativi e regolamentari

Institutions: normative and regulatory frameworks

*The courts of the local bailiffs in medieval Mallorca.
Shared jurisdictional mechanisms to prevent nonpayment**

1. Introduction

This article aims to study the local jurisdictional courts, of rural contexts, in the island of Mallorca between the fourteenth and the fifteenth centuries and the role they played in the prosecution of nonpayment and insolvency. Our main objective is to describe the procedures of these institutions and to understand the roles assigned both to the officers involved and to the litigating parties (plaintiffs and defendants) in such disputes. We also aim to highlight the most common strategies used by actors to defend their economic interests, including their use of procedures to their advantage, and the filing of appeals based on the Law and custom. These tasks are conducted through the examination of the court of Montuïri, a small town in central Mallorca.

We believe that the study of local court records demonstrates the degree of personal agency held by the actors (which were often members of the popular classes, peasants, and even women), and that, in fact, that the users' actions were decisive in modifying the mechanics of these feudal institutions.

Ultimately, we suggest that the local jurisdictional courts in the Late Middle Ages were amidst a field of forces. On the one hand, they were used by creditors (often outsiders) to extract agricultural surplus. On the other hand, they were governed by locals and thus allowed for the mitigation of predatory creditor actions through settlement, delay, or community solidarity. All this offers new perspectives on the study of insolvency and nonpayment.

For the study of credit, the jurisdictional courts are of interest for several reasons. On the one hand, they show a different facet from the issuance of credit: its enforcement. Often neglected by researchers, through these sources we learn when the payment deadlines were really met; how frequent was non-payment within a given community; how non-payment or delay was resolved; and what kind of pledges were delivered to compensate the lender. On the other hand, it should be noted that the

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local jurisdictional courts, both for contentious and consensual duties, were central institutions for the social majority – the non-privileged classes. Members of these sectors in the Mediterranean West during the Late Middle Ages turned to the local court to manage their businesses as regularly as they did to the notarial office.¹

As we have discussed elsewhere, such insights can only be gleaned through the records documenting court procedures – that is, the books where mechanisms activated by the courts were transcribed chronologically and consecutively, often without case files compiling one single process from the beginning until its resolution (Sales i Favà 2014). While in other European contexts, particularly in Britain, this type of documentation has been extensively used by scholarship (Razi and Smith 1996; Briggs 2009), in the Iberian kingdoms, these sources have only been studied over the past few decades (Viciano 2001; Sales i Favà and Reixach Sala 2022a). Furthermore, we have a lagging institutional History that has often overlooked popular justice to focus on the major State institutions. Legal historians have also generally been reluctant to study such local entities. Nonetheless, as it is increasingly demonstrated for the continental Crown of Aragon in the Late Middle Ages, there exists a voluminous, scattered documentary corpus related to first-instance local courts that still awaits thorough study and, in some cases, even proper cataloguing (Sales i Favà and Reixach Sala 2022b).

This article uses several volumes from the local jurisdictional court of the town of Montuïri, which were previously unexplored and date from the period 1388–1433.² We have specifically explored the series described as *Llibres Comuns*, mostly used to record executory writs, debt obligations, and also ordinances issued by the bailiff. The town retains a collection of jurisdictional records, systematically arranged into series that correspond to the different procedures employed in the administration of civil and criminal justice.³

Situated in central Mallorca and inside the royal domain, Montuïri was a market-town acting as a hinge between its surrounding rural landscape and the capital city of the island (Map 1). The parish could have c. 500 inhabitants by the late fourteenth century (Sevillano Colom 1974, 266). The town is representative of a specific type of small urban node, characteristic of both Mallorca and the continental Crown of Aragon, which provided a wide range of services (including first-instance judicial

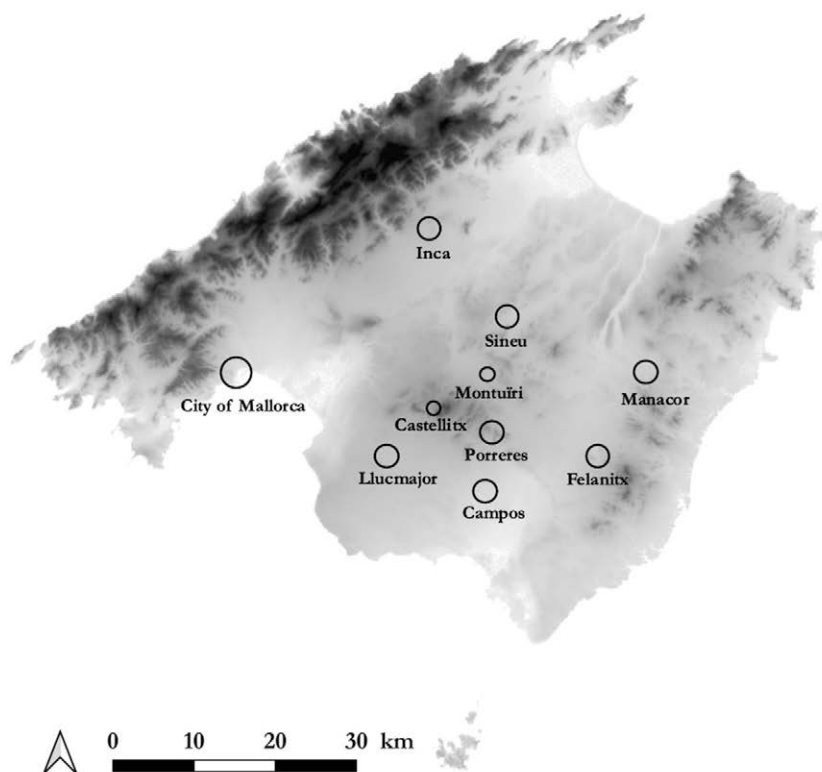
¹ In fact, both offices, often leased to the same individuals or companies in the Crown of Aragon, could even be confused by their clientele. In 1432, a certain Pere Joan de Padrina requested a copy of documents from the local bailiff of Montuïri, Mallorca, in which a lease was recorded. The scribe responded by stating that the document was not found in a court book, but was indeed in his possession as notary (*«ans és en son poder, e aquella ha rebuda com a notari, e no com scrivà de la cort»*). Arxiu Municipal de Montuïri (AMM), Cúria Reial (CR), *Llibres Comuns* (LC), v. 1432-1433, f. 1r-1v (9-2-1432). On the cohabitation of both offices, see Smail (1998, 34-43).

² AMM, CR, LC, v. 1379-1395; 1388; 1389; 1390-1399; 1400-1405; 1406-1410; 1410-1415; 1414-1415; 1418-1421; 1422-1444; 1432-1433.

³ Only one single register of the corpus had been so far subject to linguistic analysis due to the expressive vernacular Catalan used by the actors and recorded by the scribes (Miralles i Montserrat 1984). Other studies derived from this sort of registers, in Mallorca, are Hillgarth and Rosselló Lliteras (1989), Canals i Frontera (1989), Llompart Moragues (1995), Bibiloni Trobat (1997), Canals i Frontera (2003), Llompart Moragues (2007).

functions) to its own inhabitants and the surrounding district, formed by dispersed farmsteads.

Map. 1. Mentioned localities of the island of Mallorca



The timespan covered by this study is relevant, since the turn of the fifteenth century is a period in which local courts in the Crown of Aragon had fully achieved, both in the royal and the baronial estates, a unified way of dealing with legal procedures that fostered territorial integration (Sales i Favà 2025a, 57).

Our decision to work with this specific documentation stems not only from its serial nature, fine preservation, and accessibility (much of it has been digitized), but also from our knowledge that these institutions, in the civil sphere, particularly handled cases related to the so-called *ius obligationum*. *Ius obligationum* governed economic compromises amongst institutions or individuals (Mayer 2006). As a sole example, between February and August 1432, the series of *Llibres Comuns* of the court of Montuiri transcribe a total of 121 civil procedures, the majority of which (108, 89.3%)

directly relate to insolvency, non-payment, or delayed payments.⁴ Such ubiquity of economic issues is also frequent in other contemporary courts across the peninsular territories of the Crown of Aragon (Sales i Favà 2022, 97-112; Sales i Favà 2025a). As will be discussed further on, these suits were linked to various financial products acquired by community members, as well as to other economic exchanges that were not strictly related to credit, such as emphyteutic rents, leaseholds or local taxation.

The structure of this paper is as follows: a) It first presents the institutional framework for the local jurisdictional courts on the island, focusing also on their competences in non-contentious matters; b) it then outlines the basic internal structure of these courts and the procedural iter foreseen for cases of insolvency and non-payment; c) drawing on data extracted from various chronological court records, it provides a typology of the forms of non-payment; d) finally, based on this same material, it examines the actions of the actors within the jurisdictional court, tackling two key dynamics: the phenomenon of pledging, and the strategies of delay and legal argumentation.

2. The institutional setting

Following the Christian conquest of Mallorca in 1231, the Catalan lords divided the island among themselves, effectively fragmenting it into a patchwork of jurisdictions. However, these same lords recognized the jurisdiction of the royal vicar (Veguer), an officer of Catalan origin, in criminal matters (Soto i Company and Jover Avellà 1997). By contrast, in civil affairs, they retained authority for themselves – this included the monarch, who held jurisdiction over various districts beyond the city of Mallorca. Traditionally, it has been emphasized the weakness of royal jurisdiction during the thirteenth century, across the island and even within the king's own domains (Santamaría Arándeiz 1981, 15-28). To address this, the early fourteenth century saw the creation of the so-called Veguer de Fora, an office with renewed powers *fora vila* – that is, beyond the city and in rural areas – intended to reorganize royal jurisdiction and counter the encroachment of seigneurial powers.

At the same time, local royal bailiffs were endowed with new competencies in civil law (Planas Rosselló 1998). Over the course of the fourteenth century, these officers came under the authority of the Governor (*Governador*) of the island, who not only represented the monarch but also came to serve as an appellate instance for civil cases. In certain instances, the Governor also assumed appellate jurisdiction over criminal cases, thus overlapping with the vicars' prerogatives (Piña Homs 1987, 53-56; Planas Rosselló 1995, 48).

The Batlle General (also known as Batlle de Mallorca) represented yet another possible appellate authority in relation to local justice, particularly in cases of local inaction in civil cases.⁵ Furthermore, this figure also held original jurisdiction over all

⁴ AMM, CR, LC, v. 1432-1433, f. 1r-42r. Rare exceptions ($n = 13$, 10.7%) are public ordinances ($n = 5$) and disputes over theft, trespass and family law ($n = 7$).

⁵ A letter of May 1432 sent by the Batlle General to the bailiff of Montuïri stated: «...en Johan Xameno, procurador del honorable en Guillem Nicholau de Porreres haia baiit a nós recòrrer per falta de vostra justícia, la qual fer havets cessade segons per diverses letres del vostre batlliu...» (Joan Xameno, procurer of Guillem Nicolau of

civil cases involving residents of the city, as well as cases concerning external notables litigating within city bounds.

By the late fourteenth and early fifteenth centuries, in royal demesne territories, the hierarchy Gobernador > Batlle General > local bailiffs had become well established both in civil and criminal suits. Conversely, the Veguer de Fora progressively lost significance (Planas Rosselló 1998, 9, 12; Sastre Moll 2014, 77-79).

Not only the Governor appointed the local bailiffs for a one-year mandate,⁶ but along with the Batlle General showed supervisory and coercive rule and were described as superior authorities⁷. They could order, under threat of fines or dismissal of the local bailiffs, the transfer of documents that had been registered on site⁸, the activation of coercive mechanisms⁹, or even the preemptive incarceration of individuals involved in civil disputes.¹⁰ Indeed, a significant portion of the documentation issued by local courts consists of *cartes executòries* – executory writs – dispatched from institutions based in the city of Mallorca, or legal proceedings that stemmed from such orders.

Local bailiffs held the legal authority to act against any inhabitant of their own district (the bailiwick). This power was formally recognized¹¹, which is why it was common practice, in proceedings initiated in other courts (whether local or central), to request his intervention to compel or seize the assets of one of their district's own residents (*districtual*).

If the local bailiff failed to act and was deemed to be in a state of *desídia de justícia* (neglect of justice), the general administration would step in to compensate for this inaction by dispatching an executive commission from the city. The commissioner assigned to the location could be a *capdeguaita*, one of the executive officers of the general administration.¹² In this regard, a body of ordinances issued in 1432 by the Governor of the Kingdom of Mallorca – with the participation of the city's aldermen – reveals that such circumstances were frequent.¹³ While in the past these commissions had demanded a salary deducted from the pledge or goods that had been seized – thereby financially harming the plaintiff – these new ordinances established that it would henceforth be the local bailiff and his own assets who would bear the cost of the commissioner, since the former was ultimately responsible for having called-in the mechanism.

Porreres, has had to resource to us given the lack of justice provided by you, as has been instructed to us by several letters from you bailiwick). AMM, CR, LC, v. 1432-1433, f. 13v (2-5-1432).

⁶ AMM, CR, LC, v. 1388, f. 37v (17-5-1388); v. 1410-1415, f. 39v-40r (13-5-1410).

⁷ AMM, CR, LC, v. 1432-1433, f. 21r (8-7-1432).

⁸ AMM, CR, LC, v. 1432-1433, f. 1r-1v (9-2-1432).

⁹ AMM, CR, LC, v. 1432-1433, f. 2v (9-2-1432).

¹⁰ AMM, CR, LC, v. 1432-1433, f. 53r-53v (22?-9-1432).

¹¹ See, for instance, AMM, CR, LC, v. 1432-1433, f. 35v (21-8-1432).

¹² AMM, CR, LC, v. 1432-1433, f. 9r-9v (19-3-1432); f. 16v-17r (14-5-1432).

¹³ For the ordinances, see AMM, CR, LC, v. 1432-1433, f. 60v (8-10-1432); f. 61v-62r (31-7-1432). See also AMM, CR, LC, v. 1432-1433, f. 36v (25-8-1432).

3. The gracious jurisdiction

In addition to coercive measures aimed at pursuing delinquency, late medieval courts also facilitated a series of parallel mechanisms falling under what has been framed as *gracious jurisdiction*. Gracious jurisdiction is defined as a form of non-contentious judicial activity, mediated by the jurisdictional authority, and exercised *inter volentes* – that is, by individuals who voluntarily request the intervention of a public authority and accept its resolution (Claustre 2006). The most recurrent expression of this practice is the registration of pecuniary obligations in the books kept by the court.

One illustrative example is the obligation formalized in the court of Montuïri by Jordi Portell of this same parish on February 2, 1432, in favor of Mateu Riera, from the nearby village of Castellitx. In this act, Portell committed himself to deliver, within a specified due date, 80 sous (s.) for the purchase of a black donkey. The obligor accepted a fixed schedule of payment and agreed to a set of guarantees and personal waivers.¹⁴

These acts were subject to the enforceability of the court, meaning that in the event of litigation, the business would not require supporting evidence to be deemed valid. Given that the individual undertaking the payment pledged all his goods and assets (*personaliter et omnia bona nomine, deponiti et comande*), it is plausible that most defaults were eventually settled through automatic mechanisms.

These obligations constitute a substantial portion of the acts found in the local court books. For example, between February 1410 and January 1411, obligations comprised 50.7% of all documents (152 out of 300) recorded in Montuïri, whereas by the exact same months between 1432 and 1433, they made up 24% (69 out of 287) (Table 1).¹⁵ They provide insight into the nature of credit-based economic transactions, particularly those involving deferred payment. Credit-based purchasing was an essential aspect of daily life among the popular classes, driven by limited monetary circulation and the irregular income patterns characteristic of an agricultural economy (García Marsilla 2002, 39-100). This can mostly be attested through the type of documentary evidence this article deals with.

Of all 221 obligations from 1410-1411 and 1432-1433, 114 (51.6%) involve the purchase of grain, particularly wheat ($n = 83$) and barley ($n = 27$). Mostly undertaken during autumn, these purchases had as an explicit purpose the use of the grain to sow (*per a sembrar*). They were due for Saint John in June, in principle, in cash. The livestock market seems to have been conducted, also, through these types of pledges in court ($n = 66$, 29.9%). As in Catalonia around the same time, it was primarily the most expensive animals – oxen and equines – that were purchased, while minor livestock, such as ovine and swine, were typically transferred through *comanda* contracts, in which the contracting parties shared the profits (Sales i Favà 2021, 178).¹⁶

Although most of the obligations relate to non-litigated circumstances (besides the grain and livestock market, they can also derive from purchases of wine and wool,

¹⁴ AMM, CR, LC, v. 1432-1433, f. 2r (9-2-1432).

¹⁵ AMM, CR, LC, v. 1410-1415; 1432-1433.

¹⁶ One example of such a *comanda* contract involves the allocation of wool, cheese, and lambs from a herd of 195 sheep: AMM, CR, LC, v. 1410-1415, f. 119v-120r (10-11-1410).

and loans), sometimes they are the evidence of a compromise arising from disputes. Almost at any point of a legal procedure for default, the parties could reach amicable settlements and therefore avoid enforcement and legal expenses. The knight Francesc Miró, entitled lord of *Molins*, had litigated during the Summer of 1410 over a certain amount of wheat owed to him by Pere Socies of Montuiri for an unpaid rent.¹⁷ In September, prior to the confiscation of Socies' chattels, the parties settled the outstanding debt, the terms of which were entered into the record before the bailiff's court, fixing payment on the Feast of Saint Michael.¹⁸

Given that similar obligations could also be recorded – and indeed were – in notarial ledgers, we have explained elsewhere that court deeds served as the most simple and cost-effective option for the parties involved (Sales i Favà 2014, 63-64).

It must be stressed that still another facet of the gracious jurisdiction exerted by these local courts is the issuing of public licenses. These were related to the spatial organization and managing of the landscape¹⁹, and to private affairs such as guardianships.

This paper does not delve further into the exercise of gracious jurisdiction by local courts. Nonetheless, the sheer volume of obligations recorded strongly suggests that these courts were not conceived merely as contentious arenas but also functioned as institutions for formalizing and certifying mutual agreements and debts between parties.

4. Civil litigation

In the previous section it has been noted which were the competences of the local bailiffs in the non-contentious sphere. Additionally, in their capacity as representatives of the allodial lordship, they also performed fiscal collection and oversight duties.²⁰ This section moves on to consider the courts' ability to direct the course of civil litigation.

Local courts were presided by the bailiff, who was responsible for the overall functioning of the institution. Bailiffs were recruited from among the local elite, although they lacked any formal legal training. Their jurisdictional competencies were diverse. Under their authority, subordinate officers carried out procedural actions and were required to report back to them. In addition, the bailiff summoned and received the oaths of the parties²¹, conducted interrogations and investigations, granted extensions or exemptions, admitted appeals, acted as a financial custodian, and served as the institutional representative in external communications – that is, they were the ones who received and dispatched correspondence with superior authorities.

¹⁷ AMM, CR, LC, v. 1410-1415, f. 61v (16-8-1410); f. 63v-64v (19-8-1410)

¹⁸ AMM, CR, LC, v. 1410-1415, f. 86r (16-9-1410).

¹⁹ Licenses for scrub burning stand out in the case of Montuiri: AMM, CR, LC, v. 1432-1433, f. 72r-72v (29-8-1410); f. 28v (15-8-1432); f. 73r-73v (20-10-1432).

²⁰ AMM, CR, LC, v. 1432-1433, f. 19v (29-6-1432)

²¹ In an act confusingly described as *judici* (trial). AMM, CR, LC, v. 1432-1433, f. 3r-3v (14-2-1432).

In comparison with other rural bailiffs studied to date in the Principality of Catalonia, those in Mallorca appear to have exercised their judicial roles with greater assertiveness in the early 15th century (Planas Rosselló 2002, 77; Sales i Favà 2022, 97-112). Although there is no evidence that they issued formal rulings precisely labeled as sentences, they frequently heard the parties and issued provisions or interlocutory decisions.²² In this regard, when in 1432 the royal bailiff of the town of Porreres sought to determine whether payment for an ox had been made, he explicitly declined to issue a decision after hearing only one party, on the grounds that “it is not a worthy thing that any judge should make a provision without the parties being summoned and heard” (“*no sia digna cosa que per algun jutge sia feta alguna provisió sens citades e hoïdes les parts*”).²³ By contrast, the strict judicial authority – the power to impose *silenci sempitern* or permanent closure on a case through a sentence – seems to have been reserved for the legal advisors (i.e. trained judges) designated and working in behalf of the higher bodies (the Batlle General or the Governador) (Quadrado 1894, v. 1, 124-25; Planas Rosselló 2002).

In complex cases requiring expert knowledge (e.g., land surveying, property boundaries, the health condition of livestock, etc.), the bailiff would enlist a body of local notables (*proboms*) of the local community.²⁴ These individuals provided counsel, guided the bailiff's decisions²⁵, and even carried out on-site appraisals when goods were to be seized.²⁶

The bailiffs also oversaw a small team of officers composed of a deputy (*lloctinent*) who acted in his behalf; a steward (*saig*), who was responsible for policing and serving notifications; the *corredor*, in charge of organizing public auctions mandated by the court²⁷; and the public scribe, tasked with recording the actions of his colleagues in a set of documentary series. They all formed the local court, which had first-instance jurisdiction in civil matters. Being in the royal domain, these officers underwent a public audition after their duty: the so-called *judici de taula*. The accounts were inspected whilst all individuals were invited to present allegations against their performance before a special body of two inquisitors.²⁸ Since 1398 in Mallorca, none of these officers were permitted to simultaneously hold the office of local juror, in order to safeguard royal discretion (Ferrer i Mallol 2010).²⁹

This team of officers supervised a procedural iter of which we are mostly aware thanks to the practices recorded in the court registers. Any proceeding for debts began with the filing of a complaint, before the bailiff, which was formally notified to

²² Some examples are AMM, CR, LC, v. 1410-1415, f. 7v-8r (11-2-1410); v. 1432-1433, f. 3r-3v (14-2-1432); f. 11v (31-3-1432).

²³ AMM, CR, LC, v. 1432-1433, f. 26v (29-7-1432).

²⁴ AMM, CR, LC, v. 1389, f. 22v (5-2-1389).

²⁵ AMM, CR, LC, v. 1432-1433, f. 4v-5r (8-2-1432); f. 25r-25v (23-7-1432).

²⁶ AMM, CR, LC, v. 1432-1433, f. 15v (13-5-1432).

²⁷ Auctions were typically held on the town's weekly market day (*jorn de mercat*). AMM, CR, LC, v. 1390-1399, f. 67v-68r (14-1-1393).

²⁸ AMM, CR, LC, v. 1388, f. 46v-47r (17-6-1388); v. 1400-1405, f. 47v-48r (8-6-1404); s.f. (23-5-1415).

²⁹ AMM, CR, LC, v. 1400-1405, s.f., (23-8-1415).

the debtor. The latter was granted a specific period – varying depending on its social status – in which to respond. In our case study –the town of Montuïri– these initial claims were probably registered in an independent series of books.³⁰ They were also frequently mentioned in the filing of the subsequent proceedings.³¹

To compel payment or negotiation thereafter the system had at its reach a range of coercive measures, particularly the issuing of mandates under penalty (*manaments*) and preventive seizures (*empares*). These could be ordered by the higher royal offices and other local-rank courts through the executory writs that have previously been mentioned.

Empares were used either as a prelude to direct confiscation or auction (depending on the need), or as leverage to induce a new payment agreement. These seizures targeted movable goods or crops, which could neither be removed from their location nor alienated.³² Stewards were often sent to the rural properties to take inventory of chattels, including agricultural produce.

The prohibition against harvesting grapes at peak ripeness under one of these seizure decrees posed a serious threat to rural households.³³ Similarly, the restriction on removing threshed grain from the threshing floor (*era*) left it vulnerable to dampness and spoilage.³⁴ This kind of pressure was meant to force the debtor to pay or to renegotiate the terms of the debt. As in other documented cases in the Crown of Aragon (Furió 2021 197-98), civil courts initially seized movable property in debt suits and, only in its absence, proceeded to confiscate immovable property.³⁵ Instigated by the borrower – who was sometimes a local, even a neighbor to the defaulter – the sequestration of agricultural produce could lead to tensions (Miralles i Montserrat 1984, 234, doc. 89 [8-8-1353]).

These seizures were often directed not at the debtor himself, but at third parties who held his property (such as livestock under lease) or who were themselves indebted to the principal defaulter. An example of it is the seizure, instigated by Guillem Rausell, on *all things* that Guillem Bausà of Montuïri owed Julià Ferrer of Sineu. Rausell conflicted with Julià Ferrer but resourced first to Bausà's holdings, a neighbor of his.³⁶ This speaks to the intricate web of economic interdependence that characterized local communities, and also to the detailed knowledge that certain key figures – such as bailiffs, stewards, and notaries – possessed about the affairs of their fellow inhabitants.

³⁰ The extant 'Querimoniarum' series from the archives of the court of Montuïri remains inaccessible to us to this day.

³¹ In 1432, in a suit over an annual rent, it was stated that *«el procès fo comensat per via de clam»* (the suit has started with a complaint). AMM, CR, LC, v. 1432-1433, f. 69v-72v (20-10-1432)

³² AMM, CR, LC, v. 1432-1433, f. 26r (23-7-1432); Miralles i Montserrat (1984, 286, doc. 27 [11-9-1359]). At times, the court assigned the movables to a trustworthy custodian for safekeeping until required. AMM, CR, LC, v. 1432-1433, f. 18r-18v (13-6-1432).

³³ AMM, CR, LC, v. 1432-1433, f. 44v-45r (9-9-1432).

³⁴ AMM, CR, LC, v. 1400-1405, f. 215r (10-7-1405); f. 63r, 16-8-1410; v. 1432-1433, f. 26r (23-7-1432).

³⁵ AMM, CR, LC, v. 1390-1399, f. 85r-85v (21-7-1394).

³⁶ AMM, CR, LC, v. 1410-1415, f. 50v (26-6-1410).

Embargos could terminate in different ways: the direct confiscation and/or the public auction of the chattels; an agreement³⁷ or a plea that would likewise lift the seizures; or an alternative presentation by the defendant of a new judicial pledge (on this, and on pleas, see section 6). The latter was a very common occurrence. Most of these outcomes were not generally registered in independent documents but appear as a short corollary of the executory writs that were sent by foreign courts or the borrowers. All these proceedings are shown in Table 1.

In most civil lawsuits regarding debts, it was not necessary to issue a sentence as such. Enforcement was issued *automatically* by the local courts without a proper inquisition: afterwards it could be appealed before the Batlle General (Planas Rosselló 1998, 14-15).

It must be stated, to this regard, that proceedings did not necessarily unfold entirely within a single court. Cases could be initiated before the Batlle General or in another local court, and subsequently the bailiff of the relevant locality might be instructed to continue the proceedings. This dynamic is documented both within the royal jurisdiction and even between courts subject to different authorities (de Montaner 1986, 56-58; Hillgarth and Rosselló Lliteras 1989, 42; Jover Avellà and Pons Pons 2013, 130-131).

Such evidence confirms the existence, at the time, of a broadly uniform judicial practice, one that enabled these institutions not only to share information but also to act seamlessly within the same case. This reflects a form of integration on the island of Mallorca during the Late Middle Ages – an integration not necessarily political, but economic and commercial in nature. Contracts of all sorts, debts, and the delinquency they generated – when they arose – frequently transcended jurisdictional boundaries.

Tab. 1. **Types of documents registered in the court books of Montuïri**

	1410-1411	1432-1433	Totals	%
Executory writs (letters)	87	162	249	42.4
Obligations	152	69	221	37.6
Seizures (<i>empares</i>)	30	17	47	8
Assignments of pledges	6	4	10	1.7
Public licenses	2	6	8	1.4
Mandates	1	9	10	1.7
Processes (report of several proceedings)	0	8	8	1.4
Others	22	12	34	5.8
Totals	300	287	587	

³⁷ All in all, the court often permitted the parties to reach amicable settlements. These could involve renegotiating the amount owed, adjusting the repayment schedule, commuting the debt into services rendered, or the temporary transfer of real estate.

5. Non-payment and insolvency

As previously indicated, cases of insolvency, non-payment, or late payment were overwhelmingly present in the daily operations of these local courts. Based on a double set of samples from Montuïri composed by 87 civil suits recorded in 1410-1411, and by 130 in 1432-1433 we can present some snapshot of the types of debts under litigation. It should be noted that in number of suits, multiple procedural mechanisms were activated.

The systematic collection of these cases proves to be a challenging task. Proceedings were scribed chronologically, and, in many cases, they did not cite the cause nor the actions that had preceded them. Careful identification of each document, mostly based on the set of names of the litigants, has yielded the results presented in Table 2.

Tab. 2. Causes of debt suits in Montuïri

	1410-1411	1432-1433	Totals	%
Rents	15	44	59	27.2
Purchases on credit	9	17	26	12
Direct taxation (tithes, <i>talles</i>)	10	3	13	6
Leasehold	5	3	8	3.7
Indirect taxation (<i>imposicions, cinquè, molitja</i>)	1	6	7	3.2
Others	3	25	28	12.9
Not identified	44	32	76	35
Totals	87	130	217	

Land rents (*censos*) were the most disputed item, accounting for 59 of the 217 cases (27.2%). These debts were predominantly claimed by members of privileged groups, merchants, and institutions based in the city of Mallorca – or by individuals who had obtained citizenship despite continuing to reside in rural towns. They were emphyteutic rents – payments in kind (such as wheat) or in cash – that had accumulated over time for the tenancy of plots of land. These payments were likewise due for the tenancy of the traditional landholdings attached to a rural household unit (*alqueria* or *rafal*) (Mas i Forners 2018, 65-66, 77). Such is the notable case of the annual 40 quarteres ($\approx$ 2,800 liters) of wheat owed by the peasant Guillem Pericó and the squire Gispert de Montornès to the knight Antoni Castell for the *alqueria* known as Tagamanent.³⁸

Rents in kind were typically paid shortly after sowing, around the feast of Saints Peter and Felix (August 1st). They ought to be transported by the peasants to the city of Mallorca at their own expense (Jover Avellà 1996, 17). In case of dispute, this circumstance was clearly stated (*«cens portat en ciutat»*), as it enabled the Batlle General

³⁸ AMM, CR, LC, v. 1432-1433, f. 9r (18-3-1432); f. 14r (1-6-1432); f. 14v (6-5-1432); f. 15r-15v (13-5-1432).

to intervene in the case (Quadrado, 1894, v. 2, 218; Planas Rosselló 1995, 61-62).³⁹ In fact, most of these disputes had originally been initiated in the latter officer's court.

The second most frequent category consists of unpaid purchases (26 cases, 12%). Conducted on credit, these involved often bovines and equines, which were the most expensive animals, used for agricultural labor. The debts were generally claimed by wealthy peasants or livestock brokers from rural parishes of the center of the island: Sineu, Inca, Felanitx, Porreres, Manacor or Campos.

Less frequently, we find arrears derived from local taxation, both direct and indirect and collected by different actors: the officers of the King, lessees, or the local jurors. They account, together, for 9.2% ($n = 20$) of the legal suits filed in the court of Montuïri during the first decades of the fifteenth century.

This sample suggests that land holding and agricultural production assets, particularly livestock, were the primary sources of debt-related litigation. This might imply that such conflicts had a structural dimension during the period in question. It emerges, also, a snapshot of the socio-economic conditions leading up to the *forana* revolt of 1451. This was a context marked by intense fiscal pressure on the Mallorcan peasantry, increasing reliance on long-term credit, and a declining purchasing capacity among the popular classes (Morro Veny 1994, 458-997; Jover Avellà 1996; Mas i Forner 2008, 96-98). Moreover, the resulting picture illustrates one of the key mechanisms by which urban sectors extracted agricultural surplus: the jurisdictional procedures over credit disputes.

One striking aspect of the samples is the absence of proceedings initiated over small debts or over short-term consumer credit. The average amount claimed in the documented cases which were expressed in cash provides very significant figures: 190 s. in 1410-1411 ($\approx$ 340 gr. of silver) and 280 s. ($\approx$ 418 gr. of silver) in 1432-1433.

Short-term loans for consumption, known in other parts of the Crown of Aragon as *mutua* or *comanda*, appear here under the label *préstec de bossa* (literally, loan from the money-sack).⁴⁰ It is entirely plausible that debts arising from these types of credits – commonly exchanged among individuals, neighbors, and acquaintances – were resolved through alternative mechanisms. In such cases, creditor patience, informal negotiation, or mutual compensation may have kept disputes away from formal court proceedings. In this same regard, it is noteworthy that the few references to this type of credit appear only within formal obligations registered before the bailiff, either as records of a newly issued loan or of the *novation* – the renegotiation – of a previously unpaid debt.

It should also be noted that, in addition to the principal, many proceedings refer to the expenses (*massions*) incurred during the course of the suits. These were also required to be paid. Common charges amongst the expenses were the salary of the messenger who brought the executory writs (always 5 s. per day)⁴¹, and the so-called *mesvalença*, that is the increase of the cost of agricultural produce when the debt had

³⁹ See also AMM, CR, LC, v. 1432-1433, f. 84v-85r (20-11-1432).

⁴⁰ AMM, CR, LC, v. 1432-1433, f. 36v (25-8-1432); f. 47r (11-9-1432).

⁴¹ Certain executory writs stipulated that the messenger would remain in town until the relevant court activated the requisite procedure. See, for instance, AMM, CR, LC, v. 1410-1415, f. 131r (9-12-1410; f. 57v (8-10-1432); v. 1432-1433, f. 63v-64r (9-10-1432).

been originally fixed in kind. As each proceeding increased the overall cost of the lawsuit, a defendant was warned in 1432 that if the actions were to last much longer the expenses would end up costing more than the debt itself (*“en tant que si gayra dura més pujaran les massions que lo deute”*).⁴²

This overview on the causes and components of suits related to nonpayment would be incomplete without considering the social and geographical origins of the litigants. Executory writs provide both the sender and the recipient, and thus can shed light on the relations of the different courts of the island. Almost all the letters found so far in the samples of 1410-1411 and 143-1433 of the *Llibres Comuns* of Montuïri had been received by the local bailiff. The ones that were sent, which are sometimes cited in the tenor of the documents, were probably copied in another series of books that has not been preserved to this day.⁴³

Tab. 3. **Origin of executory writs in Montuïri**

	1410-1411	1432-1433	Totals	%
Batlle General	45	85	130	52.2
Governor of Mallorca	13	13	26	10.4
Bailiff of Porreres	6	11	17	6.8
Bailiff of Sineu	3	14	17	6.8
Bailiff of Manacor	4	10	14	5.6
Jurors of Mallorca	4	8	12	4.8
Royal Procurer	3	2	5	2
Bailiff of Petra	1	4	5	2
Bailiff of Felanitx	0	4	4	1.6
Bailiff of Campos	1	3	4	1.6
Individuals	2	1	3	1.2
Bailiff of Castellitx	2	0	2	0.8
Bailiff of Centelles	0	2	2	0.8
Bailiff of Llucmajor	2	0	2	0.8
Veguer de Fora	0	1	1	0.4
Jurors of Sineu	0	1	1	0.4
Bailiff of Robines	0	1	1	0.4
Not identified	1	2	3	1.2
Totals	87	162		

Table 3 shows that most of the correspondence preserved by the local court of Montuïri, of first instance, originated from higher offices of the Kingdom – namely, the Batlle General, the Governador, the royal procurer, the *Veguer de Fora*, and the

⁴² AMM, CR, LC, v. 1432-1433, 21r (8-7-1432).

⁴³ The recipients of these executory writs are, for 1410-1411: the bailiff of Montuïri, 80; all the local bailiffs of the royal domain, 3; the bailiffs of Montuïri and the nearby parish of Castellitx (altogether) 2. Two other letters had been sent to higher royal officers and copied here (veguer de fora, 1; porter del rei, 1). The recipients for 1432-1433 are: the bailiff of Montuïri, 151; all the local bailiffs of the royal domain, 4; the bailiff of Montuïri along other local bailiffs, 4. Three other letters had been sent to higher royal officers and copied here (porter del rei, 2; capdeguaita de Mallorca, 1).

Jurors of the City. These account for 69.9% of all writs. In contrast, communication between local courts, though present, was less frequent ($n = 69$, 24.5%). All examples in our dataset involve courts within the royal domain; however, the possibility that Montuïri maintained contact with baronial civil courts should not be ruled out.

Table 3 also reveals that individuals, as plaintiffs, were generally not active in mediating directly with the relevant courts ($n = 3$, 1.2%). They preferred to resource to the higher bodies to pressure the local bailiffs, who in their turn were expected to prosecute the defaulters. This might give proof of the efficiency, and especially of the verticality, of the Mallorcan system.

But who were these actors, who commissioned the courts to act in their behalf against the inhabitants, mostly peasants, of Montuïri? Turning our attention to the aggregated civil suits conducted in the local court (and not to the separate proceedings), we find that although individuals from the city constituted the largest group of plaintiffs, their dominance was not overwhelming ($n = 52$, 24%).⁴⁴ Table 4 shows that Mallorcans living during the first third of the fifteenth century – regardless of their origin or social status – were active claimants, and that, as previously noted, they tended to turn to higher judicial instances to pressure their debtors. These actors were highly diverse, including local and royal institutions, the nobility, the peasantry from several points of central Mallorca, ecclesiastical institutions, and even an enslaved individual who participated in the credit market.

Tab. 4. **Instigators of debt suits in Montuïri**

	1410-1411	1432-1433	Totals	%
Individuals from the city of Mallorca	26	26	52	24
Individuals of other towns	14	26	40	18.4
Individuals of Montuïri	10	27	37	17.1
Royal officers and leasees of royal taxes	8	25	33	15.2
Nobles	2	9	11	5.1
Ecclesiastical institutions (monasteries, hospitals)	2	4	6	2.8
Local jurors and related institutions	5	0	5	2.3
Slave	1	0	1	0.5
Not identified	19	13	32	14.7
Totals	87	130	217	

Evidence from the local court of Montuïri confirms, as previously suggested by scholarship, the intense economic pressure exerted by urban classes on the peasantry in late medieval Mallorca (Jover Avellà and Pons Pons 2013, 129-34). This picture has now been expanded to include additional sources of pressure – such as affluent peasants – along with the mechanisms through which it was applied, including rents and credit. Moreover, the role of institutions has been stressed, highlighting both higher-ranking bodies of the Kingdom in connection with the confiscatory practices of the local court. The final section nuances this apparently oppressive legal

⁴⁴ They are mostly identified as merchants and craftsmen, along with some Jews, conversos and widows.

framework by examining the mechanisms available to defendants to protect themselves and their property.

6. The actors in court

In February 1432, Mateu Vaquer, a resident of the city of Mallorca, employed all available legal mechanisms to pursue a debt owed to him by Guillem Carnisser, an inhabitant of Montuiri. The debt consisted of six quarteres of wheat, arising from a *censal* obligation backed on a piece of land.⁴⁵ Vaquer appealed to the Batlle General, who in turn instructed the local bailiff to immobilize the debtor's oat and wheat crops. By the end of May (27-5-1432), an order was issued to seize the harvest, but the local bailiff reported – somewhat curiously – that he could not locate his own steward, which led to the postponement of the seizure.⁴⁶

On a new date (13-6-1432), with the steward still absent, the bailiff sent the court's scribe in his place to formally notify Carnisser: if he could appoint a guarantor (*fermança*), he could still avoid definitive seizure.⁴⁷ Carnisser responded that he would soon obtain the funds (*“havia spera de son principal”*), but eventually designated Pere Portell, who would guard the wheat and vouch for the debt with his own property. Suspecting that Portell lacked sufficient assets, the bailiff consulted a panel of three eldersmen, who confirmed the suspicion. The bailiff then informed the debtor that Portell would not be accepted and invited him to nominate another guarantor.

Perhaps out of desperation, Carnisser then turned to Esteve Desportell, a man afflicted with gout and bedridden at the time. Once approved, the notary went to Desportell's residence to receive his sworn declaration: he would either safeguard the grain and deliver it upon request or personally repay the amount due.

This example illustrates several points we wish to emphasize. First, it demonstrates again how the court's mechanisms were harnessed by foreign creditors in support of their strategy to impose uneven exchange between rural and urban parties. Through the looming threat of confiscation, debtors were pressured to renegotiate terms or to repay debts around harvest time – when monetary debts translated into larger quantities of grain due to the lower market prices characteristic of that stage of the agricultural cycle.

Secondly – and paradoxically – the example also illustrates certain measures through which the very same court attenuated the enforceability of actions against the individuals of the district and their property. Debtors were thus allowed to offer guarantors (or, alternatively, pledges) to avoid seizure, relying on networks of local solidarity. These offers appear with some frequency in local jurisdictional contexts, often prolonging the resolution of cases and thereby clashing with the impatience of foreign creditors and their representatives: the institutions based in the city. In the example provided, an initial postponement may even have resulted from the (suspicious) failure to locate the local steward.

⁴⁵ AMM, CR, LC, v. 1432-1433, f. 17r-17v (27-5-1432).

⁴⁶ AMM, CR, LC, v. 1432-1433, f. 17r-17v (27-5-1432).

⁴⁷ AMM, CR, LC, v. 1432-1433, f. 18r-18v (13-6-1432).

Our case study illustrates how common it was to present judicial pledges as guarantees against enforcement measures. These pledges are, at the same time, revealing about the standards of living and the material culture of the debtors and their ability to resist dispossession. For a question of space, we cannot delve into the former issue here; it will be addressed in more detail elsewhere. Nonetheless, it must be acknowledged that, in the case of early fifteenth-century Montuïri, pledges predominantly appear to be sickles (*fans*). These items appear to have held dual significance – both economic and symbolic (Gual i Vilà 1996, 84).

It was through the executory writs themselves that the pledging mechanism was usually proposed first in a suit. This course of action was suggested to the debtor by the court. Should the debtor ultimately offer one or more chattels for seizure, this would avoid further discussions about the legitimacy of seizures. Once assigned by the debtor, the mechanism could sometimes be registered in a specific act (Table 1).

In consonance with the provisions of the Franchises of Mallorca (1230), the pledge was handed over to the court for the course of ten days, after which it could be lawfully sequestered or sold during three more days (Piña Homs 1987, 165).⁴⁸ The value of the pledges could exceed the debt itself, hence the court was obliged, in theory, to return the remaining cash to the debtor.

Pledges might not always be effective. For example, the court could be unable to find a suitable buyer or to raise the full amount of the outstanding debt. In the first case, an alternative pledge could be proposed⁴⁹; in the second, the system allowed the court to continue accepting additional pledges until the debt was fully covered (*fins abastar*). If sold, the proceeds were to be transferred to the plaintiff at the debtor's expense.⁵⁰

The executory writs contain numerous comments regarding the undue delays in the execution of chattels.⁵¹ Not in vain the court records reveal that before undergoing enforcement procedures, even against pledges chosen by the debtor himself, one could raise procedural or substantive objections. The Pragmatic Sanction issued by the Governor of Mallorca in 1398 established that pleas were to be presented six days after the demand, but only three during the last stage of a proceeding, just prior to a sentence (Quadrado, 1894, v. 1, 125-126). A plea halted all seizures.⁵² Most references to pleas identified to date concern the three-day period within which the defendant was supposed to present his arguments.

One such argument was the claim of not possessing any sizeable assets. It is important to note that such declarations often aroused suspicion, as asset concealment was legally considered a form of fraud.⁵³ In relatively small communities, where

⁴⁸ Depending on the size of the object, only a symbolic or key element was handed over. In 1410 Ferrer Pallejà of Montuïri pledged a wine barrel and a horse mill (*moli d'animal*) for his debt but only turned over the tap of the barrel and the wallower (*nadia*) from the mill. AMM, CR, LC, v. 1410-1415, f. 115r (5-11-1410).

⁴⁹ AMM, CR, LC, v. 1432-1433, f. 14r-14v (6-5-1432).

⁵⁰ AMM, CR, LC, v. 1432-1433, f. 85r-85v (24-11-1432).

⁵¹ An eloquent expression of it is found in AMM, CR, LC, v. 1410-1415, f. 127v-128r (18-11-1410).

⁵² AMM, CR, LC, v. 1410-1415, f. 7v-8r (11-2-1410).

⁵³ AMM, CR, LC, v. 1432-1433, f. 5r-5v (5-3-1432).

kinship and clientelist ties prevailed, knowledge of one another's property holdings – both movable and immovable – was often quite precise. As such, the authorities would urge local inhabitants to report any information they had regarding the debtor's assets.⁵⁴

If the debtor was especially reluctant to collaborate, a steward was to be sent to inspect one's holdings. In 1410 a certain Ferrer Pallejà from Montuiri was in serious financial trouble. Our dataset shows that at least eleven different plaintiffs, all outsiders, had acted against him throughout the year demanding unpaid rents and credits.⁵⁵ By September he had already ran out of movables to seize and a steward had visited his farmhouse to certify this circumstance. Being this so, one of his creditors, Nicolau Bac from Porreres, required his incarceration in the latter town. To free oneself from this measure, Pallejà would ultimately pledge a plot of fallow land.⁵⁶

Another common plea by the defendants consisted in arguing that the chattels that had been sequestered (either derived from a pledge or from a direct seizure), did not meet the standard of fair price (*just pren*) (Sabaté Curull 2015, 126-30). Any cost deemed excessively low or high would constitute *laesio enormis* and could lead to the annulment of the contract (Hernando Delgado 2007, 219). For this reason, and invoking the Franchises of Mallorca, the defendants filed for nullity of the proceeding.⁵⁷

In some cases, the defaulter did not even need to enter a plea; simply leaving his house was enough to halt the requisitions. The presence of the owner was required both to file an inventory and to sequester the chattels. This was an important cause of delay in the proceedings; and it appears it also found the complicity of local courts. Such is the case of the correspondence between the local bailiffs of Montuiri and Lluçmajor in November of 1410. The former had informed his peer that, to carry out the execution against Guillem Robert's belongings, the court had sent a steward to his *alqueria*. The officer reported that Robert was by then in the city of Mallorca, and only his son Pons was present at the property; therefore, the proceedings had to be postponed. Outraged, the bailiff of Lluçmajor responded by accusing the court of Montuiri of acting in vested interests – favoring the locals while disregarding the needs of outsiders.⁵⁸

Still another mechanism used to delay or halt execution proceedings was to invoke the precedence of other creditors. In 1432, the convent of Santa Margarida in the city of Mallorca attempted to seize the assets of the late Arnau Costa, a resident

⁵⁴ AMM, CR, LC, v. 1432-1433, f. 14r-14v (6-5-1432)

⁵⁵ This example effectively demonstrates a process of dispossession resulting from indebtedness. The first documents arising from each suit against him are the following: AMM, CR, LC, v. 1410-1415, f. 7r-7v (10-2-1410); f. 33v (24-4-1410); f. 71r-71v (28-8-1410); f. 76r (1-9-1410); f. 76v-77r (1-9-1410); f. 86v (16-9-1410); f. 87r (17-9-1410); f. 92r-92v (25-9-1410); f. 115r-115v (5-11-1410); f. 115v-116r (5-11-1410).

⁵⁶ AMM, CR, LC, v. 1410-1415, f. 86v (16-9-1410)

⁵⁷ AMM, CR, LC, v. 1410-1415, f. 75r-75v (1-9-1410); v. 1432-1433, f. 82r. (8-11-1432).

⁵⁸ AMM, CR, LC, v. 1410-1415, f. 120v-121r (13-11-1410). Similar cases are AMM, CR, LC, v. 1410-1415, f. 104v (22-10-1410); v. 1432-1433, f. 3v (18-2-1432); f. 4r (20-2-1432); f. 90r-90v (12-12-1432).

of Montuïri, in order to recover an unpaid rent.⁵⁹ However, the jurors of the town opposed the action, claiming that all of Costa's property was already under sequestration in relation to a debt he had left behind as a tax collector for a *talla*, a local wealth-based direct tax.⁶⁰

One of the key arguments regarding creditor precedence involved the mortgage on the men's belongings arising from their wives' dowries.⁶¹ In principle, for the issuing of credits and other such contracts, women were required to waive all claims for this concept (Ferrer i Mallol 2000, 76). Even so, they were commonly used as a strategy to halt lawsuits over nonpayment in the courts of first instance throughout the Crown of Aragon (Sales i Favà 2025b, 86-90). We take this as indicative of women's agency in judicial settings, a topic that deserves further study.

Another way to avoid enforcement by the court in cases of non-payment was to petition the monarch for a measure of grace. Such exemptions were also granted to participants in military campaigns of the Crown, including naval expeditions. This was the case, for instance, of the *empara* that Guillem Valls sought to halt by presenting the court of Montuïri with a certificate attesting that he had enlisted as a rower on the galley of Antoni Castell, of the royal fleet.⁶²

All these reasonings and strategies were both presented before the local court and the high rank officers in the city of Mallorca, depending on the stage of the civil lawsuit. Most importantly, they appear to be utilized without the intermediation of lawyers and by the sole initiative of debtors, most of which were small tenants of farmsteads (Planas Rosselló 1998, 13-14). These individuals show evidence of having attained a certain degree of legal acculturation, in a setting in which many often resourced to the jurisdictional courts. This trend had certainly also reached the urban sectors in the period under scrutiny. An eloquent expression by the merchant of the city Antoni Brondó is telling about how widespread basic legal culture amongst Mallorcans was. In November 1433, he requested the Batlle General to order the bailiff of Montuïri to revoke a previous ruling by which he had been dispossessed of annual rents paid by locals. As an argument, Brondó cited the principle: «*com sia dispost en Dret que algú no sia despullat de son pocsessori sens conegude de Dret*» – meaning, «as it is established by Law that no one shall be deprived of their possessions without due legal cause».⁶³

7. Concluding remarks

This article has presented a case study of the local jurisdictional court of Montuïri, in central Mallorca, during the first third of the fifteenth century. Extant documentary evidence from this institution has enabled us to describe the framework for the exercise of gracious jurisdiction that was so characteristic of this type of

⁵⁹ AMM, CR, LC, v. 1432-1433, f. 7v-8r (11-3-1432).

⁶⁰ Other such cases are AMM, CR, LC, v. 1432-1433, f. 23r (16-7-1432); f. 25r-25v (23-7-1432); f. 44v-45r (9-9-1432).

⁶¹ AMM, CR, LC, v. 1410-1415, f. 63v-64v (19-8-1410).

⁶² AMM, CR, LC, v. 1432-1433, f. 20v-21r (2-7-1432).

⁶³ AMM, CR, LC, v. 1432-1433, f. 169v-170r (6-11-1433).

courts; as well as the procedures through which default, nonpayment, and insolvency were prosecuted. We have acknowledged that local courts within the royal domain were part of a broader, highly standardized legal system, overseen by the Batlle General and the Governor of the island, and primarily relied on enforcement measures to resolve debt.

In early fifteenth-century Mallorca, court registers unveil that rents and purchases on credit were the main reasons for litigation, in a context of uneven exchange between the city of Mallorca and the backcountry. Although the situation of the local peasantry appears to be challenging, we have recovered the strategies through which these actors engaged with judicial institutions to defend their interests.

We believe that both the agency of defendants and the action of litigants would model these institutions in the long term. As an example, the cited reasoning of Antoni Brondó, from the city of Mallorca, would have certainly forced the courts to respect the law before vigilant actors.

These but also other aspects of debt litigation (for instance, the nature of pledges submitted by debtors, or the degree of default, taken as a proxy of the socioeconomic conditions) can be extensively studied through this type of documentation. Although they have so far received little attention by researchers, jurisdictional court books can be found all over the island, in municipal and also private archives.⁶⁴ It is our hope that, soon, researchers will come to recognize the historiographical significance of these sources.

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⁶⁴ As an example of the former, the court in the neighboring town of Lluçmajor also produced a series of volumes in the Late Middle Ages that have been partially preserved to this day in the municipal archive. As in Montuiri, the inventory of these funds also includes specific books concerning pledges, court decisions, or confiscations (Arxiu Municipal de Lluçmajor, unk. year). I am grateful to Toni Ginot for alerting me to this inventory.

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*The emergence of a municipal legal culture of insolvency
(Low Countries, c. 1450-c. 1570)**

1. Introduction

The history of insolvency regulations and proceedings in the Low Countries is only in part a story of the reception of Italian examples. In the fourteenth and fifteenth centuries, local traditions of debt enforcement existed which preceded the academic and Italian influences that arrived in the late 1400s. Legal agency on the matter resided mostly at the level of the jurisdiction of cities and villages, and – to some extent – the princely councils. Provincial princely courts were involved with insolvency matters from around the middle of the fifteenth century, but their role remained exceptional until approximately 1500. This paper analyzes developments in five cities (Leiden, Amsterdam, Antwerp, Bruges and Mechelen), and the principalities of which they were part (the counties of Holland and Flanders, as well as the duchy of Brabant).¹ It will be demonstrated that collective proceedings of debt enforcement were for a long time exceptional and that rules on pledge, debt enforcement and insolvency were highly interconnected. When collective proceedings became more usual, after 1500, idiosyncrasy in legal regimes remained. From the early sixteenth century onward, princely legislation resulted in harmonization of some degree, rendering some of the older solutions obsolete. However, many of the earlier approaches could persist. For the fifteenth and early sixteenth centuries, even with divergence remaining, in the towns mentioned a municipal legal culture involving proceedings against insolvent defaulters developed. This legal culture was mostly connected to cultural ideas, which marked a base line for rules and proceedings; economic factors mattered but were less important in these changes.

2. Collateral, enforcement of debts and collective proceedings against defaulters in the late Middle Ages

In the nineteenth and early twentieth century, legal historians considered that debt enforcement in the High and Late Middle Ages commonly implied the seizure

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¹ Mechelen was a principality of its own, consisting of the city and the *district*, a *contado* of several villages.

of assets. Enforcement against the person of the debtor, by way of imprisonment, was exceptional. Hans Planitz (1954) proposed a theory that distinguished between *Acht* and *Fehde*. The former was an official criminal proceeding, directed against a persistent defaulter, who was considered *friedlos*. Default on a formalized debt was deemed a crime, resulting in the *Friedlosigkeit* of the debtor; the proceeding of *Acht* brought about the debtor's arrest and imprisonment. Enforcement on the person in the case of «peacelessness» was a sequestration on behalf of the public authorities rather than a private action. The taking of assets of the imprisoned «peaceless» person was a confiscation. By contrast, according to Planitz (1905; 1913-1918; 1954), *Fehde* was a private action; it entailed the taking of a pawn for a debt that had remained unpaid. *Acht* was the oldest proceeding, *Fehde* came later and had a more restricted scope. It only applied to goods, not to immovable property, for example, and did not strip the debtor of property rights in the goods that were taken as pawn.²

According to Planitz, enforcement on the person was not considered a regular, or private affair, whereas assets were thought of as being easily accessible to creditors. With a proceeding of *Fehde*, assets were locked to force the debtor to seek guarantors or loans to satisfy the creditor. *Fehde* was preservatory rather than executory; its goal was not to have the debtor's estate sold publicly but to pressure the debtor to pay.

In addition, Planitz (1905, 176-96) stressed that abscondence because of insolvency (*fuga debitis*) was a situation that triggered the application of «relative» *Friedlosigkeit*, which resulted in the debtor's loss of ownership of the goods that were left behind. Debtors, having fled or with the intention to do so, were deemed forfeited of their property rights and debtors' goods could therefore be seized and sold to compensate the creditors' debts. According to this perspective, *fuga debitis* allowed creditors to organize a public sale of an absconded debtor's estate, which typically was not an option for them. The «peacelessness» that was caused by the debtor's flight provided the legal basis for the expropriation of the debtor's goods.

These views have only quite recently been challenged, in research on France and the Low Countries (Claustre 2005; Cremers 2017). It seems that the ideas of Planitz were largely reflecting nineteenth-century conditions. In the 1800s, the rule of generalized collateral was applied throughout Western Europe. Creditors had access to all goods of their debtors, which they could seize to force them to pay. The idea that debtors silently pledged all their assets for the payment of their debts originated in Roman law. It had become part of the medieval *ius commune* and the codifications of the eighteenth and nineteenth centuries. The rule of generalized collateral was combined with lenient procedural rules of seizure of goods.³

² The same views, projected onto source texts from medieval Holland, can be found in Rintelen 1908, 25-43.

³ This practice went back to the praetorian proceeding of *missio in bona*. A praetorian decree ordered the fixation of all assets of a debtor, which were thereupon sold publicly for the benefit of all the debtor's creditors. Creditors not having securities were summoned and treated equally. They were paid rateably, according to how much the auction yielded, and received a portion of the proceeds that corresponded to a percentage of their debt (Buckland 2011, 387-388, 411-413). The rule of generalized collateral can be found, for example, in the French Civil Code (art. 2284) and the Spanish Civil code of 1885 (art. 1911). Planitz was probably influenced by the Prussian *Allgemeine Gerichtsordnung* of 1791 (ch. 50 § 33),

However, in the medieval Low Countries, the academic tradition that was based on Roman law was received only after approximately 1450. Over the past years, it has been shown that in the fourteenth and early fifteenth centuries movable assets and the person of the debtor were commonly pledged in combination in contracts, and that in regulations of debt enforcement proceedings both were often linked as well. Thiébold Cremers (2017, 278-80) has demonstrated that in the thirteenth century, in the county of Flanders, imprisonment for debt was a prerequisite to lay seizure on the debtor's goods. Imprisonment was either an executory measure (that is, when it was based on a verdict of the local judges and the order to pay mentioned in it had not been followed), or a preservatory measure. In the latter case, imprisonment and the concomitant seizure of goods were allowed without a supportive judgment and with proof of the debt only. However, these preservatory proceedings were only possible against non-citizens and those who had fled or were on the verge of fleeing the jurisdiction. Most municipal town laws of the 1200s limited the use of enforcement proceedings to officially acknowledged debts (that is, registered in a judgment or official certificate), and allowed enforcement of unregistered debts only following a proceeding of verification of the debt (Rintelen 1908, 31).

From the thirteenth century forwards, both in France and the Low Countries, the pledging of oneself became a contractual practice. Julie Claustre (2005, 243-66) has pointed out that in fourteenth-century France «assets and person» were often pledged in combination. This phenomenon resulted in imprisonment becoming a regular proceeding of enforcement for unregistered debts (Cremers 2017, 288-92). All the above directly challenges Planitz' idea that only in criminal proceedings the debtors could be imprisoned. It seems that judgments on debt and, later also, evidence of unpaid debts, sufficed to have debtors arrested and imprisoned. Moreover, imprisonment and seizure of assets were often combined, also when it came to private actions of debt enforcement.

In thirteenth-century Holland, similar rules applied. «Execution on the person» was a default proceeding of enforcement of debts. At Haarlem, in 1245 it was imposed that a debtor could be imprisoned in the town's prison. After being held for some time, the debtor was handed over to the creditor who had solicited the imprisonment (Hoogewerf 2001, 13-14; Rintelen 1908, 25-26). The subsequent private detention had to be organized in consideration of the well-being of the debtor: the imprisoned debtor had to receive sufficient food and drinks (Rintelen 1908, 25-26). In the fourteenth century the practice of *leisting* became usual in the county of Holland. Debtors commonly stipulated that in the case of non-payment they would take residence at an inn until the payment was made or additional guarantors were found (De Blécourt and Fischer 1950, 281-82; Dijkman 2011, 258). At Amsterdam, a debtor was summoned in *gijzeling* by an official of the city; he was invited to go to a certain inn within twenty-four hours. If the debtor did not show up in time, he was imprisoned in the criminal prison of Amsterdam (the «*boeyem*»). In

which spoke of a «*allgemeines Pfandrecht*» (a general right of collateral) in the debtor's estate to the benefit of the latter's creditors.

the later decades of the seventeenth century, in Amsterdam some inns were still well-known for their *gijzelkamers* (chambers for *gijzeling*) (Hell 2017, 269-70).

In the county of Flanders, private imprisonment had been forbidden in Bruges by 1304. However, imprisonment in the public prison was, then and thereafter, the normal method of enforcing debts, even in the fifteenth century (see further below). In the fourteenth century private imprisonment remained normal practice in many Flemish towns (Lille, Camphin-en-Pévèle, also in Cambrai) (Cremers 2017, 290). The taking of debtors as hostage has for a long time been considered a remnant of Germanic principle of self-help. However, it is more likely that the practice developed from the late thirteenth century forwards, in tandem with the obligation to bring captured debtors to the public prison of the town. Since the costs of imprisonment had to be advanced by the creditor seeking the debtor's imprisonment, it was accepted that after some time in the public prison the creditor could continue the detention of the debtor in private confinement.⁴

In the 1200s and early 1300s, Roman law already had some influence, mostly through canon law and ecclesiastical sources. In some municipal regulations it was imposed that enforcement on the person was only allowed if insufficient assets were found with the debtor.⁵ This referred to rules of Roman law, which since the late Republic had preferred the seizure and public sale of goods and had stipulated that any imprisoned debtor had to be released from prison when all assets were handed over to the creditors (*cessio bonorum*) (Buckland 2011, 388, 392). As was mentioned higher, such proceedings were collective; all creditors were summoned to receive compensation. An early example of a collective proceeding can be found in the *Livre Roisin* of Lille (dating 1286) (Cremers 2017, 287). However, in the periods mentioned, in the bylaws of towns rules that had roots in Roman law were still very exceptional.

In all five cities studied here, the private proceeding of having assets of a debtor seized was an individual proceeding up until the middle of the 1400s. There was no general rule to summon all creditors of an insolvent debtor and make sure that all were given the opportunity to recover a part of their debts. If public summons were issued, for example regarding insolvent money changers, it was a political decision (De Roover 1948, 332-33). These approaches persisted in most towns of the Low Countries until the early sixteenth century, even in cities that were visited by foreign merchants such as Antwerp and Bruges. However, even though collective proceedings were not a part of cities' private law, insolvency was known, and abscondence by debtors, who run from their creditors. Abscondence was condemned in fourteenth- and fifteenth-century municipal ordinances, proclaiming the loss of citizenship and residency rights for those who did not return to confront their creditors (De Longé 1874, 2-89; Breen 1902, 524). Declarative judgments, imposing the banishment of fled debtors, served to inform market players of the collapse of the debtor's business.⁶

⁴ The teleological perspective, from private to public imprisonment, is still dominant in recent literature. See, for example, Dunbabin 2002.

⁵ For example in Dordrecht in 1252 (Rintelen 1908, 29-30).

⁶ For example, State Archives Ghent, *Chartes de Saint Genois*, 903.

The situation mentioned followed from institutional path dependence. Two principles were more important than collective debt enforcement through seizure. One was the connection between land rights and seignorial jurisdiction. The second one, the idea that debts had to be «warranted» by officials in order to be considered legitimate. Both principles were connected when it came to the sale of land and estates. But also when movable goods were at stake, the rule that forceful payment of debts was only possible when the debts had been 'known' by the local judges was important.⁷

In the High Middle Ages, the transfer of property rights pertained to seignorial jurisdiction. The emphasis was on transactions of immovable property. Therefore, impounding the movable properties of debtors was not a standard proceeding. In the thirteenth century, all over Western Europe, the idea lived that property-related disputes (that is, related to immovable property) were «king's pleas». In thirteenth-century Antwerp, disputes on land were brought before the *Vierschaar*, the municipal court. The municipal judges (*scabini*) and the duke's official, the *écoutète* (*scultetus*), gathered in the churchyard of St Walburga, the church within the walls of the Antwerp Fort. The proceedings and the pronunciations of verdicts were done in the open. This feature was a remnant of the older *placitum generale*. The Carolingian *placitum generale* was an assembly of freemen, which was chaired by the king or his *comes*. This assembly court provided the opportunity for anyone to present grievances on trespass, use and conveyances of land and estates. The chair heard the complaints. Thereafter, advisors (*scabini*) spoke about possible solutions. The chair then rendered a ruling to which the court agreed.⁸

In the 1300s, the Antwerp *Vierschaar* confirmed transactions of immovable property and expropriations of land and houses following seizure three times a year, which had been the rhythm of the older *placita generalia*. Public sale of seized assets was called *panding*. It was only possible for debts that had been registered in aldermen's letters or for non-registered debts that had received confirmation after verification by the *scabini* («Het 2e oudt register» 1438-1459, 28-29). Initially, seizure and expropriation of goods was exceptional. In fifteenth-century Leiden, similar rules applied. In addition, *panding* was possible on the movables of strangers, but only for creditors having certificates or judgments of the debts. Even in the event of insolvency, when debtors ran off and left their estate in disarray, the mentioned distinction between ratified and special debts on the one hand and non-ratified debts on the other was maintained (Blok 1900, 273; Planitz 1913-1918, 130).

In the fourteenth and fifteenth centuries, in several cities in Holland the enforcement of non-ratified debts was done by way of a proceeding called *thoonpand*. The debtor received a notice from the creditor and was invited to choose («*aenmysem*») a tangible item that was handed over or locked until the payment of the debt.⁹ It was

⁷ In medieval Dutch, *kentnis* or *kennis* were terms used for an aldermen's certificate. These terms pointed to *kennen* (knowing), which also had the connotations of acknowledging and communicating publicly.

⁸ The existing literature on *placita generalia* in Brabant is rather limited and outdated. See for example Behets 1971, 385-386, 402; Byl 1965, 154-167; Poulet 1867, 12-15, 40-41.

⁹ In the sixteenth century, the expression «the debtor who does not offer an asset» («*die geen goed (aen)myst*»), which then referred to a debtor not having assets, was a remnant of this rule. See for example

not required that this securing of pledge had been agreed between the creditor and the debtor beforehand. However, initially, the creditor had to seek co-operation from the city's official, who assisted the creditor at the summoning of the pledge. No court proceedings were started; when the debtor refused to indicate an item of pledge, the creditor could only resort to the imprisonment of the debtor.

Thoonpand served to avoid the proceeding of *panding*. *Panding* was the executory debt enforcement proceeding for officially ratified debts; it was also used when the creditor aimed to have a pawn publicly sold. However, since *panding* was organized only a few times each year (Blok 1900, 323-24; Hamaker 1887, 24-25; Huizinga 1911, 153-54) *thoonpand* often was opted for even by creditors with ratified contracts.

The form of the agreement was highly relevant in regard of the enforcement of pledges and debts. Proof of the local government's ratification of the debt or pledge and of the expiry of the debt was deemed necessary to start *panding* proceedings. Debtors were considered directly liable with their assets only for ratified debts and pledges. Exceptionally, the same applied for some special – even non-ratified – debts that were defined in local bylaws, such as debts out of lease or salaries (De Blécourt, Fischer 1950, 263; Fockema Andreae 1907, 103-04).¹⁰ *Thoonpand* was most suited for creditors with privately written or oral debts. However, the assistance of municipal officials at the summoning of the debtor did not replace the requirement of verification. If the creditor wanted to have the designated asset sold, because the debtor did not pay, it was required that first verification proceedings were initiated. With the judgment that was its outcome *panding* could be started and, thereafter, the public sale.

Therefore, when further considering Planitz' assessments, it is evident that some of his ideas are corroborated by the historical materials. Imprisoning a defaulter was possible and it impacted the assets of the debtor as well. Planitz had acknowledged this as part of the *Acht* proceeding, and – outside the criminal context – in reference to abscondence. However, Planitz considered public authority as more important than the historical data suggest. In the thirteenth and fourteenth centuries, imprisonment was a private affair, which was initiated without allegations of crimes or *Friedlosigkeit*.¹¹ Moreover, it seems that when the debtor absconded from the creditors or was on the verge of flight, the above-mentioned restrictions on seizure were initially not lifted. There are several examples of city administrators granting authorization to have collective proceedings of seizure against the estate of absconded debtors. These authorizations only involved official debts, not privately written or informal ones (for example, «Oudt Register», 1437, 144-46).

Soutendam 1870, 38 (art. 2), and 43 (art. 12). The notion of *thoonpand* was not used in the seventeenth-century Republic, but was common in the sixteenth-century Southern Low Countries. Rather, the common expression was «*pand (aen)wijzen*». See for example Rintelen 1908, 34.

¹⁰ See for some examples of municipal bylaws from a later period stating that only ratified debts and special unratified debts of lease can be enforced through *panding* proceedings (Blok 1900, 103; Breen 1902, 12; Heeringa 1911, 96-98; Soutendam 1870, 15-16).

¹¹ Planitz' ideas were criticized by some of his contemporaries. In nineteenth- and early twentieth-century German legal-historical literature seizure and debt enforcement were amply studied. See, for example, Kisch 1913; Wach 1868. See for an overview of the literature: Amend-Traut 2008. The connections with insolvency were analyzed as well (Kohler 1891; Seuffert 1888).

3. Changes in the 1400s

Besides *thoonpand*, imprisonment remained the most feasible alternative to the lengthy *panding*. This method of debt enforcement changed thoroughly in the period between c. 1450 and c. 1550. In the fifteenth century, it remained possible to have a defaulting debtor incarcerated to pressure him/her and the debtor's network, even if no *panding* or other executory proceeding had been started (Hamaker 1887, 26-27), and for non-ratified debts, as well. Because of the low-set requirements for its application, imprisonment was a normal tactic to steer debtors towards payment. When being incarcerated, debtors were forced to seek help from relatives and within their network to regain their liberty as soon as possible. Occasionally loans made for release payments are mentioned in the registers of Antwerp *schepenbrieven*.¹² Moreover, imprisonment for debt granted access to the debtor's assets when the debt was non-ratified. The debtor was then forced to hand over assets or sign contracts that secured the creditor's debt.

There are indications that imprisonment for debts became practised more after around 1450. In the sources, examples of abscondence by debtors became more prominent from this time onwards (Goddard 1999, 293).¹³ However, imprisonment was not merely a safety measure, aimed at preventing the debtor's flight. In the second half of the fifteenth century, it became more common that creditors were unable to judge whether the debtor had sufficient goods to pay for the debts outstanding. In Antwerp and Bruges in this period titles of ownership in goods were often swapped from one party to the next without a formal transfer of the merchandise.¹⁴ This meant that even when debtors had assets at their disposal, in their possession, they could pertain in ownership to someone else. As a result, it became more difficult for creditors to gauge the creditworthiness of their debtors. Initially, this situation incited strict legislation, which sought to deter debtors from hiding assets and declaring insolvency.

In Amsterdam, a so-called *eigening van schulden* («self-appropriation of debts») was organized. If a creditor arrested a debtor, and no payments followed, the debtor was brought before the Amsterdam City Court. If no additional assets, funds or pledges were found at that stage, the debtor was brought outside to the Dam Square where the Court was located. The debtor was guided to a «circle, paved with the coat of arms of the city». The bailiff, representing the count, took the debtor three times round the circle, upon which the debtor's citizenship was forfeited. Afterwards the debtor was jailed in the town prison (Barels 1780, 146-148; Van Hall 1838, 201-02). At Leiden, a similar proceeding existed: insolvent debtors-citizen were brought to the «blue stone», in a ceremony that took away citizen rights (Barels 1780, 146; Orlers 1781, 31; Van Hall 1838, 202-03).

¹² Antwerp City Archives (ACA), *Schepenregisters* (SR), 102, fol. 129v-130r.

¹³ Bruges City Archives (BCA), *Civiele Sententiën*, 157, fol. 17v; ACA, SR, 57, fol. 248v.

¹⁴ This was common practice in inns. See for example, General Archives of the State Brussels (GAS), Council of Brabant, *Griffies*, 550, fol. 77r-83v. Here a package of velvet was delivered to the inn of the buyer, in a closed chest; the key was later handed over to a new buyer.

Before bringing debtors to prison, creditors had to have a good insight into their networks and the composition of their estate. The ultimate benefit of having a debtor imprisoned depended heavily on these factors. Creditors had to take costs of imprisonment, potential proceeds from a public sale of the debtor's effects (if there were any), and procedural obstruction into consideration. If the creditor judged that the debtor had few arguments to oppose the enforcement of the debt and the imprisonment and, at the same time, had sufficient assets, then the action was worthwhile. However, if a debtor continued to deny the debt or refuse to appoint guarantors, creditors could be dragged into a situation in which they had to release the debtor. As was mentioned, it happened more frequently from the late fifteenth century that it was found out after imprisonment that the debtor did not have assets.

In the latter circumstances, creditors could be harsh towards their debtors. They could keep them in prison for long consecutive periods. Therefore, in the late 1400s, many cities put limits to the duration of imprisonment. In Antwerp and other Brabantine cities, a deadline of six weeks applied. If debtors had been in the town prison for forty days (Strubbe 1950, 150 and 167; Van der Tannerijen 1952, 262),¹⁵ they had the right to demand being set free. This request was granted on the condition that all rights of ownership to the belongings were given to the creditors. In Antwerp, this transfer was made in a public performance, at the *Vierschaar*, in which prisoners declared under oath that they had not hidden parts of their estate from their creditors. The purpose of this ceremony was to grant creditors access to the debtor's goods. The goods concerned in this public ritual could also be assets that could not be found in the debtor's premises. They could be owned by the debtor but stored elsewhere or received from relatives or friends. In 1474-1476, in Antwerp, the ceremony mentioned was referred to as «showing the tail of one's coat» (*«zijn slippe presenterem»*). Debtors had to bend over and show their behind to the audience in a public session of the City Court, as a defamatory ritual (Van der Tannerijen 1952, 262-263). In Mechelen, at the end of the fifteenth century, the formal transfer of assets to creditors in order to be liberated from the public prison was called «abandonment».¹⁶ This ritual, as well as the one held in Antwerp, brought about a loss of citizenship (De Longé 1874, 370; Maes 1960, 158).

Similar situations arrived when merchants passed away. In the late 1400s, the *beneficium inventarii* came to be applied, first in Flanders and Brabant and some time later in Holland.¹⁷ This was a privilege for heirs: they could petition the provincial princely court to have an inventory drawn up of the estate of the deceased before

¹⁵ ACA, *Privilegiekamer* (PK), 1371, bylaw of 22 Febr. 1438 ns (stipulating that imprisonments of «foreigners» had to last six weeks; therefrom the rule emerged that imprisoned debtors had the right to propose forfeiture of their goods in exchange for release from prison).

¹⁶ The 1535 *costnymen* (i.e., the compilation of municipal law) defines «cessie» (see further) with the notion of «abandonneren». In the 1527 draft version of the Mechelen *costnymen*, this concept had pointed to the practice of refusing an inheritance. See Maes 1960, 89 (art. 462), 158 (ch. 21, art. 3).

¹⁷ The *beneficium* is mentioned in the works of the Ghent jurist Philip Wielant (dating c. 1508-c. 1519) and in Van der Tannerijen 1952 (Van der Tannerijen had been secretary of the city of Antwerp in 1456-1465; he wrote this *Boec* in 1474-1476); ACA, *Vierschaar* (V), 2, art. 33 (dating before 1511). In Holland the *beneficium inventarii* was introduced with a princely law of 1531 and further detailed in a law of 20 Oct. 1541 (Vorsterman 1531, art. 229; Recueil des Ordonnances des Pays-Bas 1506-1700, 328).

deciding whether to accept or reject the inheritance. As was mentioned, it was not always clear which goods belonged to the estate and whether sufficient assets and claims were available to cover the debts. The order of the princely court (*mandement*) granting the *beneficium* went together with the appointing of a curator. For inheritances that were refused by the widow, because they were too burdened with debts, it was normal practice that publicity was given to that act. At Schiedam and Leiden, the widow «went before the bier»; she went ahead of the funeral procession (Heeringa 1911, 112) (Keuren Leiden 1657, 123). Quite typically, a curator was appointed in that case (Heeringa 1911, 112, Keuren Leiden 1657, 123). In Mechelen, there was a clear connection between the situation of a widow rejecting the indebted inheritance of her husband and a debtor «abandoning» goods to be released from prison. Widows in these circumstances «threw the key» of the family house on the husband's grave, thus showing to the community that she was not liable for the debts of her deceased partner (Maes 1960, 88-89; Den Hollander 2023, 282-283).

From the middle of the fifteenth century onwards, in many European cities, the principles regarding expropriation, collateral and seizure changed. Executory proceedings became possible for all debts, irrespective of their form and contents. In the middle of the 1400s, municipal aldermen of towns in Holland still often considered debts in notarial deeds and private contracts as being unofficial because they had not been ratified (Blok 1900, 126).¹⁸ Gradually, non-ratified debts were considered as sufficient to start a proceeding of *panding*. In Antwerp, this development happened in the 1510s and 1520s. An Amsterdam *turbe* of 1562 stated that any certificate of the aldermen, referring to an expired debt, had priority over informal and notarial debts. Yet also, at the same time, this *turbe* shows that creditors with notarial deeds and private agreements could be involved in proceedings of *panding*, even though creditors having aldermen's certificates were given priority (Willekeuren Amsterdam 1624, 100).

Over the course of the sixteenth century, when the notarial deed gained popularity as debt instrument, notaries were more commonly controlled by city governments. In 1565 the city of Amsterdam imposed a *numerus clausus* on notaries, appointing only five (Willekeuren Amsterdam 1597, 145-146). The same system of five city notaries was applied in Leiden since 1577 (Hamaker 1887, 444-445). By contrast, Antwerp had a more liberal regime. At any moment in the period between 1480 and 1520 around twenty-five notaries could be found in that city (Oosterbosch 1992, 411). In the 1520s, there were around forty Antwerp notaries (Oosterbosch 1995, 94). After the opening of the new Bourse building in 1531-1532, several notaries opened an office in its vicinity. From the 1540s onwards, they defined themselves as «notaries of the Bourse» (Goris 1925, 93; Oosterbosch 1995, 92),¹⁹ which was not an official title, but referred rather to their expertise in the drafting of mercantile contracts and documents. Slowly the Antwerp example was copied

¹⁸ However, in 1421 in Leiden it had been decided that *obligatiën* (private, non-ratified acknowledgments of debts) of English merchants were to be considered as having the same value as ratified debts (Hamaker 1887, 202-203 (art. 37)). This was made into a general rule only in 1508, when it became possible to use all kinds of «letters» and witness reports as proof before the Leiden City Court (Hamaker 1887, 326).

¹⁹ ACA, *Processen*, 240, notarial deed of 17 Febr. 1552 ns.

elsewhere. In 1591 there were already twenty licensed Amsterdam notaries (Willekeuren Amsterdam 1597, 146).

In those towns where *thoonpand* remained in use, it became a preservatory seizure proceeding devised for debts in private, non-ratified documents, whereas the regular *panding* was to be applied for the public sale of assets and immovable property. The older distinctions became blurred (yet, preservatory arrest on the person remained exceptional). The widening of the scope of the *panding* proceeding often meant that *thoonpand* became an introductory proceeding of *panding*, thus replacing the verification proceeding that had existed before (Planitz 1905, 267-68).²⁰

In the second half of the sixteenth century, in Holland *panding* was split into two different proceedings, namely, *executie* and *arrest*. This was most probably influenced by the procedural regulations of the Court of Holland, which reflected academic influences. For the German territories, it has been found out that due to the infiltration of legal scholarly writings at the end of the fifteenth century a distinction was made between executory and preservatory seizure. This change was due to an influence of Italian examples, found in legal doctrine or otherwise (Wach 1868). With the broadening of collateral rights mentioned, the entry requirements for seizure were lowered.

One of the consequences of the widespread use of seizure proceedings, used as pressuring tools, was a reinforcement of debtors' rights. City governments imposed rules against unjust seizure. In Leiden, in the second quarter of the fifteenth century a proceeding known as *pandkeering* came into existence. Leiden was early in generalizing the scope of seizure. Initially, only *panding* existed, which was an executory proceeding for ratified debts (Blok 1900, 148). Around the middle of the fifteenth century, it was acknowledged that creditors could lay *besetting* or *becommering* on goods of their debtors, and for small amounts, stemming from informal debts (Blok 1900, 143-44, 167 and 220). This innovation preceded similar changes in Antwerp and Amsterdam by more than half a century.

In Amsterdam, the debtor's contestation of seizure of assets was called *schutting* (Amsterdamsche secretarje 1726, 128-29). In Antwerp, any arrest (on both goods and person) was brought before the City Court within three days, where the arresting creditor had to advance the reasons for his action. Proceedings of *pandkeering* could be abused as well. In Amsterdam, it was decided that *pandkeering* could only be granted to the debtor if the latter provided guarantors (Breen 1902, 467-68).

The abovementioned developments influenced other proceedings and contractual practice, too. For example, imprisonment became a subsidiary executory remedy, for when there were no assets that could be sequestrated (Instructie, art. 124)²¹ Now the rule of Roman law that execution on the person could only apply in

²⁰ In Leyden, *thoonpand* was known in the early fifteenth century, but disappeared afterwards. See Hamaker 1887, 480. In some towns, a distinction was made between a regular *besetting* and a »simple« *besetting*. The latter had most probably evolved out of *thoonpand*. It entailed the locking of assets but without preliminary consent from the city government. However, it differed from *thoonpand* in that subsequent authorization was required in any case (Telting 1901, 377).

²¹ Only when a judgment of the Court of Holland concerned an obligation to do something, *gijzeling* was the normal method of enforcement of the judgment. This was not imprisonment, but rather

case of insufficient goods came to apply fully. It remained possible to have a debtor for public debts (penalties, taxes) imprisoned right away, even with assets available, but this became categorized as a punishment (Rintelen 1908, 66-74). In creditor-debtor relations, imprisonment was possible only after seizure of goods had been laid. As a result, imprisonment became more punitive again; it served no longer to gain access to goods, but rather to force the debtor to seek additional funds, imposing shame at the same time. Under the influence of Roman law, the older practices of *abandonment* and *eigening*, which had imposed public shame on a debtor without assets, when being released from prison, were mitigated. For example, they did no longer result in a loss of citizenship (Zambrana Moral 2001, 154-55). Towns struggled to keep their defamatory rituals against princely councils imposing rules that did no longer culpabilize insolvency (see further, below).

The generalization of seizure resulted in the further lowering of requirements. At first, the claimant at a seizure proceeding had to evidence an agreement on, or a clause of, collateral. Throughout the late Middle Ages in Holland provisions of pledge became more commonly stipulated in contracts. Clauses of general collateral, «on all assets present and future», were frequently used in the first decades of the fifteenth century, in ratified annuity contracts (Zuijderduijn 2009, 217) and in ratified acknowledgments of debt (Pos 1971, 129-30). In Antwerp, by around 1520, no absolute title of ownership, or a ratified debt, was required for the creditor to lock the debtor's assets in case of his default. All proof of a debt, which could be evidenced with any document (letter, bill, account book), was accepted. Amsterdam followed suit over the course of the sixteenth century. In 1656, an Amsterdam bylaw on procedure re-stated the older rule that seizure could be laid on the basis of «public or liquid» instruments, the latter including *obligaties* (i.e. acknowledgments of debt to bearer, bearer bonds) and bills of exchange (*wisselbrieven*) (Noordkerk 1747, 501; Ordonnantie der stad Amsterdam 1656, 42-43).²²

A mounting popularity of provisions of collateral alone does not explain the changes mentioned above. The generalization of seizure proceedings came rather late. Only in Leiden in the middle of the 1400s, it was possible to lay seizure on non-ratified debts, without preliminary authorization of the town administrators and without a clause or agreement of collateral. In Amsterdam, Antwerp, Bruges and Mechelen it was not legally possible around that time. Changes were more dynamic, happening in interactions between academic views, contractual practice and economic developments. For example, from around the middle of the fifteenth century, more cases of absconded debtors came to the fore. This happened throughout the Low Countries and was most probably caused by changing economic conditions. In the late 1450s and in the 1460s inflation rose, due to monetary policies. Leiden by that time already had opened its seizure proceedings. A clear connection between the changes mentioned and these economic conditions, or growth in other periods, is absent. Leiden grew more important until 1520; Antwerp had been a hub for foreign merchants since the 1430s and saw fundamental changes to its seizure

compulsory presence at an inn during a certain period of time (Van Apeldoorn 1938, 132-33) (dating between c. 1550 and c. 1570).

²² This was repeated in a 1663 *turbe*, as well as in a new bylaw of 1779.

proceedings only in the 1490s. Academic views mattered but they did not trickle in everywhere at the same time. Towns could provide examples (the Antwerp example was important for Amsterdam), but – as will be explained in the next paragraph – idiosyncratic choices and path dependence were not exceptional either.

4. Differences between towns

The mounted importance of seizure in nearly all the cities mentioned near the end of the fifteenth century was first combined with a «first come, first served» policy. The first seizing creditor, not having any negotiated security or official debt instrument, was given priority over creditors that laid seizure later. For secured creditors, the oldest debt had priority. There were no exceptions to these rules: even if the debtor had run off, or when the creditors seized an insolvent inheritance estate, burdened with other debts, the priority for the first seizing creditor applied.²³

However, developments in the seizure proceedings of the cities under study here were far from similar. As was mentioned, Leiden was early in allowing general seizure also for non-ratified debts. By contrast, in Bruges and Mechelen, imprisonment remained the default proceeding of debt enforcement, and the rule continued to apply until the early 1500s that an imprisoned debtor could not be pursued for another debt until the imprisoning creditor had been paid (Maes 1960, 21; Gilliodts-van Severen 1875, 314-15). Moreover, in both Bruges and Mechelen, the older distinction between ratified and non-ratified debts persisted. For non-ratified debts, in principle seizure was only possible following a judgment of the City Court. The compilation of Bruges municipal law of 1619 (the so-called *costuymen*) still contained the rule that seizure for a debt that was «*ongewysd*» (not judged) was only possible if the debtor was a non-citizen and there was fear of the latter's abscondence. However, a clause of «seignorial execution» (*heerelieke executie*) in a privately written debt sufficed to meet the requirement of ratification (Gilliodts-van Severen 1875, 72-74).

In Antwerp and Leiden, from the early 1500s forwards, imprisonment became less practised because of the lowered entry requirements for seizure. At Antwerp, the older concept of the 'freedom of the fairs', which had prohibited seizure of goods and arrest of persons during the span of the fairs, was hollowed out and by approximately 1520 largely abolished.²⁴ Therefore, also during the Whitsun- and Bamis fairs it became possible to lock merchandise of merchants who had come to the fairs. No exceptions were made for citizens or residents. They were only protected against arrest and imprisonment, not against seizure of goods.²⁵

Starting from the 1510s, authorities of the five cities analyzed here started imposing a sharing of risk among creditors of an insolvent debtor. This happened in many regions of continental Europe North of the Alps from the early 1400s onwards (Fischer 2013, 176-77; Hellmann 1905 40-53). In 1510, the Parisian *coutume* provided for the first time that the «first come, first serve» rule did not apply in the case of

²³ ACA, V, 68, fol. 12v (around 1508).

²⁴ ACA, V, 2, art. 141; ACA, V, 68, fol. 62v-64r (c. 1526).

²⁵ GAS, *Papieren van State en Audiëntie*, 1191/41, no. 34 (ch. 17, art. 5).

déconfiture. *Déconfiture* consisted of a shortage of funds that was attested when more than one creditor sued for debt (Oliver-Martin 1922, 590).²⁶ In the Low Countries, this phenomenon of pooling of debts in case of insolvency was exacerbated by the crisis of the period roughly between 1518 and 1530.

In sixteenth-century Holland cities, the proceeds of the public sale of an insolvent's assets were distributed first according to the *prior tempore* rule, for aldermen's certificates and judgments (Soutendam 1870, 24-25, 52-53),²⁷ and then, for the other creditors, equally but with rateable deductions on their claims (Hamaker 1887, 426; Willekeuren Amsterdam 1624, 108; Willekeuren Amsterdam 1639, 100). In Antwerp, the principle of equal distribution between creditors not having titles of collateral was imposed in January 1516. The ordinance issuing the new rules contained the Roman ideas that had underpinned the proceeding of *missio in bona*. All creditors were summoned; they could present their debts within a certain period of time. All the debtor's goods were inventoried and sold publicly. Among creditors not having specific collateral, equality of distribution, *pro rata portionis*, applied (De ruysscher 2008, 310-13).

By contrast, in early sixteenth-century Bruges, no collective insolvency proceeding that could be initiated before the City Court existed. However, insolvency cases were handled in an administrative fashion, on an ad hoc basis, by the city's administrators. Since the early fourteenth century, foreign merchants received charters entitling them to the restitution of deposits that had been made with official money-changers. This policy meant that the municipal government was obliged to bail out the latter when they went insolvent to the extent that they owed sums to these privileged merchants (Fieremans 2023; Murray 2005, 156-57, 199). As a result, sometimes the Bruges aldermen took pre-emptive action on impending insolvencies by acquiring a part of the business of a money-changer. At the collapse of the Medici bank's branch led by Tomasso Portinari in 1496, for instance, the city covered a shortfall of 16,000 pound gr. Fl., in order to appease the market (De Roover 1948, 347-348). Collective liquidations, with auctions, were very exceptional. They were organized with respect to insolvent money-changers or hostellers, and under the strong control of the municipal government. It is unsure whether in the publicly administered cases involving insolvent money changers the Bruges city administrators applied the rule of equal distribution among creditors (De Roover 1948, 332-33; Murray 2005, 157).²⁸

All this invites for reflection on the conditions of legal change and the quality of the legal regimes in place. First, as was suggested above, there was no impact from economic conditions on the changes in rules. As was mentioned above, in fair towns and commercial cities rules could apply that for a long time did not allow general seizure. Moreover, the emergence of collective insolvency proceedings was not an

²⁶ Olivier-Martin treats this rule as only featuring in the 1580 *coutume*, but the principle of rateable distribution at *déconfiture* was already mentioned in the 1510 *coutume* (art. 197).

²⁷ In early sixteenth-century Delft, the rule was that debt certificates corroborating private written agreements and instruments were given priority over debt certificates that were not based on such documents.

²⁸ These authors express doubt. In case the city bailed out an insolvent money-changer, as a principle, all creditors were repaid fully.

indication per se of more insolvencies. For example, in the middle of the fifteenth century, in the cities studied here, for the first time the idea emerged that flight resulted in the loss of citizenship.²⁹ Abscondence by debtors became more widespread. However, these circumstances did not trigger a change of rules. For example, in Leiden it does not seem that the generalization of seizure was connected to more insolvencies. In all but one city, it was only near the end of the fifteenth century and in the early sixteenth century that most changes were made, which was due to a combination of factors. There was a certain «wave» of change in debt enforcement rules across Western Europe in the 1400s and early 1500s. However, these changes were not predicated by economic factors. For Antwerp, for example, it had been customary since the 1460s to insert the clause «*se et sua*» in debt acknowledgments, registered in aldermen's certificates.³⁰ This phrase was a clause of collateral, which provided the creditor the surety of access to goods and the person of the debtor in case no payment followed. However, seizure became generalized only in the early 1490s, in a combination of circumstances of war (in the 1480s) and the ambitions of one ducal official, the *amman* (De ruysscher 2013).

Examples of other cities could provide inspiration. However, change was mostly due to local incentives, and not always economic ones. Moreover, coherence and continuity within existing systems could prevent change, even if it was ubiquitous in other cities. Bruges is a case in point. As was mentioned, Bruges did not adopt generalized seizure, not even in the sixteenth or seventeenth centuries. Rather, the city government perpetuated the approaches that had existed since the fourteenth century. Imprisonment remained a default debt enforcement proceeding. Seizure of assets was combined with the imprisonment for debt, but only when the imprisoned debtor did not provide guarantors for the debt. This was the exact opposite of the rule of Roman law, requiring enforcement on the goods before the person. At Bruges, proceedings of debt enforcement were not mandatorily collective. In practice, however, it was possible that several creditors teamed up to imprison a shared debtor.³¹ It is striking that Bruges did not adjust its rules in the competitive struggles with Antwerp in the period 1490-1510, which was when the rules of debt enforcement between the two cities were very different.

Municipal legal culture relating to debt enforcement could have regional characteristics. For example, *thoonpand* was largely unknown in Flanders and Brabant, but was practised in several cities of the county of Holland. Moreover, it is unlikely that competition between cities was a driver of legal change (Gelderblom 2009). Bruges did not feel pressured to change its rules, even with several other commercial cities having completely different regimes of debt enforcement. Sometimes, cities stuck to their adjustments and did not change afterwards. Bruges had a head start

²⁹ Leiden Archives, *Schepenbank*, 41B.

³⁰ ACA, SR, 69 (1465-56, containing at least six letters without collateral, both in and outside the privileged period surrounding the fairs: fol. 44v (5 Aug. 1465), fol. 46v (17 Aug. 1465), fol. 83r (17 Oct. 1465), fol. 182r (3 Jan. 1466 ns), fol. 192v (12 Oct. 1465) and fol. 193v (10 Nov. 1465). In the ledger of 1469-70, no such letters could be found and all mercantile letters contained the clause «*obligat se et sua*». See ACA, SR, 76, fol. 26v (6 June 1469), fol. 28r (8 June 1469), fol. 34v (23 June 1469), fol. 129r (28 March 1470 ns), fol. 323r (11 March 1470 ns) and fol. 367r (13 Febr. 1470 ns).

³¹ BCA, *Oud Archief, Kamer, Civiele Sententiën*, 1473-1474, fol. 7r-9r (12 Nov. 1473).

handicap in the later fifteenth century; in the later fourteenth it had been innovative in promoting imprisonment as a debt enforcement mechanism. However, at the end of the 1400s, the Bruges rules were very different from cities where non-ratified debts were sufficient to lay seizure and where assets could be locked irrespective of the imprisonment of the debtor.

Furthermore, there was no linear trend. There are examples of legal changes that were reversed. For example, in the later sixteenth century, the general application of seizure became somewhat more restricted. In Antwerp, the rule that arrest on goods was possible even against citizens continued to apply. However, in Leiden, the city administrators strengthened the rights of citizens. In 1583 it was imposed that *arrest* (*besetting*) could be laid only with a «deed of commission or an order»; for *arrests* against citizens, even when they were absconding, preliminary authorisation was required (Keuren Leiden 1538, 81 and 87-88).

In Amsterdam, a strict distinction came to be made between proceedings focusing on the person of the debtor as a means to secure the debtor's presence in court (*arrest op de persoon*) and those purporting to enforce a judgment condemning to payment (*executie bij apprehensie*). In Amsterdam, the former, the preservatory apprehension, was allowed against citizens and residents only upon authorization by the bailiff (Rooseboom 1644, 77-78). By contrast, *executie* was possible against citizens without preliminary approval (Rooseboom 1644, 79). *Arrest* served mostly as a measure against non-resident merchants. At Leiden, the *roeddrager* who imposed the preservatory *arrest* on the person had to stay with the debtor when his relatives were searching for guarantors; within one hour the debtor had to present someone who stood surety for the unpaid debt. If the debtor could not deliver sureties, he was escorted to the city's prison and stayed imprisoned for as long as no surety was provided (Keuren Leiden 1657, 81-82).

5. Princely interventions, incomplete harmonization

Partial legal harmonization resulted from princely legislation. In the later decades of the fifteenth century, princely interventions in matters of debt enforcement increased. State formation efforts under the Burgundian dynasty had resulted in the installation of provincial princely courts since the later fourteenth century. Bruges was subjected to the Council of Flanders, Antwerp to the Council of Brabant and Leiden to the Council of Holland. In the second half of the fifteenth century, these courts issued *lettres de justice*, princely letters of protection. Some were concerned with protection during travels (*lettres de saufconduit*); others could be solicited by insolvent debtors. Initially, letters of the latter type could demonstrate high levels of leniency. The Joyous Entry charter of Mary of Burgundy (1477) stipulated the promise not to hand out letters shielding debtors from arrest and seizure during five years (Van Uytven, De Ridder 1985). The Joyous Entry charter of Philip the Fair for the duchy of Brabant (1494) detailed that no *lettre de répit* could be issued without guarantors, thus securing the rights of the creditors, and that an applicant could not obtain more than one letter Pouillet 1867, 316-317). In the 1480s and 1490s, *lettres de répit*, imposing a moratorium on cities' payments of public debt, were also handed out to cities which

had gone insolvent in the period of the civil war against Maximilian of Habsburg (Zuijderduijn 2009, 127-29).

In the 1510s, more attention was paid to the honest insolvent, who had not committed bankruptcy. Bankruptcy was fraudulent insolvency; a fraudulent insolvent was a debtor who had demonstrated malicious intent in certain actions (for example abscondence, concealment of assets, collusion with creditors). *Lettres de justice* were handed out only to those whose insolvency was the result of misfortune. When installed as duke of Brabant in 1515, Charles of Habsburg (later, Emperor Charles V) declared that *lettres de répit* could be awarded only to applicants of good faith (Anselmo, 136).

Furthermore, in the 1510s and thereafter, imprisoned debtors could seek *lettres de cession*, to be released from prison, even against the will of the creditors who had them locked away. When released, they transferred to their creditors whatever property they still possessed. This measure of «*cessie van goeden*» (*cessio bonorum*) prevented lifelong incarceration of poor and *bona fide* debtors. In Antwerp, *cessio bonorum* replaced the proceeding of abandonment from the early 1500s.³² This proceeding of «*cessie van goeden*» did not discharge debts, and if the released debtor acquired new capital, he had to repay any debts that remained. Initially, in Holland, letters for *cessie* could be obtained directly with the Court of Holland. In January 1518, a new princely instruction to the Court of Holland prohibited this practice. Applicants first had to file a request to be released from prison with the Court, after which the request was sent over to the local jurisdiction where the debtor was imprisoned. The debtor had to provide a list of creditors, swear that no goods had been hidden from the creditors, after which the creditors were summoned. If the creditors could not substantiate objections of fraud against the debtor's request, the *cessie* was granted by the Court of Holland (Vorsterman 1531, art. 22). In a response to an increasing demand for letters of *cessie* from the Court of Holland, Leiden and Rotterdam asked for comital privileges to confirm their older defamatory rituals for those who were released from their town prisons (Den Hollander 2023, 280).

The practice of obtaining princely letters of cession and *répit* grew popular in the early sixteenth century. Antwerp received the applications from the Council of Brabant and secured control over the process; the city's administrators de facto decided on the implementation of requests for *cessie*, even though the Council of Brabant formally had jurisdiction. However, in Bruges, the reaction of the city government was more reluctant. It was decided that *lettres de répit* did not have any impact on the municipal proceedings of debt enforcement.³³ Moreover, in Bruges *cessie van goede* was not accepted. A debtor could be released from prison only if sufficient guarantors were presented to the creditors. Therefore, creditors had the right to keep a debtor incarcerated if that was not the case (Gilliodts-van Severen 1875, 306-15).

³² ACA, V, 1233, fol. 85v (1 Oct. 1505), fol. 89r (6 Nov. 1505) and fol. 110v (9 July 1506); ACA, V, 1235, fol. 51r (12 Nov. 1517); ACA, V, 68, fol. 33 (1 June 1520). I would like to thank Jeroen Puttevils (University of Antwerp) for bringing the first two references to my attention.

³³ BCA, *Oud Archief, Kamer, Cíviele Sententiën*, 1504-05, fol. 2r-v (4 Sept. 1504) and fol. 7v (13 Sept. 1504). In both cases, it was argued that *lettres de répit* did not have force according to the «customs of Flanders».

At around 1520, insolvents could apply for princely letters that aimed for a composition between the debtor and his creditors. In the 1520s, in the dire economic circumstances of the period, it became normal practice for an insolvent to file a request with the Council of Brabant to commission the Antwerp administrators to mediate an agreement between the creditors and their debtor. The Antwerp aldermen checked the veracity of the applicant's statements and the causes of his or her insolvency. If it became clear that the applicant had committed malicious acts, the request was denied. If no such behaviour was found, first an inventory of the debtor's property was made, then the creditors were summoned who submitted evidence of their claims. Thereafter, negotiations began under the guidance of the Antwerp government. When an agreement had been reached, the case file was returned to the Council of Brabant, which confirmed (*intériner*) and registered the contract.³⁴

The Antwerp practice was for a large part written into a princely law of 1536 (*Recueil des Ordonnances des Pays-Bas* 1506-1700, 549-50), which further centralized the practice. First a request had to be sent to the Council of Brabant. After a minimal check of the application the Council granted a provisional letter of protection to the debtor. This practice was new. The case file was then sent over to the municipal court of the applicant's domicile and creditors were invited but they already suffered the consequences of the letter. By way of compensation for this change, the *intérimement* of the letter of *cessie* was taken by the local court, not the Council of Brabant, even though the latter was informed on the decision and could oppose it, as well. Moreover, it was accepted that applicants who were unmasked as being fraudulent remained in prison, at the costs of the creditors. According to the 1536 law in that case the creditors could organize a defamatory *cessie*, after which they could detain their debtor in their homes. In 1531, Bruges became subjected to princely rules on *cessio bonorum*, which had to be requested with the Council of Flanders (Gilliodts-van Severen 1875, 343-48). In princely laws of 1541 and 1544, which were issued in Flanders, Brabant and Holland, the practice of *lettres de répit* became restricted further; applicants had to provide guarantors and the proceedings were organized at the local level of courts. This was a clear confirmation of the view that these matters were best handled locally. In the 1550s and 1560s, the Antwerp leaders were very vocal when the Council of Brabant took decisions that went against the municipal authority in insolvency (for example when an incarcerated bankrupt was provisionally released from prison).³⁵

In the 1520s and 1530s, the Antwerp administrators actively negotiated with debtors and creditors, to secure as many accords on debt reshufflements as possible. Upon their appointment, the commissioners either went to the homes of creditors or they could summon them to the City Hall. It seems that there was no public announcement attached to these actions: no proclamations or public statements were made. Visits and invitations were discreet and also swift, even though this depended on the number of creditors and on their presence in the city. Even in complex cases,

³⁴ ACA, PK, 271, 1 (1 June 1527); ACA, PK, 299. This practice was formalized in a 1536 princely law. See *Recueil des ordonnances des Pays-Bas*, vol. 4, 328 (30 Aug. 1536).

³⁵ ACA, PK, 1549 and 1551.

with multiple sessions of negotiations, it took no more than three weeks for the commissioners to inform the Council of Brabant of the results.³⁶ The debtor was usually not present at the talks,³⁷ although he or she could give instructions to the commissioners.³⁸ In preparation for the meetings, a *bilan* (also called «*presentation*») was made, containing an overview of assets, debts and claims of the debtor, dividing the latter into good and bad debts.³⁹

59 files of applications, with notes on the outcome of meetings, have been preserved. In 24 of them, the petition refers to the type of trade or the occupation. From the descriptions of their activities, it seems that even though many applicants described themselves as «merchants» («*coopman*», «*marchant*»), most of them were in fact small-scale mercers, stallholders and craftsmen. Most of the debts in the aforementioned files were private or informal; annuities or other debts encompassed in deeds (i.e. aldermen's certificates or judgments) were exceptional. The measures that were requested varied. It was not uncommon to specify terms of payment, which was either for a few months or for a longer period (three or four years). A partial discharge was sometimes granted, but never explicitly requested.⁴⁰ Exceptionally, the petition and compromise stated a five-year term.⁴¹ Yet many requests were rather vague in what was demanded: often only an «*inductie*» (i.e. an invitation of all or some creditors) was requested or a «reasonable» compromise («*appointements*»).⁴² In every request, commissioners of the city government were solicited, and sometimes *nominatim*. In some cases, the request targeted «unwilling» creditors; asking for commissioners then served the purpose of pressuring such creditors into accepting an agreement that had been signed by a number of other creditors of the applicant.⁴³

As a result of these developments, creditors resorted less frequently to imprisonment of their debtors. Generalized seizure on assets had restricted the scope of application of imprisonment for debt in many cities. In addition, the imprisoned debtor could always petition for a letter of *cessie*, which would allow him or her to walk free upon negotiation with the creditors and abandonment of properties to them.⁴⁴ The creditors retained one unilateral weapon, namely the public announcement of bankruptcy. There are some examples of creditors applying to the Antwerp aldermen for a public statement that mentioned criminal action before starting a collective insolvency proceeding.⁴⁵ There were few opportunities for

³⁶ E.g. ACA, PK, 271, 5 (Oct. 1535).

³⁷ Exceptions are ACA, PK, 271, 6 (12 Nov. 1535). However, in this case only one creditor was invited, because he was the only one being «unwilling» to grant postponements.

³⁸ ACA, PK, 312, 9-17 (request, ap. 19 April 1536). One of the two brothers who applied for a compromise suggested to the commissioners what they could offer to the creditors.

³⁹ E.g. ACA, PK, 312, request and file (1536).

⁴⁰ See for some examples of modest discharges, see Puttevils 2012, 292-297.

⁴¹ ACA, PK, 271, 43 (*s.d.*, c. 1544).

⁴² E.g. ACA, PK, 312, 5-6 (request, ap. Oct. 1540).

⁴³ E.g. ACA, PK, 312, 28 (request, ap. 12 Oct. 1540).

⁴⁴ Such letters were granted (exceptionally) by the Privy Council, by the Council of Brabant and by the Great Council of Mechelen, until the latter lost its jurisdiction around 1515.

⁴⁵ ACA, PK, 675, fol. 258v (22 Dec. 1595). In this request, creditors petitioned for measures following «a big and ugly bankruptcy.» After 1516, similar petitions were directed to the aldermen in

debtors to deny such allegations once the public statement had been made. Therefore, public announcements of bankruptcy became less common from the 1540s. However, imprisonment was still possible, and from the middle of the sixteenth century onwards imprisonment was used mostly to prevent fraudulent insolvents from running away.

The sources reflecting accords made in Antwerp are exceptional. For the other cities mentioned, few traces of accords survive. However, it seems that majority compositions became slowly acknowledged. Majority compositions were accords accepted by a majority of creditors, which also bound absent and unwilling creditors. When debtors wanted to negotiate majority accords, they could apply with a princely council for a letter of *atterminatie* or *conformatie*. These letters were not regulated in princely laws and pertained to the discretionary jurisdiction of princely councils. A letter of *répit* could result in a moratorium that was ignored by unwilling creditors. By contrast, for *atterminatie* the approval of a majority of the creditors was required, after which also absent and non-consenting creditors were obliged to respect the negotiated terms (Van Apeldoorn 1938, 172-175). In his *Descrittione di tutti I Paesi Bassi* (1567), Lodovico Guicciardini (1582, 108-109), a former Florentine merchant with close knowledge of Antwerp, mentions the fact that in the city creditors could only be bound if they had consented to the provisions of the debt-rescheduling agreement. After statutes of 1540 and 1541 had condemned agreements in which creditors were forced to comply,⁴⁶ a law of May 1544 stipulated that accords in which debts were partly acquitted were only allowed if all creditors accepted the deal. Agreements on delays had to be accompanied by rights of collateral.⁴⁷

As a result of the princely legislation, the liability of debtors shifted further towards a liability in goods. The princely rules on *cessio bonorum* brought about a further decline of the practice of imprisonment for debts. Rituals such as the proceeding of *eigening van schulden* in Leiden became out of use in the third quarter of the sixteenth century (Orlens 1781, 21-23; Whitman 1996, 1879). The generalization of seizure proved a bedrock for negotiations among creditors. Imprisonment for debt remained an option for creditors who wanted to inflict reputational harm. However, even fraudulent bankruptcy did not trigger arrests and imprisonments as much as had been the case before. In the first half of the seventeenth century, negotiated agreements between creditors and debtors could be made after a debtor returned after a period of abscondence (Den Hollander 2021, 94-96). Eventually, this practice of negotiation after return marked the beginning of *Desolate Boedelkamers*, which were established in Dutch cities from the 1640s. These municipal institutions secured the management of insolvents' estates and facilitated negotiations on debt schemes (Den Hollander 2022). However, all this did not alter path dependence in

order to obtain a public ordinance on the bankruptcy of the creditor. For an early example of such an ordinance, see ACA, PK, 914, fol. 75 (8 Nov. 1516).

⁴⁶ ROPB, 2nd series, vol. 4, 328 (20 Oct. 1541).

⁴⁷ ROPB, 2nd series, vol. 5, 52-56 (10 May 1544). This distinction reflected an earlier difference between *répit* and *atterminatie*. *Répit* was modelled largely on the moratory rescripts mentioned in the Justinian Code (C. 1,19,2-4), while *atterminatie* was based mostly on C. 7,71,8. The former was considered a method of *dilatatio* (that is, postponement of payment), the latter of *remissio* (discharge of debt) (Dalhuisen 1968).

some towns. In Bruges and Mechelen, the municipal law of the early seventeenth century did not provide for collective insolvency proceedings, besides the princely imposed *cessie van goede*.⁴⁸

6. Conclusion

In the period between c. 1450 and c. 1510, in the cities of Amsterdam, Antwerp, Bruges, Leiden and Mechelen a municipal culture of insolvency emerged. Insolvency was a situation in which a debtor had less goods than needed to pay for imminent debts. A loss of reputation could precede this situation; or, the debtor left the city before creditors became aware of the insolvency. The problems mentioned (insufficiency of goods, abscondence, enforcement of debts) were addressed at the level of the local jurisdiction. Even though princely councils and *lettres de justice* gained influence, the legal agency of cities remained largely intact. Rules and proceedings involving insolvency could be very different across jurisdictions. Even though around 1600 many more cities had adopted Roman rules, this was not always the case (Bruges, being a prime example). Moreover, rules and practices were interconnected. As a result, systems of debt enforcement could function even when being different. In Bruges, debtors were pressured to pay because they were imprisoned; at Antwerp, general seizure had the same goal. Even though some phenomena could happen across larger regions (for example, more abscondences from around 1450), the legislative reactions from the municipal administrators could arrive late. Regional similarities could exist, but proceedings nonetheless differed from one city to the next. Idiosyncrasies persisted in judicial regimes after 1500, when group proceedings became increasingly common. Princely regulation led to some degree of uniformity starting in the early sixteenth century, making some of the earlier methods outdated. Many of the earlier methods, though, might still be used.

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⁴⁸ In 1625, Paul Van de Christynen wrote a tract on the law of Mechelen in which he referred to supplementary Roman law (Christinaeus 1671, 51 and 53-54).

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Limiting risks in the Dutch processing industry, 1600-1800

1. Introduction

As an entrepreneur in the early modern processing industry there were profound risks and uncertainties that threatened business operations. Natural variance was high, and control, measurability, and predictability were low (Allen 2012). Arguably the most profound uncertainty might include a war destroying production facilities, a sovereign prosecuting your religious group forcing you to seek safer haven abroad, or a variety of natural disasters. More endogenous risks include competition from others. In the early modern Dutch Republic, the processing industry of colonial commodities (at the time termed *trafficq industry*) looked at political support in their attempt to remedy risks and uncertainties stemming from both exogenous political instability and endogenous market competition. This paper studies petitions presented to city, regional, and national political bodies to understand how and why and *trafficq industry* sought political support to protect themselves from uncertainty and risks. The decentralized political structure of the Dutch Republic means that it is important to study industry on all these political levels to get a full grasp of the influence of *trafficq industry*.

Studying the ways in which *trafficq industry* attempted to shield itself from risk and uncertainty is important because unlike most industries these industries were not bound by guild regulations, control, and protection. This means that it indirectly contributes to the debate on the efficiency of guilds for economic activity (Epstein 2008; Ogilvie 2008). If non-guild industries can obtain similar privileges as guilds, like monopoly rents and state support, this shows that an important reason guilds existed might not have necessarily exclusively been economic. Moreover, the processing industry presents a paradox as it quadrupled in economic size between 1600 and 1800, while the rest of the Dutch economy stagnated or shrunk (De Vries and van der Woude 1997, 499). Furthermore, compared to merchants, capital, or raw materials, industry was far less mobile, making it more vulnerable to risk and uncertainty. Finally, it offers an opportunity to include the Dutch hinterland (*landgewesten*) as a nodal point of the first era of globalization; an area of the country that is often overlooked in favour of Holland and Zeeland. This is particularly striking as this economic entanglement of the Dutch hinterland industry and for example the slave trade was emphasized by contemporary regents:

[Trade to the West Indies and Africa] not only benefits the provinces of Holland and Zeeland through the annual circulation of capital amounting to many millions but also spreads its advantages throughout the entire Republic. This occurs either through the trade of agricultural and livestock products, manufactures, and *traffiq*, or by providing sustenance to thousands of households through the construction and repair of ships with all their necessities. This trade is capable of significant growth and equitable benefits for the state in general, and particularly for commerce and industry.¹

In the economic history of the Dutch Republic, there is quite a good grasp of the lobby for economic support by the primary sector (fishing and agriculture) (Post 2024). For example, after 1775 the herring fisheries received a subsidy of 500 guilders each time they went out to sea (van Zanden and van Riel 2000; Bochove 2004). The argument was that otherwise they could not stay competitive in comparison to Scottish herring fleets. The herring fishers themselves, however, proposed to support the demand side by mandating poor houses to buy a guaranteed quantity of herring. Like the primary sector, the influence of the tertiary sector (services and trade) for state support has been well documented (van den Tol 2020; Prak 2006). For merchants specifically, it has even been argued that they completely dominated various political bodies in order to dictate policies favourable to merchants (Glete 2002; 't Hart 1993; Adams 2005). For the secondary sector (industry) surprisingly less is known – apart from the grasp of this sector on city legislative bodies. For the processing industry in particular it is important to know how they influenced economic policy as they arguably added more value to the economic goods than transportation did.

This is therefore an article on early modern political economy, or more specifically, the origins of economic policies and the role of these policies for economic development. The argument that states and other polities influence economic performance is pushed hardest by academics belonging to the school of New Institutional Economics. The core of their argument is that political systems that lower transaction costs (e.g., by securing property rights and credibly committing to enforce institutions) drive economic growth. For the early modern period the seminal article making this argument is by the economists Douglass North and Barry Weingast (1989) who argue that the British Glorious Revolution led to more secure property rights because, in contrast to the Crown, Parliament credibly committed to respecting those rights. Historians have pushed back to this argument, for example demonstrating how political changes occurred before 1688, yet it has remained popular with economists. The most relevant criticism in the context of this article is put forward by Anne Murphy (2012) who has demonstrated that Parliament's «credible

¹ «dat dezelve niet alleen vrugtbaar is voor de Provinciën van Holland en Zeeland, door de jaarlyksche circulatie van een Capitaal op veele millioenen begroot, maar dat deszelfs voordeelen zig verspreiden door de geheele Republicq, het zy door vertier van Producten van den Landbouw en Vee-Weydery, Fabriquen en Trafiquen, het zy door de Kost te bezorgen aan duizende Huisgezinnen door den aanbouw en reparatie van Schepen met alle haare benodigtheeden; dat dezelve Handel vatbaar is voor een merkelyken toewas en evenreedige voordeelen voor den Staat in het gemeen, en inzonderheid voor de Commencie en Industrie», Nationaal Archief (NL-HaNA), 1.01.02, inv. nr. 3850, Resoluties Staten Generaal, 19 May 1788.

commitment» was demanded in the public sphere rather than imposed or instigated top-down, or spontaneously occurring after 1688. In the context of political economy, or economic policies, this means that there is a difference between what *philosophes* thought, and what economic practitioners demanded. As one publicist wrote in 1697 «a fault too usual among men of letters» resulted from «reading without practice».² Constructing economic policies from the bottom up, that is to say, from the practitioners to the policy makers, aids more to our understanding of the origins, implementation, and longevity political economies than studying the writings from the men of letters (Hoppit 2017).

Petitions were the primary vehicle for economic practitioners to influence the political economy. Although petitioning was not formalized as a legal right until the constitution of 1798, cities, provinces, chartered companies, and the States General received thousands of petitions in the centuries before then (Oddens 2017). While the majority of petitions was related to individual permissions or privileges, such as the permission to leave a job or to receive assistance in the care for a family member, a substantial amount concerned requests for changes in laws or regulations (Vermeech 2015). The historian Henk van Nierop (2000; 1997) estimates that in early modern Amsterdam about 40% of the bylaws and ordinances were the result of a petition. Petitions could be submitted by individuals, groups, and organizations (van den Tol 2020; Waddell and Peacy 2024; Huzzey et al. 2024; Prak 2013). Petitioners often used rhetorical strategies in an attempt to enhance the significance of their request, for example by claiming the broad economic benefit far outweighing their private privilege (Janse et al. 2024).

What is known about the relationship between practitioners' petitions and political economy is largely based around the interests of merchants (Zahedieh 1999). For Britain, Perry Gauci (2001, 212-14) has demonstrated the declining number of merchants petitioning on mercantile issues, as well as the eagerness of manufacturers to align their interests with overseas trade. Hugo Bromley (2023), studying the textile industry, has shown how local economic interests and the rhetoric of domestic employment became a corner stone of shaping England's political economy. Authorities in France were just as much inured to petitions seeking to influence economic policy, yet in France petitions and projects stemming from 'ordinary citizens' were much more disdained and consequently policy influence stemmed from local coordinated and mediated initiatives (Kaplan 2015, 121-25; Charles 2004, 4; Cross 2023, 119-20). While France and Britain were characterised by a thriving culture of printed publications by 'learned' men on political economy, a similar culture was entirely absent in Dutch (Weststeijn 2011; Erikson 2022). Therefore, understanding the political economy of the Dutch Republic and in particular the role of economic practitioners in shaping this, requires a study of petitions.

Studying risk specifically is important because it offers a new avenue of the role of government institutions in economic development. While authority's «credible commitment» to protecting property has provided new insights, studying their commitment to shield entrepreneurs from risk and uncertainty will offer new insights in the economic development of the Dutch Republic. Limiting risk and uncertainty

² *An Answer to a Late Tract, Entitled, An Essay on the East-India Trade* (London, 1697).

evidently lowered transaction costs. That entrepreneurs or capitalists offset risks to the state is not a new phenomenon or insight per se, but this article offers a fresh perspective by focusing on the processing industry of colonial commodities. Their interests were often different from the interests of merchants. Within Europe the Dutch Republic stood out for its comparatively open borders and relatively free trade. Championing the carrying trade, and making use of the entrepot system, meant that goods could relatively cheaply be imported to main ports and re-exported in smaller quantities in assembled cargoes to smaller markets all over Europe (Israel 1990; Lesger 1993). Most colonial commodities, however, did not arrive from the colonies in a form that was ready for market. Sugar arrived in a wet and dirty style that required refining, cotton was not yet spun into yarn, tobacco came in big roles, and Brazilwood needed to be ground before it was ready to be used. Whether the processing happened in the Dutch Republic or in other European countries mattered less for merchants but made a big difference for the industry. Limiting risks for the processing industry through for example export duties on unprocessed materials was one solution, but guaranteed purchasing of processed commodities (e.g., through an orphanage) could potentially be another.

2. Urban policies

In October 1685, the Edict of Fontainebleau revoked the Edict of Nantes which had up until that point granted French protestants the right to practice their religion without state persecution. Subsequently, many of these Huguenots fled to the Dutch Republic, some of whom ended up in the city of Nijmegen – a garrison town on the border with the German lands. In January 1686, these Huguenots in Nijmegen presented a petition to the city council requesting permission to set up a broadcloth industry (*laken*) in the city. Although the city had had broadcloth producers in the past, there were at that moment no existing broadcloth producers in the city. The city council responded very positively to the request from the French protestants, offering them free housing and workspaces in a former monastery. Moreover, the city council promised to pay for the repairs of the roof «and to protect the entrepreneurs from unexpected incidents».³ Other infant industry protection included an interest-free loan, tax benefits, a city-wide monopoly for eight years, and sixty orphaned boys and girls to produce the manufactures free of charge (*om niet*; literally for nothing) during a period of four years.⁴ Setting up a new industry involved many risks, and the entrepreneurs succeeded in convincing the city to limit some risks and to even absorb some exogenous risks like damage to the factory.

Another example shows how the city of Nijmegen protected the interests of its inhabitants to avoid competition from outsiders or newcomers. While in this instance these were peddlers rather than industry, it shows the control vested interests could have over formal institutions in the city. In June 1628, the Englishman Thomas

³ «ende de ondernemers ontlast van onverwachte voorvallen», Regionaal Archief Nijmegen (NL-NmRAN), 1 Stadsbestuur Nijmegen 1196-1810, inv.nr. 329 'Stukken totten Raadt, 1686', scan 6.

⁴ Regionaal Archief Nijmegen (NL-NmRAN), 1 Stadsbestuur Nijmegen 1196-1810, inv.nr. 329 'Stukken totten Raadt, 1686', scan 6-8.

Peters petitioned for burgher rights to be able to sell tobacco in the city.⁵ Six months later, in November 1628, the pedlar guild (*keramersgilde*) petitioned the city council for an ordinance outlawing the sale of tobacco by «outside tobacco sellers» (*vreemde tobaccoverkoopers*) without burgher rights or guild membership.⁶ As tobacco consumption rapidly increased in popularity, more people in the city were spending their money on consumer goods not controlled by the guild. This could potentially come at the expense of purchases of other goods, exposing the guild to endogenous risks. The guild offset this risk by requesting control over the sale of tobacco, effectively forming a tobacco cartel and eliminating competition. This is a form of regulatory capture by the guild, which did not increase economic activity as a whole, but did increase the guild's share of the economy. Moreover, this aligns with Sheilagh Ogilvie's view that guilds did not encourage innovation through monopoly rents, but shows that guilds attempt to stifle competition and to protect their share of the economic pie at any costs (Ogilvie 2004).

Something very similar happened by the guild of gold- and silversmiths, another industry that relied on colonial slave labour for its unrefined commodities.⁷ In 1692 this guild petitioned the city council to exclude «jews, outsiders, vagrants, or similar kind» from guild membership. This effectively limited the competition in this industry and protected the economic activities of the guild members.⁸ A few days later the city published an ordinance referring to the guild's petition to prohibit the aforementioned group from participating in the gold- and silver manufacturing industry, and from joining the guild.⁹

In sixteenth-century Amsterdam, a public-private partnership was formed for a new industry to grate Brazilwood. In a powdered form, this wood was used as a dye in the cloth industry. Relying on the forced labour of male convicts, this so-called *Rasphuis* dominated this industry for centuries. While there is substantial literature on this punitive institution as an innovation in the treatment of criminals, its economic dimensions remain mostly underexplored, even though financial benefits were certainly more important for the private investors than the moral ones. To protect the private investments in the *Rasphuis*, the city provided a monopoly within the city walls in 1599. However, only three years later, in 1602, the *Rasphuis* was threatened by economic competition from outside the city walls. Not far outside Amsterdam, in the Zaan area, the rural landscape was dominated by windmills that were mostly used to saw wood for the shipping industry. One of the millers, Pieter Jansz, realized that he could also use a windmill to grind Brazilwood to a powder; an industrial solution that was more economic than free convict labour. In a response, those interested in the *Rasphuis* petitioned the States of Holland for a monopoly in the entire province.

⁵ NL-NmRAN, 1 Stadsbestuur Nijmegen 1196-1810, inv.nr. 94 'Raadtsignaat, 1627-1629', 125v.

⁶ NL-NmRAN, 1 Stadsbestuur Nijmegen 1196-1810, inv.nr. 94 'Raadtsignaat, 1627-1629', 159.

⁷ An estimated 71% to 89,5% of the global gold and silver production in the seventeenth- and eighteenth century came from Potosí, (Barragán and Zagalsky 2023, 2–3)

⁸ «jooden, uijtdraggers, lopers, of andere gelijcke soorten», NL-NmRAN, 1 Stadsbestuur Nijmegen 1196-1810, inv.nr. 121 'Raadtsignaat, 1692-1693', 24v.

⁹ NL-NmRAN, 1 Stadsbestuur Nijmegen 1196-1810, inv.nr. 518 'Keuren, ordonnantiën en publicatiën, 1688-1692', 115-115v.

The provincial States accommodated their request to some extent by banning milled grating, but left open the option for other cities in Holland to also use gang labour for processing Brazilwood (Aten 1995, 263). Over the course of the seventeenth century, other cities in Holland, especially Leiden and Rotterdam, followed Amsterdam's example to erect houses of correction (*tuchthuis*) to grind Brazilwood. This contributed to a prohibition on the import of grated Brazilwood from places outside Holland (Hallema 1935, 125-35).

Fig. 1. Men in the Rasphuys in Amsterdam grating wood for its dyeing qualities (Anonymous, 1665)



Collection Rijksmuseum, Amsterdam. Objectnr: RP-P-1921-827.

Nevertheless, cities outside Holland, like Deventer, Kampen, and Arnhem, also followed with public-private partnerships in the form of grating houses for men to grate colonial wood for its dyeing qualities or spinning houses for women to spin

cotton and wool.¹⁰ Private investors in these correctional facilities relied on the city governments for its workforce. In a time of 'limited supply' of labour, the cities of Nijmegen, Tiel and Zaltbommel expanded the potential workforce. People who received a fine for a second time, but who had not yet been able to pay the first fine, would be forced to pay of their debts in the forced workhouses. While these groups would have previously not qualified for forced labour, expanding the potential workforce aided the entrepreneurs and shielded industry from labour supply risks. Moreover, the city councils hoped that «those who do not possess any goods» and «who knew they had nothing to lose», would be deterred from breaking city ordinances.¹¹

3. Provincial policies

The second political level where the *trafficq industry* could seek political support to limit their exposure to risk was that of the province. The composition of the provincial assembly differed per province, but was usually a combination of delegates from city burgomasters and rural members of the nobility. In 1725, Aleijda Italiaender from the town of Nijkerk petitioned the provincial Diet of Gelderland. Together with her late husband, Mordechai, and «further domestics» she had moved to Gelderland in 1707 and had opened a tobacco spinery in Nijkerk.¹² Recently, an ordinance from Holland had led to severe economic disadvantage for her business. While she does not specify what had happened exactly, more information becomes available from a collective petition from the manufacturers (*fabriqueurs*) «in the tobacco spinning industry in this province» to the provincial Diet of Gelderland.¹³ Without any tangible result on her petition from 1725, Aleijda had seemingly rallied the rest of the tobacco industry in Gelderland. The petitioners explain how they had recently opened a new «Tobacco Factory» (*Tabacx Fabrijeq*), but they now found themselves confronted by new duties imposed by the province of Holland on «transitory trade». This meant that unprocessed colonial tobacco arriving in harbours in Holland (e.g., Amsterdam, Rotterdam, Enkhuizen) would be subject to export duties when transported to another province. The provincial Diet took this seriously and responded that it would threaten the Hollanders; if these trade barriers would not be removed, they would be forced to counter with «measures to protect their inhabitants».¹⁴

¹⁰ (van Velden and Wieringa 2023, 19); Collectie Overijssel, Deventer (NL-DvCO) 0003.1 Staten van Overijssel, inv. nr. 317, scan 91.

¹¹ «die geen goederen besittende (...) so veel te stouter worden (...) niets hebben te verliezen», Gelders Archief (NL-AhGldA), 0124 Hof van Gelre en Zutphen, inv.nr. 1478 'Landsdagrecessen 1710-1713', scan 295-296.

¹² NL-AhGldA, 0012 Gelderse Rekenkamer, inv. nr. 0S22 'Landdagrecessen, 1724-1731', fo. 320-321.

¹³ «Fabriqueurs in the tabacksspinnerijen binnen dese provincie», NL-AhGldA, 0012 Gelderse Rekenkamer, inv. nr. 0S22 'Landdagrecessen, 1724-1731', fo. 628.

¹⁴ «sodaenige mesures te nemen, waar door derselver ingesetenen geprotegeert en tegens soodaene beswaar gedeckt worden», NL-AhGldA, 0012 Gelderse Rekenkamer, inv. nr. 0S22 'Landdagrecessen, 1724-1731', fo. 630.

A delegation from Gelderland did indeed take this up with the provincial States of Holland, referring to a similar situation in 1694 when export duties on transitory tobacco were also reversed after complaints from Gelderland.¹⁵ After repeated insistences to receive a response, the States of Holland finally responded in March 1728 that they «could not find sufficient reason» to remove this trade barrier. Their main argument was that they wanted to avoid Holland's industry relocating to Gelderland to seek benefits.¹⁶ This was no irrational fear, yet the Holland export duty on unprocessed tobacco was insufficient to remedy this. This becomes apparent in a pamphlet that claimed that between 1720 and 1750 tobacco spinneries in Rotterdam had declined in number from 30 to 10. This industry had moved to Amersfoort (Utrecht province), Nijkerk, and Arnhem (Gelderland) (Hovy 1966, 551-52). At least in some part Gelderland accommodated its industry by partially removing the export duties on processed tobacco – this was intended to offset Holland's duties on unprocessed tobacco.¹⁷ It should be noted, however, that at least some of Gelderland's tobacco industry relied on tobacco produced in the Dutch Republic, rather than colonial tobacco (Roessingh 1976). Nevertheless, this example of the tobacco industry shows how industry sought protection at the provincial level from political risks – or regulatory instability – in other provinces.

What united both provincial policies is that they responded to petitions from economic interests, but what differed between them is that Holland's policy tried to shield its industry from economic risks and Gelderland's policy tried to shield its industry from political uncertainty. While the causes were different the instrument were similar as in both cases the province adjusted the duties to shield its economic interests from risk and uncertainty.

4. National policies

In the 18th century, there was the general belief that the economy of the Dutch Republic was no longer competitive with other countries. As the regents put it: «(...) the causes are principally the absence of timely attention to the changes of the general trade of Europe, particularly the slowly increasing competition of industry in the surrounding nations.»¹⁸ In 1751, Stadtholder Willem IV had devised a plan in coordination with the province of Holland to revive the Dutch economy. An integral part of this plan was to allow raw colonial sugar to be imported duty free, and to allow the export of processed sugar to leave the country equally without paying export tax. The preferential position of the sugar processing industry in the trade policy stemmed

¹⁵ *Resolutiën Staten van Holland*, 13 January 1728.

¹⁶ *Resolutiën Staten van Holland*, 13 March 1728.

¹⁷ NL-AhGldA, 0124 Hof van Gelre en Zutphen, inv. nr. 1750 Stukken betreffende het bezwaar, door de Staten van Holland en West-friesland gelegd op de gesponnen tabak uit Gelderland en Utrecht, 1730.

¹⁸ «de oorzaaken (...) voornamentlyk geleegeen zyn in het gebrek van tydigten aandagt op de verandering van het gantsche handelweezen van Europa, en wel byzonderlyk op de langzamerhand toeneemende concurrentie der industrie van andere omleggende Natien», NL-HaNA, 1.01.02, inv.nr. 3863, 17 September 1795.

from a petition campaign by the sugar refiners. However, rather than operating at a provincial level, the «joint sugar refiners of the United Netherlands» successfully addressed themselves on a national political level to the States General.¹⁹ Building on their success from 1751, they expanded their preferential economic position in 1755 by requesting «a prohibition on the refining of sugar in the colonies».²⁰ This cemented colonial global economic dependency into legislation. A little over two weeks later, after consulting the colonial trading companies West India Company and Sociëteit van Suriname, the States General resolved to indeed prohibit sugar refining «on St. Eustatius and all other Dutch colonies».²¹ In large part as a result of this trade policy, the Dutch Republic imported eight times as much sugar from French colonies as it did from Dutch colonies (de Kok 2021, 48). In 1757, when the ordinances had to be renewed, the representatives of the provincial Diet in Gelderland let it be known that they did not merely accept, but that «they were content» to continue this piece of legislation.²² Evidently, this policy did not only support sugar industry in the sea provinces, and part of the increase in raw sugar imports ended up in refineries in cities in the Dutch hinterland.

Like the sugar refiners, the tobacco *fabricqueurs* also found their way to the States General. In March 1776, for example, those involved in the production of «smoke- and chew tobacco, *rappé* and snuff (...) for all corners of the world», protested a reduction in the export duties on unprocessed tobacco.²³ This very much worried the tobacco producers, as especially the export of homegrown tobacco at this low tariff of two rather than five per cent, would «allow foreigners' factories to flourish» because «wages were higher» in the Dutch Republic than abroad.²⁴ Not only the processors were harmed by this off-shoring, but also «the labourers» (*arbeidsman*) they employed were losing their subsistence. Therefore, the producers requested a reinstatement of the export tariff on unprocessed domestic tobacco of five per cent. Similarly protesting a change in tariffs were the producers of all types of goods in the city of Eindhoven in the Kempenland Quarter in May 1778. The producers claimed that the new trade restrictions were felt particularly hard in the small cities like Eindhoven, «whose inhabitants cannot live of agriculture, but only in producing, processing, crafts, and trade».²⁵ Therefore, they requested to be exempt from paying the tax – as they had done in one form or another – since 1232.

¹⁹ «de gesaamentlijke Rafinadeurs der Suyckeren in de vereenighde Nederlanden», NL-HaNA, 1.01.02, inv.nr. 3806, 16 October 1751.

²⁰ NL-HaNA, 1.01.02, inv.nr. 3810, 4 November 1755.

²¹ NL-HaNA, 1.01.02, inv.nr. 3810, 20 November 1755.

²² «daaten welgevallen», NL-AhGldA, 0012 Gelderse Rekenkamer, inv.nr. 0S31 'Landdagrecessen 1757', fo 763.

²³ «fabricqueurs van rook- en kaauwtak, rappé en snuyf, soo gekapt als gemaalen en gekorven tabak voor gewesten der wereld», NL-HaNA, 1.01.02, inv. nr. 3831, 5 March 1776.

²⁴ «Buitenlanders (...) hunne Fabricquen te doen floreeren, en die der Supplianten doen te gronde gaan, om dat de Arbeidsloonen en kosten hier te Lande veel swaarder dan buiten 's Lands waaren», NL-HaNA, 1.01.02, inv. nr. 3831, 5 March 1776.

²⁵ «daar uit voortvloeyende belemmering van Commercie en Fabricquen maar al te veel gevoelde, dog dat in het byzonder de kleine Steeden, welker Inwoonderen niet van den Landbouw, maar alleen van Fabricquen, Neeringen en Handteeringen en Commeree moesten bestaan, door de betaaling van

Changing tariff structure was one way for the States General to attempt to support the domestic industry, preventing offshoring was another. Joseph Gisbert de la Forest found this out the hard way. When the French-born silk *fabricqueur* petitioned the States General for a passport for him, his wife, and four children to relocate to Copenhagen in May 1756, his request was denied.²⁶

5. Conclusion

This article demonstrates that the political economy of global commodities like sugar, tobacco, cotton, or Brazilwood was not just affecting the diplomatic or national political arenas. Even at the regional or most local levels removed considerable distance from sea ports, the globalization of commodities was entangled with the political economy (see also Barragan and Zagalsky 2023, 4-5). Knowledge of processing commodities was mobile and so were the commodities themselves, but processing facilities were more firmly rooted in specific localities. As a result, the economic interests sought protection from risks and uncertainty at the local and regional levels alongside the national level and global processes surfaced at local levels. The arguments the economic interests drew on in their quest for support, regularly revolved around the employment depending on their industry.

For early modern entrepreneurs in the processing industry all political levels (local, provincial, national) offered opportunities to try and minimize risk and uncertainty. The solutions that these political bodies offered were primarily found in a form of protectionism. There was seemingly always a ‘them’ encroaching on their economic activity; at the city level threats came from the rural areas outside the city walls or religious minorities setting up shop in the city, at the provincial level threats came from other provinces, and at the national level the threats were foreign industries. A second form of support for *trafficking industry* came in the form of labour supply. Whether orphans or convicts, local governments were seemingly happy to offer forced labour in exchange for some education or rehabilitation. These policies succeeded in sheltering entrepreneurs from labour supply risks. It was not necessary to be firmly rooted in the local community to receive this kind of support, as the example of the French migrants in Nijmegen has demonstrated.

That economic interests not organized in guilds were able to mobilise political support for protection from risk and uncertainty invites a reconsideration of the role of guilds for economic development (Epstein 2008; Ogilvie 2008; Prak 2006; De Munck 2018). Likewise, these economic interests were not necessarily part of the merchant-regent class that dominated political bodies (Adams 2005). Yet, they were able to advance their interests – sometimes at the expense of merchant capitalist interests. This suggests that it was possibly considered an obligation for political authorities to support economic activity; a form of paternalism to protect the weaker members in society (Taylor 2023).

de inkomende en uitgaande Regten zoo als die thans gevordert worden, wel allermeest wierden gedrukt», NL-HaNA, 1.01.02, inv. nr. 3848, 11 June 1787.

²⁶ NL-HaNA, 1.01.02, inv. nr. 3811, 28 May 1756.

This interpretation of a sort of paternal obligation for political authorities to explain why political bodies protected economic interests from risk and uncertainty helps to explain why none of the forms of support focused on the demand side, but all support focused on the industry itself. It was not about protecting economic systems or liberal ideologies, it was about limiting risk and uncertainty for weaker actors.

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From «util y combeniente, y aun necesario» to «perjudicialissimas, injustas, y contra todo fundamento legal»: redefining municipal debt restructuring in the Spanish Crown of Aragon (1732-1742)

1. Introduction

On the 27th of September 1738, the *procurador mayor* (chief presbyter) of the Brotherhood of Saint Peter and Saint Bernard of Palma de Mallorca convened an extraordinary council of the brothers. He informed his colleagues that King Felipe V had granted Palma's alderman Joan de Sales i Berga a six-month moratorium during which he would be protected from harassment by his creditors, among whom the brotherhood was a notable party. Furthermore, the town councillor and his creditors would have to enter negotiations of «the *concordia* customary in the Crown of Aragon», a debt restructuring agreement in which the *regente* of the Real Audiencia de Mallorca -the high royal court in the kingdom- would act as a mediator. The *procurador mayor* of the brotherhood was strongly opposed to this type of pact, which had never been used in Majorca, deeming it contrary to the kingdom's laws, as well as highly detrimental to the brotherhood's finances. Following the advice of the chief brother, the presbyters decided to join forces with the other creditors to persuade the monarch and the *regente* of the Majorcan Audiencia that such agreements were alien to the kingdom's legal traditions.¹

The reaction of the Majorcan presbyters points to several crucial issues during the first half of the eighteenth century. Since theirs was a world of debts in which financial trouble was frequent, instruments to manage overindebtedness and insolvency were continuously used. This paper delves into the *concordia*, an instrument for debt restructuring that was peculiar to the Spanish Crown of Aragon. More specifically, the article examines the conflicts, ideas, and negotiations around *concordias* and the subsequent transformation of the normative framework for municipal debt restructuring in the four kingdoms of the Spanish Crown of Aragon -Majorca, Valencia, Catalonia, and Aragon- in the 1730s and early 1740s. Debt restructuring pacts were the main alternative to bankruptcy and litigation, but, due to the solvency problems caused by municipal overindebtedness, the disputes about the negotiation and approval of *concordias* intensified and obliged royal ministers to intervene. The redefinition of the normative framework for debt restructuring is thus examined through the scope of conflict and bargaining between actors in different centres of power. Notions of public good and private interest, competition between

¹ Archivo Capitular de Mallorca (ACM), *Actas de la Cofradía de San Pedro y San Bernardo*, SPSB00012, council meeting of 27-IX-1738.

jurisdictional powers, and the political dimensions of debt are examined jointly to shed light on how the negotiation of the *concordias*, the main instruments for debt restructuring, changed throughout the 1730s and 1740s.

To explore this transformation, the article is divided into six sections. Following this introduction, section 2 provides information about the context in which the redefinition of the normative framework took place and the place of this paper within historiography. The description of the situation of the Aragonese municipalities of the Spanish monarchy in the first half of the eighteenth century, their finances, and the instrument of the *concordia* is mainly based on secondary sources. Sections 3, 4, and 5 analyse the conflicts and negotiations around the *concordias* diachronically. The main archival reference for these sections is a voluminous *legajo* of the Spanish Archivo Histórico Nacional that, to the best of my knowledge, has never been used before for research purposes. The source revolves around two broad and connected questions, municipal taxation and debt, and contains different types of documents, ranging from reports and letters of the judges of the Aragonese courts to the testimonies of the clergymen, and the verdicts of the *fiscales* of the royal supreme court. Conclusions follow.

2. Town councils on the brink of bankruptcy

One of the main problems of the municipalities of Southwestern Europe from the Late Middle Ages to the early nineteenth century was overindebtedness. The town councils of the mainland Crown of Aragon (Catalonia, Valencia, and Aragon) began to issue redeemable annuities called «censals» («censos» in Castilian Spanish) in the mid-fourteenth century to fund the military campaigns of the monarchs and their own urgent needs. Through this instrument, the creditor earned an annual pension that was secured against a piece of real estate or any source of revenue, for instance, municipal taxes.² Together with ingenious institutional arrangements, the issuance of annuities gave rise to a sophisticated fiscal and financial system, thus triggering a process that some historians characterised as a financial revolution (García Marsilla 2002; Ortí Gost 2007). Institutional arrangements allowed town councils to borrow at low interest rates, and to better reconcile their necessities with those of the kings (Sánchez Martínez et al. 2008).³

In the second half of the fourteenth century, municipalities started experiencing solvency problems, so local and royal authorities devised different mechanisms to tackle them (Verdés Pijuan 2015; Ortí Gost and Verdés Pijuan 2016). While some town councils opted to raise taxes and create excises to get surpluses which could be invested in redeeming annuities, others hired local merchants who cancelled the debt and, in exchange, obtained the leasing of municipal revenues (Sesma Muñoz and Laliena Corbera 1999, 155-56; Abella Samitier 2009, 60; Lafuente Gómez 2014). Other municipalities -and also the deputations of the kingdoms- took advantage of the

² Clavero Salvador (1977), Placanica (1982), and Fiestas Loza (1993) have studied *censi* from a markedly legal perspective; Rico Callado (2020) examined the instrument using notarial records.

³ This fits the scheme proposed by Stasavage (2011), although he does not mention the Crown of Aragon as an example (Furió 2015).

lowering of the interest rates and refinanced old annuities with new ones signed at lower rates (Sesma Muñoz 2015). In 1401, the town council of Barcelona introduced an important innovation. It created a municipal deposit bank, the *taula de canvi*, which allowed the municipal authorities to cushion the financial crises: instead of raising cash to pay its creditors, the municipal corporation could order a transfer from the account of the town council to that of the debtholders. Furthermore, the town councillors could borrow cash from the *taula*, although in the long term they had to cut their expenses and elaborate a budget to reduce indebtedness with the municipal bank (Ortí Gost 2007; Roberds and Velde 2016; Ugolini 2017, 45-51).

There was another mechanism that has received much less historiographical attention but was frequently used by town councils. In the late-fourteenth century, debt renegotiation progressively became a widespread procedure, while an instrument started gaining momentum: the *concordia*. This was a type of compromise agreement that existed far before debt restructuring. It was signed by two or more parties to settle a dispute between them. Conflicts solved through this kind of pact could be criminal offences, dividing an inheritance, or exploiting pastures, just to cite a few examples. *Concordias* were neither according to the law nor against it. Parties renounced any other law and agreed to stick to the covenants of the pact, which they themselves bargained (Gómez de Valenzuela 2012).

In the case of indebted municipalities, instead of declaring bankruptcy and going to trial, town councillors tried to persuade municipal creditors to reduce the interest of their annuities and to defer the payment of the annual pensions. The debtholders, in exchange, gained control over the municipal resources. Although there were some cases of default and subsequent foreclosure, in general, municipal authorities and creditors signed *concordias* to reduce the burden of debt service and to transfer the control of the municipal treasuries to the debtholders. In some cases, the mediation of the Aragonese monarchs proved crucial to convincing the creditors to come to terms with the town councillors. Cities and towns like Calatayud, Montblanc, Tarragona, Berga, and Fraga enjoyed the royal assistance during the negotiations with their lenders (Morelló i Baget 2002; Abella Samitier 2009; Ortí Gost and Verdés Pijuan 2016). Through the *concordias*, both town councillors and municipal debtholders saved time and money, as trials to establish the priority of the creditors were expensive and slow. Since the parties involved had few constraints to devise the pacts according to their own necessities, *concordias* represented an ideal instrument for debtors and creditors to create tailored regimes of debt service. Compromise agreements were the epitome of a political world in which there were no clear hierarchies, in which autonomous corporations had great leeway to articulate their political life.

Concordias and other debt-rescheduling instruments allowed municipalities to overcome solvency crises, put their finances in order, and borrow again, thus restarting the cycle. After a period of intense borrowing in the sixteenth century, financial trouble reappeared more intensely in the mid-seventeenth century (Andrés Robres 1987; Ferrer i Alòs 2014; Salas Ausens 1992). Town councils resorted to the same mechanisms as two centuries earlier, but the context was different. The bulk of municipal annuities had passed to religious institutions, usually via donation, and the attitude of the clergy towards debt was not the same as the merchants'. Annuities endowed pious works, and ecclesiastical debtholders were reluctant to have their

censos redeemed. Furthermore, the legal and political context in which *concordias* were bargained and approved changed in the early eighteenth century. Traditionally, some agreements were approved by the Consejo de Aragón, the supreme council for the affairs of the Crown of Aragon. During the War of the Spanish Succession (1701-1714), the council was suppressed as a punishment of the king to the Aragonese subjects, while its prerogatives were transferred to the Consejo de Castilla. Since *concordias* were not laws, they were not affected by the Decretos de Nueva Planta (1707-1716), a series of royal decrees that abolished the traditional institutions and laws of the Aragonese kingdoms to different degrees (Ena Sanjuán 2022, 73-252).

Concordias were so frequent in the Kingdom of Aragon that it is hard to find a village, no matter how remote or small, that did not sign one (Abadía Irache 2020). In Valencia, debt-rescheduling agreements were not as widespread as in Aragon, but it was probably more common than in Catalonia (Giménez Chornet 2002, 168-70, 246-247; Giménez López 2015, 152; Peset Reig and Graullera Sanz 1986, 122-27). Broadly speaking, it can be tentatively argued that *concordias* and the transfer of municipal treasuries to creditors was less common in Catalonia than in the rest of the Crown of Aragon. It also seems that *concordias* were rarely examined and ratified by the Consejo de Castilla or the Real Audiencia (Ferrer i Alòs 2014, 72-75; Gifre i Ribas 1995).

While the originality of the Aragonese financial developments has repeatedly been emphasised by the historiography, this paper examines a lesser-explored dimension of the municipal finances of the Crown of Aragon, namely, how town councils conceived and utilised effective debt restructuring mechanisms for centuries. The sophistication and peculiarity of those tools do not equate to exceptionalism; rather, they position the municipalities of the Crown of Aragon alongside other European city-states such as the Republic of Genoa or the Dutch Provinces (Fritschy and van der Voort 1997; Fratianni 2006; Taviani 2022). In fact, the *concordia* system is yet another example -perhaps the epitome- of the pluralistic, jurisdictional, and polycentric nature of pre-modern societies (Ena Sanjuán 2022). These features were also evident in the evolution of the legal framework for municipal debt restructuring. Given the entanglement between municipal and royal finances, debt rescheduling connected municipalities and kings, though the link between the two was indirect: monarchs did not intervene *motu proprio*, but at the request of one of the parties involved. That was also the case in the 1730s.

3. The first batch of reports (1732)

In the aftermath of the succession war, the Consejo de Castilla approved dozens of *concordias*. To the councillors, passing agreements was almost routine.⁴ It is almost certain that the complaints from the ecclesiastical estate of the northern area of the Kingdom of Aragon triggered the inquiry ordered by the supreme council regarding the *concordias*. In northern Aragon, religious institutions such as the Cathedral Chapter

⁴ Several examples of these *concordias*, mainly from the Kingdom of Aragon and to a lesser extent from the Kingdom of Valencia, can be found in Archivo Histórico Nacional (AHN), *Consejos*, libro 3.189.

of Jaca were almost ruined, as their income had fallen dramatically due to the signing of *concordias* approved by the Real Audiencia. In May 1728, the canons of Jaca sent a letter to the bishop who presided at the Consejo de Castilla, to protest against the *concordia* signed with the municipality of Jaca «and the others granted in the Real Audiencia with the most serious harm to the Church». Although the bishop offered his protection to the cathedral chapter, the clergymen had to accept new *concordias* in which the *oidores* (judges) of the Aragonese Audiencia intervened. In February 1729, the canons resolved to send a memorandum to the king, his confessor, and the Consejo de Castilla in which they represented the harm caused by the *concordias*, especially those signed with the intervention of the Audiencia. They also decided «that a letter be written to the other Churches to involve them, as it is a common cause». Although the Metropolitan Chapter of Saragossa accepted to join efforts, the clergymen of Jaca did not manage to solve the problems with the *concordias* immediately. In August 1730, they resigned themselves to collect municipal annuities according to the agreements that decimated their revenues «until God provides another remedy due to the extreme necessity to which the Church is reduced».⁵

Yet the voice of the Aragonese ecclesiastical estate was heard in the royal court. In 1732, Alonso Rico Villarroel, a *fiscal* of the Consejo de Castilla, brought to the high councillors the issue of debt-restructuring pacts. He proposed asking the Reales Audiencias of the Crown of Aragon -the high royal courts in the kingdoms of Aragon, Valencia, Majorca, and the principality of Catalonia- for reports on the composition, signing, and approval of *concordias* between town councils, noble families and private individuals on the one hand, and their creditors on the other. The *fiscal* thought that the Consejo would need further information about the exact procedure and juridical nature of the agreements, so he raised some questions about the process of negotiation and approval. Among other questions, Rico Villarroel wanted to know what the origin of the *concordias* was, by virtue of what privilege or custom they were allowed, whether distinctions between types of creditors were made, what the procedure to arrange the agreements was, whether the pacts could be approved without the consent of creditors, if dissenters had legal protection, and whether municipal *censos* borrowed by private individuals were included in municipal *concordias*. The councillors accepted his proposal and sent an order to every Audiencia, asking for a detailed report.⁶

The first court to reply was the Real Audiencia de Aragón. The *oidores* said that they usually took turns to process the *concordias*. They did it by virtue of a law from 1626, in which the procedure was defined. The law had been approved after the expulsion of the *moriscos* (Muslims who had converted to Christianity), when many towns had suddenly lost most of their population and could not pay their debts. Originally, the president of the Audiencia appointed a judge to mediate between debtors and creditors, and the practice had persisted. There had also been, and still were, agreements between guilds, secular brotherhoods, and noble families on the

⁵ Archivo Diocesano de Jaca (ADJ), archives of the cathedral chapter, *De gestis*, 4, libro 1, meetings of the chapter of 24-V-1728, 11-II-1729, and 26-VIII-1730.

⁶ AHN, *Consejos*, leg. 22.444, n° 10, pieza 1, proposal by the *fiscal* and approval of the Consejo de Castilla, Madrid, 8-VIII-1732.

one hand, and their creditors on the other. The procedure was rather simple: town councils resorted to the Real Audiencia when their creditors harassed them. Then, a judge convoked both parties and they negotiated how to restructure debt. If creditors did not attend the meetings, or debtors did not accept the terms of the pact while debtholders agreed, the *concordia* could be approved «de oficio», i.e., because the judge considered it reasonable and appropriate.

The ministers of the Audiencia said that no distinction was made between creditors for two basic reasons. First, the old municipal annuities were secured on the entire estates of both the municipality and its *vecinos*, so all the debtholders had the same security and, consequently, no distinction could be made between creditors. Secondly, any modern annuity with specific security was necessarily illegal, as the issuance of new *censos* was forbidden after the Nueva Planta decrees. Modern annuities were thus redeemed for a lower price with the consent of the rest of the creditors. Regarding the annuities created by *vecinos* but used by municipalities, they were generally included in the *concordias* under the condition that they were the first to be redeemed. Actually, as a general rule, modern annuities had priority over old ones if most creditors agree. The *oidores* informed that pacts were negotiated even when the assets of the municipality were under sequestration. They finally asked for a reduction of the maximum interest rate of the *censos*, to relief the Aragonese town councils.⁷

The Real Audiencia de Valencia submitted two reports. The first was a copy of a previous report on the tax systems of the Valencian towns. The *oidores* explained that before the Nueva Planta, the municipalities used to borrow without royal permission, securing the annuities both against the municipal assets and the estates of the *vecinos*. After the war, due to the non-payment of the annuities, creditors resorted to the Real Audiencia, demanding the sequestration of municipal assets first, and of private ones later. In general, the problem was that most municipal taxes had ceased with the Nueva Planta, and either the cities had not tried to renew them or the Consejo did not authorise the raising of new ones, so debt could not be serviced. Creditors attempted to foreclose collateralised assets, but since there was no specific mortgage, conflicts over priority started. *Vecinos* and municipal authorities often hindered legal proceedings against them as much as they could. They also took advantage of divisions among creditors, offering advantageous conditions to some lenders, normally local ones, and exploiting the law by which a maximum of 9.5 ar-rears could be demanded. Eventually, *concordias* were the lesser of two evils for the creditors, who had to accept considerable reductions in what they were owed to recover a part of their money (Andrés Robres 1987, 33-87).

In the second report, the *oidores* informed the Consejo that there was a Valencian law that prevented judges from forcing creditors to accept the *concordias*, although there was no norm to regulate the pacts. Debtholders resorted sometimes to the extinct Consejo de Aragón, which assessed the convenience of including every annuity in the agreement. Only the royal council could oblige creditors to accept the deals. The *concordias* did not prioritise any specific annuity and reduced the interest rate at which annuities were paid. The judges of the Audiencia considered the

⁷ AHN, *Consejos*, leg. 22.444, nº 10, pieza 1, report from the Real Audiencia de Aragón, Saragossa, 2-IX-1732.

agreements to be positive both for the municipalities and their creditors, as the latter got their pensions paid, and the former could amortise debt. The *oidores* justified the submission of the other report by saying that the approval of *concordias* had to be done together with a concession of *arbitrios*, to ensure the payment of interests and the progressive reduction of debt. They ended the report reminding the councillors that, even if there might have been any specific law in Valencia regulating *concordias*, by that time the Castilian laws operated throughout the kingdom due to the abolition of the old regime.⁸

The Real Audiencia de Mallorca sent its report to the Consejo de Castilla in December 1732. The *oidores* of the Majorcan Audiencia informed that there was no specific law or custom in Majorca regarding the *concordias*. When it came to address any issue regarding the pacts, they resorted to the Roman *ius commune*. They also narrated the history of the kingdom and its capital, Palma, a history defined by debt. From the Middle Ages, they borrowed great amounts of money and serviced debt through trade and consumption duties. The kingdom's treasury -which was also the treasury of the municipality of Palma- was ceded to the creditors in 1405, but financial trouble did not cease. New taxes were levied in the seventeenth century to issue more annuities. The most recent *concordia* had been approved by the pope and King Carlos II in 1697, and ratified by Felipe V in 1716. The treasury of Majorca and Palma was ceded again to an assembly of creditors, which serviced debt and managed taxation. The other towns of the island had also secured annuities on the municipal estate and the assets of the *vecinos*. They serviced their debt by apportioning taxes, by virtue of a law from 1614. Neither town councils nor private individuals had resorted to the Audiencia to ask for a *concordia*, but the *oidores* insisted that any trial regarding debt-rescheduling agreements and/or seniority would be judged according to Roman law.⁹

The last court to submit its report was the Real Audiencia de Cataluña. The judges sent a paper attached where they enumerated the pacts and conditions under which *concordias* could be approved. First, creditors had to send a list of capitals and arrears. Once the deal was sealed, representatives of the town council and the creditors started managing the resources of the municipality to service pensions and cancel annuities. If there were surpluses in the municipal treasuries, extra income should be spent on cancellations. A lottery was drawn to determine what *censos* would be redeemed first. Arrears had to be paid when the annuity was eventually cancelled. The municipal treasury was under the control of the creditors, who could lease or directly administer it. The *taules de canvi* played an important role in the process, as the money produced by municipal administrations had to be deposited there. Lastly, once a *concordia* was approved, creditors had to retire every lawsuit against municipalities. If a town council complied with the agreement, its creditors had no right to sue it.¹⁰

⁸ AHN, *Consejos*, leg. 22.444, n° 10, pieza 1, reports from the Real Audiencia de Valencia, Valencia, 18-X-1729 and 24-IX-1732.

⁹ AHN, *Consejos*, leg. 22.444, n° 10, pieza 1, report from the Real Audiencia de Mallorca, Palma, 22-XII-1732.

¹⁰ AHN, *Consejos*, leg. 22.444, n° 10, pieza 1, "Pactos y condiciones con que se han de concebir y arreglar las concordias de las Universidades, con sus Acrehedores", non-dated paper attached to the report of the Audiencia de Cataluña.

Tab. 1. Summary of the Aragonese Audiencias' reports on the concordias

	Norms that regulate <i>concordias</i>	Procedure to arrange the pacts	Distinction between creditors	Creditors could be forced	Including private <i>censos</i> in municipal <i>concordias</i>
Kingdom of Aragon	Law (1626), after the expulsion of the <i>moriscos</i>	Pre-Bourbon Audiencia: the president appointed an <i>oidor</i> to mediate Bourbon Audiencia: creditors and debtors negotiated with the mediation of an <i>oidor</i>	None, all the <i>censos</i> had the same mortgage. Post-Nueva Planta annuities issued without royal consent were illegal	<i>Concordias</i> could be approved "de oficio", that is, because the judge considered it appropriate (hence obliging creditors or debtors to accept them)	Yes, generally under the condition that they were the first to be redeemed
Kingdom of Valencia	None Castilian law operated after the Nueva Planta	Due to non-payment of the debt provoked by the lack of revenue, creditors resorted to sequestration of municipal and private assets; negotiations to sign a <i>concordia</i> started then	None	Law that protects creditors from being forced to accept the pacts. Only the Consejo de Aragón could oblige them to abide by the agreements	-
Kingdom of Majorca	Only the Real y Pontificia Concordia	-	Different types of creditors	-	-
Principality of Catalonia	Medieval laws	Creditors sent a list of capitals, the pact was signed, and all lawsuits had to cease	None, all the debtholders were treated equally	Medieval laws which prevented creditors from being forced to accept. Extraordinary situations in the early Modern period allowed the judges to approve it against the will of a majority of creditors (in the case of the municipalities)	As a rule, they were not included

Source: my own elaboration based on the sources cited in the text.

The Catalan Audiencia informed that there were some laws of the principality that established that the debtholders could not be compelled to sign a *concordia*, not

even by the king himself.¹¹ Nevertheless, from the mid-sixteenth century the situation of many Catalan town councils, afflicted by wars, plagues, and debt, had forced the Audiencia to refuse creditors' demands of seizure of municipal and *vecinos'* assets, and to accept *concordias*, even when most lenders dissented. All creditors had been treated equally and all the agreements had been approved under the conditions expressed in the abovementioned paper. The seventeenth-century *oidores* considered that the «public common good [...] must take precedence over any private interest and must always be understood as an exception to the provisions of the law». The eighteenth-century judges asserted that the alternative to the *concordias* would have been the depopulation of many towns and cities. They argued that debt-restructuring agreements had benefited not only debtors, but also creditors, who ensured at least that their annuities were serviced. The *oidores* underlined that only municipal creditors could be forced to accept the *concordias* on the pretext of public good. Neither private individuals nor noble families' debtholders could be compelled to sign agreements, even though sequestration proceedings could take a long time. As a rule, annuities borrowed by private individuals to assist town councils were not included in the *concordias*.¹²

In view of the reports submitted by the Audiencias of the Crown of Aragon, the opinion of the *fiscal* of the Consejo de Castilla was that *concordias* should not cease, since they were «a resource so useful, convenient, and even necessary». He summarised that, although the pacts were similar in the four kingdoms, only in Aragon did they have a legal foundation. Anyway, the agreements had continued after the derogation of traditional laws. Indeed, the *fiscal* said that the *concordias* had «neither been practiced nor should they be practiced according to rules of law and justice, but rather based on equity and pressing necessity, which must prevail». *Concordias* might be harmful to creditors, but depopulation, misery, and the annihilation of the realm had to be avoided at any cost. The *fiscal* thought that maintaining restructuring agreements would be positive, although they should be approved by the Consejo de Castilla, once the Consejo de Aragón had been suppressed, after receiving the corresponding reports from the Reales Audiencias.¹³ Creditors could be forced to accept the conditions of the town councillors and/or the mediator judges by invoking public good. In theory, no difference could be made between debtholders, as they had all been given general security; in practice, however, municipal authorities favoured some creditors, generally local ones, to divide the group of debtholders and obtain more advantageous conditions in debt service and redemption. *Concordias* benefited the debtors rather than the creditors, but the Consejo de Castilla decided not to intervene for the sake of the public good.

¹¹ The law was promulgated by Pedro IV in the Cortes de Monzón in 1363, so it operated in the kingdoms of the Iberian and Balearic Crown of Aragon, together with the prohibition of issuing more annuities without the royal consent (Verdés Pijuan 2015, 265–267).

¹² AHN, *Consejos*, leg. 22.444, n° 10, pieza 1, report from the Real Audiencia de Cataluña, Barcelona, 27-III-1733.

¹³ AHN, *Consejos*, leg. 22.444, n° 10, pieza 1, verdict of the *fiscal* Rico Villarroel, Madrid, 3-VIII-1733.

4. The offensive of the clergy of the Kingdom of Aragon (1734-1738)

Despite the verdict of the *fiscal* of the Consejo de Castilla, the Aragonese ecclesiastical estate continued suffering the effects of the *concordias*. In July 1733, the Cathedral Chapter of Jaca sent two proxies to Madrid to inform the king about the harm caused by the agreements. Two months later, a canon travelled to Saragossa, to participate in a meeting summoned by the Metropolitan Chapter. There, the representatives of all the cathedral chapters of the Kingdom of Aragon resolved to send a canon of Saragossa to the royal court, to persuade King Felipe V and his advisors of the damage caused by the *concordias* on the ecclesiastical finances.¹⁴

In the memorandum they submitted, the clergymen argued that they had lent money to the municipalities because the contracts offered legal security. The deeds of the annuities included the clause that the assets of private *vecinos*, both present and future, were committed to the payment of the pensions. Consequently, their private properties had been given as collateral, so they could be sequestrated in case of non-payment. After the war, municipal councils and noblemen in financial trouble appealed to the Real Audiencia, which offered them advantageous conditions to restructure their debt, so they were not willing to negotiate with their creditors. The *oidores* imposed two- and three-year cycles of payment and redemption that had deleterious effects in the ecclesiastical treasuries. Religious institutions had to change their investments. Real estate was their only alternative; however, administering it required someone to manage it, forcing clergymen to abandon their prayers to manage fields and houses. They denounced that in many cases the annuities had been reduced to 2, 1, and even 0.5%, and said that redemptions never took place, because the funds allocated to cancelling annuities were diverted into other ends, under the auspices of the judges of the *concordias*. Furthermore, private annuities had been included in the agreements as municipal annuities, arguing that they had been used for paying royal taxes. The consequences were that ecclesiastical people had to beg for money because the revenue they got from their respective institutions was not enough to reach the *congrua* (minimum ecclesiastical stipend), so they had to complement it with personal funds.¹⁵

To underpin their arguments, the representatives of the Aragonese ecclesiastical estate submitted several *concordias* together with testimonies of clergymen from all over the kingdom about the pernicious effects of the agreements. The priests had to answer a fourteen-point questionnaire under oath before notaries. The testimonies of two presbyters from Huesca, Francisco Alandín and Agustín Dex y Sada, priests in the cathedral and the Chapter of San Lorenzo respectively, illustrate how pernicious *concordias* were for the finances of the religious institutions. Both clergymen asserted that the Audiencia had approved *concordias* without the consent of the creditors. On the pretext of paying salaries and ordinary expenses, annuities had been

¹⁴ ADJ, *De gestis*, 4, libro 1, meetings of the chapter of 23-I, 4-VII, 25-IX, and 6-XI-1733, and 12-III-1734. The representative of the Aragonese clergy also dissuaded the king and the royal ministers of lowering the maximum interest rate of the censos (Ena Sanjuán 2023; Agüero Díez and Giménez López 2024).

¹⁵ AHPZ, *Real Acuerdo*, 1146/3, ff. 1r-13r.

reduced to 2, 1, and even 0.5%. The priests asserted that town councils that paid their annuities in kind overestimated the price of grain, and that, due to the high cost of transport, ecclesiastical institutions had ceased to collect those annuities, as it was unprofitable. Both clergymen gave some examples of cycles of payment and cancellation of annuities, and of *censos* that were redeemed when the creditors gave up a large part of the principals and arrears. They declared that municipalities diverted income from servicing debt into other expenses, and cited some *concordias* that included private annuities as if they were municipal. The presbyters also reported the signing of addenda without the consent of the creditors and periodical suspensions of debt service.

Dex y Sada and Alandín concluded their testimonies by explaining how *concordias* affected the daily life of their chapters. The number of religious people had fallen dramatically, and so had their revenue. In the cathedral, there were 81 ecclesiastical benefices before the signing of *concordias*. By the time of the testimonies, the Aragonese see had only 46 clergymen holding those benefices. Presbyters and canons celebrated three or four masses every month, whereas before the *concordias*, they used to celebrate twelve and even more services a month. Furthermore, many masses and anniversaries were owed. A similar situation unfolded in San Lorenzo: before the agreements, the *congrua* for every priest was around 200 *libras* a year, but by the early 1730s even the best benefices had only 60 *libras* each. San Lorenzo had also lost priests, and, regarding the rents, the number of anniversaries per day had fallen from three to one or simply none. Many prayers were suspended, and eight years of arrears were owed. Alandín explained that some convents had fallen into debt to attend their necessities, and the priest of San Lorenzo said that his chapter was purchasing real estate, «as they [the clergymen] do not dare to buy annuities, because the annuities are very exposed».¹⁶

The *oidores* of the Real Audiencia de Aragón sent another report to the Consejo de Castilla, defending their intervention in the signing of *concordias*. They said that the involvement of judges in the pacts had happened at least since 1626, when the law that enabled them to intervene had been approved by the Aragonese parliament - hence by the ecclesiastical estate too. Rescheduling agreements were neither new nor illegal, as the clergymen said. The judges of the Aragonese high court defended that they intervened when municipal authorities but also creditors demanded it, trying to eradicate abuses and frauds. They insisted that justice and equity had been the basis on which *concordias* had been signed.¹⁷

Despite the report of the Aragonese Real Audiencia, in 1736 the *fiscal* of the Consejo de Castilla gave a verdict which demolished all the arguments of the *oidores*. He emphasised the lack of protection for the creditors, citing examples of agreements signed by town councils and noble houses, and the harmful consequences of the procedures for the approval of *concordias* in the Audiencia. The *fiscal* said that the judges of the Aragonese court had transformed the agreements into «judicial»

¹⁶ AHN, *Consejos*, leg. 22.444, n° 10; the testimonies of the Aragonese clergymen are separated from pieza 1.

¹⁷ AHN, *Consejos*, leg. 22.444, n° 10, pieza 1, report from the Real Audiencia de Aragón, Saragossa, VII-1734.

contracts, thus transforming their legal nature. He questioned the foundations of the arguments of the *oidores*, saying that the law of 1626 that authorised the mediation in the negotiation of *concordias* did not establish that the judges had to intervene, but that they could be required to mediate only by mutual consent of creditors and debtors. He gave some examples of seventeenth-century *concordias* and argued that those agreements were like the ones signed in Catalonia and Valencia, where the pacts were negotiated between both parties without the mediation of the *oidores*. He concluded that the *concordias* approved by the Aragonese judges were «extremely harmful, unjust, and contrary to all legal foundations», and proposed the Consejo de Castilla to abrogate all the pacts, as they suffered «from nullity due to the lack of legitimate authority in those who authorise and execute them».¹⁸

Before the councillors gave their advice to the monarch, the *fiscal* of the Real Audiencia de Aragón, Pedro Benítez Cantos, had one last shot. In a report he explained that municipal creditors had foreclosed the private assets of *vecinos*, following an ancient custom. That practice, however, was allowed neither by the Aragonese law nor by the contracts of the annuities. He recognised, however, that the deeds had a clause of general obligation by which present and future *vecinos* committed to pay the debt. The *fiscal* of the Audiencia asserted that everybody in cities and towns was afraid that the municipal creditors sequestered their assets. The *concordias*, he said, were the only protection of individual *vecinos* against harassment from municipal debtholders. He insisted that foreclosures were illegal, especially after the promulgation of the Decretos de Nueva Planta that abolished the Aragonese laws and replaced most of them with Castilian ones. The *fiscal* finished his report begging the monarch to end the practice of foreclosing the private assets of *vecinos* because of the non-payment of municipal annuities' pensions.¹⁹ Nonetheless, in December 1738, Felipe V took the advice of the *fiscal* and the members of the Consejo de Castilla, and promulgated a Real decreto by which he forbade the signing of *concordias* in the Real Audiencia and derogated all the pacts that had not been approved by the supreme council.²⁰ From that moment, no *oidor* of the Aragonese court mediated between the town councillors and the creditors, as they used to do, unless both parties mutually consented.

The decision of Felipe V seemed firm, so the *fiscal* of the Audiencia turned to the other side of municipal debt, namely, municipal taxation. Replicating a debate that had taken place in the Real Audiencia of Catalonia, the *fiscal* of the Aragonese high court, supported by a few *oidores*, started an inquiry into the harmful consequences of municipal taxation and the capacity of town councils to levy taxes -which was a form of questioning the legitimacy of municipal debt. After the Decretos de Nueva Planta, no municipality was entitled to create new taxes or annuities without the authorisation of the monarch, but it was not so clear if explicit royal permission was necessary before the early eighteenth century. By emphasising the onerous burden that

¹⁸ AHN, *Consejos*, leg. 22.444, n° 10, pieza 1, verdict of the *fiscal* of the Consejo de Castilla, Madrid, 7-VII-1736.

¹⁹ AHN, *Consejos*, leg. 22.444, n° 10, pieza 1, report from the *fiscal* of the Real Audiencia de Aragón, Saragossa, 16-VI-1738.

²⁰ The law can be found in the *Novísima Recopilación de las Leyes de España*, in libro X, título XV, ley X.

municipal taxation represented, as well as the lack of legitimacy and legality of the deeds of the annuities, the *fiscal* tried to persuade the king that municipal debt should be declared null and void.²¹

5. The second batch of reports (1742)

The decree of annulment had consequences in the other territories of the Spanish Crown of Aragon. Two months before prohibiting the *oidores* of the Aragonese Audiencia to intervene in the *concordias*, King Felipe V had granted the abovementioned Majorcan nobleman Joan de Sales i Berga a debt moratorium for six months and the possibility of negotiating an agreement with his creditors to reschedule his debts with the mediation of the *regente* of the Real Audiencia de Mallorca. The Sales i Berga were one of the most prominent families on the island. Some of its members were aldermen and canons, and were related to other notable families of Majorca. Joan de Sales had received a *fideicomiso* (entailment) many years ago, after many lawsuits.²² The *fideicomiso* was intended to prevent the disaggregation of the patrimony of the noble families.²³ The decision of maintaining the *fideicomiso* should be interpreted as a reward of the king for the loyalty of the Majorcan noble families during the war. Many aristocrats argued that they had fallen into debt to support the cause of the Bourbon pretender, so Felipe V maintained an institution through which the noblemen could manage their patrimony more freely and pay their debts more easily (Morey Tous 2018). Alderman Joan de Sales i Berga was exactly the kind of nobleman who had been loyal to the Bourbon candidate during the succession conflict. By 1738, he was experiencing serious financial trouble as he could not pay his creditors but, instead of asking them for a *concordia*, he resorted to the king, who gave him the abovementioned moratorium and the mediation of the *regente* of the Audiencia.

One of his main creditors was the Cathedral Chapter of Palma. On the 30th of September 1738, the chapter vicar summoned the priests to an extraordinary council. When the dean and canons were seated in the chapterhouse, the vicar instructed the subarchivist of the chapter Andreu Vallés to enter the room and present the case of town councillor Joan de Sales. The chapter decided to initiate legal actions against the alderman and join forces with other creditors, such as the Brotherhood of Saint Peter and Saint Bernard mentioned at the beginning of this paper. There were negotiations with the mediation of the *regente*, but the parties reached no consensus. Two canons of the cathedral, Gabriel and Nicolau, were brothers of the alderman and interceded with the chapter on his behalf. They explained that their brother had tried to sell and lease the entailed property, but all attempts had been in vain. The Sales

²¹ While this article examines the renegotiation of debt, I explore municipal taxation, the other dimension of this debate, in a chapter of the forthcoming collective book *Taxation and Public Finance in the Spanish Empire: 1550-1750*, edited by Ramón Lanza García, José Ignacio Andrés Ucendo, and Xabier Lamikiz.

²² Arxiu del Regne de Mallorca (ARM), *Real Audiencia*, leg. XX, doc. 1820; ARM, *Clero*, 1469/2.

²³ The institution was similar to the Castilian *mayorazgo*, but more flexible. Felipe V decided to maintain the *fideicomiso* at the request of an alderman of Palma in 1736; in ARM, *Real Audiencia*, leg. CXI, doc. 27.

brothers argued that a trial to determine seniority of the creditors would be expensive and harmful for the chapter and the other debtholders, so they suggested their colleagues to suspend legal actions against their brother. They also offered to pay from their personal revenues what their brother Joan could not, to maintain the religious services endowed with the entailed property, but the chapter declined the offer in order to avoid legal and canonical problems.²⁴

The issue was far more important than just the specific case of the *fideicomiso* of Sales i Berga. The minutes of the Brotherhood of Saint Peter and Saint Bernard demonstrate that the debtholders were deeply concerned about the possibility of the intervention of the Audiencia in debt restructuring, as it could set a fatal precedent: the presbyters of the brotherhood thought that «if this *concordia* were to be put into execution, it would result in very serious consequences». They accused alderman Joan de Sales of having obtained the grace from the king «subreptitiously and obreptitiously, not only in Mallorca but also in Madrid». They decided to oppose the procedure both in Palma and the royal court, joining the rest of the creditors and a relative of the alderman to make a common cause.²⁵ It is likely that, similar to the first batch of reports requested by the Consejo de Castilla in 1732, the second round of reports was provoked by the complaints of the ecclesiastical estate, this time of Majorca, against the mediation of royal officers in the negotiation of debt restructuring agreements. In August 1742, the Consejo de Castilla accepted the proposal of its *fiscal* Pedro Colón de Larreátegui to ask the Reales Audiencias of the Crown of Aragon for a new batch of reports on the signing of *concordias*.²⁶

The Real Audiencia de Cataluña resubmitted the report from 1733, together with the attached paper. Only at the end of their response did the *oidores* stress that *concordias* were no harmful, but «oriented towards public good». The judges said that deals had achieved the greatest benefit both of creditors and municipalities, and pointed out that they had supervised the enforcement of the agreements, so «creditors enjoy what has been stipulated with no detriment of their rights and pacts». ²⁷ Like their Catalan counterparts, the *oidores* of the Valencian Real Audiencia sent the two reports they had submitted ten years before. At the end of their account, the judges differentiated themselves from the Aragonese *oidores*. In Valencia, no *concordia* had been approved by a judge without the consent of creditors. Actually, their intervention had been so minimal that they could assert that they knew about *concordias* «the same as the Consejo, since [the Real Audiencia] has no inspection of the issue unless they had to inform the Consejo about the municipalities' requests of taxes». ²⁸ As for the Real Audiencia de Mallorca, the *oidores* did not send the same account as one decade

²⁴ ACM, *Actas del Cabildo de la Catedral (ACA)*, 1650, chapter meetings of 20-X and 10, 15, and 18-XI-1738.

²⁵ ACM, *Actas de la Cofradía de San Pedro y San Bernardo*, SPSB00012, council meeting of 27-IX-1738.

²⁶ AHN, *Consejos*, leg. 22.444, n° 10, pieza 3 («Expediente promovido a instancia del sor. Fiscal sobre el modo con que se ejecutan las Concordias en la Corona de Aragon»), petition of the *fiscal* and order of the Consejo de Castilla, Madrid, 1-VIII-1742.

²⁷ AHN, *Consejos*, leg. 22.444, n° 10, pieza 3 report from the Real Audiencia de Cataluña, Barcelona, 13-X-1742.

²⁸ AHN, *Consejos*, leg. 22.444, n° 10, pieza 3 report from the Real Audiencia de Valencia, Valencia, 12-XI-1742.

before, but a very short report in which they explained the case of Sales i Berga, whose request of a *concordia* had been eventually rejected by the Consejo de Castilla «on the grounds that there was neither precedent nor practice of it in this kingdom». The Audiencia emphasised that «in this Kingdom of Mallorca, the *concordias* customary in the Kingdom of Aragon are not practiced by either the municipalities or individuals».²⁹

Judging by the minutes of the brotherhood of presbyters, the judges of the Majorcan Audiencia did not force the creditors to accept the terms of an agreement. The entailed property of Sales i Berga was managed by an administrator, who also had to service debt. The conflict between the alderman and his debtholders persisted at least until 1750, when the presbyters joined forces with other creditors and the heir of the relative who had appealed the decision of the Majorcan Audiencia regarding the administration of the entailed property. Crucially, the creditors eventually prevented the judges from imposing a *concordia* upon them.³⁰

The episode of Sales i Berga and his creditors, set against the background of the transformation of the legal framework for municipal debt restructuring, is indicative of the nature of the political regime of the Spanish monarchy until the mid-eighteenth century. The intervention of the king and the royal officers in the signing and approval of debt restructuring agreements only occurred at the sole request of the creditors. The allegedly absolutist, unifying character of King Felipe V, broadly debated by historians, contrasts with the prudent approach of the monarch regarding the intervention of his own officers in resolving debt solvency problems. Practical outcomes, rather than grand ideological claims, inspired the decisions and actions of the monarch and his officers.

6. Coda: the beginning of the end of the *concordias*

In the second half of the eighteenth century, the royal officers who started supervising and managing the municipal treasuries were extremely critical of the *concordias* and the *oidores* of the Audiencia. In a letter addressed to King Carlos III, the intendant of Aragon argued that municipal funds were no longer squandered with the new administration and that, within a few years, the intendency officers had managed to redeem more municipal annuities than the system of the *concordias* had done throughout the preceding century. The intendant described the *concordias* as «useless» and recalled Felipe V's decree that prohibited the mediation of the Audiencia.³¹ The reply of the *oidores* of the Aragonese high court was caustic:

The Audiencia would gladly condone the boastfulness with which they [the officers of the intendency] assume [...] that the cancellation of annuities made since the management of the municipal treasuries was entrusted to them has

²⁹ AHN, *Consejos*, leg. 22.444, n° 10, pieza 3 report from the Real Audiencia de Mallorca, Palma, 11-IX-1742.

³⁰ ACM, *Actas de la Cofradía de San Pedro y San Bernardo*, SPSB00013, council meeting of 5-I-1750.

³¹ AHN, *Consejos*, leg. 22.678, pieza 6, from intendant vizconde de Valloria to Carlos III, Saragossa, 24-X-1769.

exceeded those made during the century in which the *concordias* overseen by the *oidores* flourished, provided that, in the calculation made for this purpose, the origin of this benefit is attributed to the reduction of pensions and the provisions of the Consejo de Castilla previously cited. Nevertheless, if this increase is considered a result of their superior administration, the Audiencia may counter that, although only one of its current members witnessed that period, at no time, before or after, could the judges be accused of the slightest collusion, overreach of their powers, or any other fault.³²

The long procedure that began in 1732 with the complaints of the clergy of Northern Aragon represented, in fact, the swansong of the *concordia* system that emerged in the late medieval period and allowed local actors to address the insolvency, potential bankruptcy of municipal treasuries, and subsequent foreclosing. The practice of *concordar* -that is, bargaining and reaching an agreement- was employed for centuries whenever a municipal council faced financial distress. *Concordias* were contracts that neither contradicted the laws of the kingdoms nor fully aligned with them; as the *fiscal* of the Consejo de Castilla put it, they were non-judicial norms. The parties involved, in this case creditors and debtors, had the freedom to design their agreements, incorporating whatever covenants they deemed appropriate. From the late medieval period, the intervention of non-municipal actors such as monarchs, royal officers, or judges in debt-restructuring agreements depended on the will of the parties. While the principal cities of the Crown of Aragon sought royal confirmation for their *concordias* -as was the case in Palma de Mallorca- agreements in smaller towns and villages were typically concluded between municipal councils and their creditors without external interference.

The last half of the seventeenth century and the early eighteenth century, however, marked a shift. Creditors were no longer merchants but clergymen and women, and their financial strategies changed accordingly. Ecclesiastical finances were heavily dependent on town council annuities, making municipal insolvency and default a critical concern. As town councils struggled to service their debts, *concordias* once again became essential. Yet this time was different. The *oidores* of the Reales Audiencias in the mainland Crown of Aragon became more actively involved than before. Overindebtedness was particularly severe in the municipalities of the Kingdom of Aragon, prompting the judges of its Real Audiencia to intervene more actively, even compelling municipal creditors to accept the terms of a *concordia*. The repeated complaints of the Aragonese clergy pressured the *fiscal* of the Consejo de Castilla and the supreme councillors -ultimately influencing the king- to change their stance. Initially, *concordias* were considered «useful, convenient, and even necessary» for the preservation of the realm. However, following the efforts of the Aragonese ecclesiastical estate, they came to be seen as «extremely harmful, unjust, and contrary to all legal foundations».

This jurisdictional conflict -spanning from town councils and municipal assemblies of creditors to the Reales Audiencias and the Consejo de Castilla- frequently

³² AHN, *Consejos*, leg. 22.678, pieza 6, from the Real Audiencia de Aragon to Carlos III, Saragossa, 30-VII-1770.

invoked notions of public good, private interest, justice, and equity. At the outset, royal ministers prioritised the public good, which they understood as preventing the depopulation and ruin of towns, over the private interests of municipal creditors. However, the considerable influence of the Aragonese lobby at the royal court shifted the terms of the debate. From 1736 onwards, royal ministers no longer saw the intervention of the *oidores* in the negotiation and signing of *concordias* as merely detrimental to creditors; they also deemed it contrary to the very nature of the agreements, which were, by definition, non-judicial. Thus, the allegedly absolutist and tyrannical King Felipe V curtailed the power of his own officers, prohibiting them from interfering in the negotiation and signing of *concordias*, reaffirming them as agreements between two parties.

Yet, Felipe V's decision did not resolve the broader debates surrounding the legitimacy of annuities and the taxes that financed them, nor the burdens these financial mechanisms placed on towns and villages. These disputes persisted until the 1750s, when the *concordia* regime began its decline. The global wars of the mid-eighteenth century forced the Spanish monarchs to deploy extraordinary tax measures, such as the *valimiento de arbitrios*. This fiscal formula, by which more than half of those municipal taxes were transferred to the royal treasury, triggered new conflicts in the local arenas regarding the management of the municipal treasuries. From the early 1740s, many agreements signed in the first half of the eighteenth century expired, while the conflicts that erupted in almost every city, town, and village of the Spanish Crown of Aragon -and beyond- made consensus to sign new *concordias* impossible. The collapse of the agreements marked not only the end of the Aragonese financial model that had emerged in the Middle Ages. It also represented the beginning of the end of a political world in which individuals and corporations could autonomously manage their affairs and resolve disputes. A new approach to managing insolvency emerged, yet local actors had diminishing control over the handling of municipal debt.

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Ángel Alloza Aparicio, Francisco Fernández Izquierdo,
Elena García Guerra, Giuseppe De Luca, Isabella Cecchini

The decline of the Fugger in the seventeenth century.
*Preliminary research findings of the great German financial house**

1. The Fugger company in decline: causes and contexts

Despite the vast influx of American silver into Seville, imperial expenditures consistently outpaced the resources of the Spanish Crown, leading to recurrent payment suspensions and an ever-growing public debt (Carlos Morales 2017; Gelabert 1997; Lanza García 2023a, 2023b; Marcos Martín 2006, 2009, 2013). During the reign of Emperor Charles V, the financing of the Habsburg Monarchy had largely relied on German bankers; however, by the latter half of the sixteenth century, they were supplanted by Italian financiers from Genoa, Milan, and Naples, later joined by Portuguese merchants following the incorporation of Portugal into Philip II's dominions in 1580 (Álvarez Nogal 2005; Boyajian 1983). The Fugger company – closely tied to both the Spanish and Austrian branches of the Habsburg dynasty – remained active in Spain during the first half of the seventeenth century, though its operations were increasingly fraught with difficulty.

By the 1630s, only a decade before the monarchy's collapse amid the Catalanian and Portuguese revolts of 1640 and the uprisings in Naples and Sicily in 1647, the Fugger house was already showing severe financial distress. Despite the combined efforts of Philip IV and the firm's managers to avert bankruptcy, insolvency became unavoidable by 1632, prompting the establishment of a royal commission to assess the company's condition and the potential repercussions of its default. The Fuggers' long-standing service to the Habsburgs delayed an official declaration of bankruptcy, but the underlying insolvency was undeniable. The firm's collapse would have threatened the financial stability of the entire monarchy. In the final analysis, ultimate responsibility for this failure – and for its systemic consequences – rested with the monarch himself, whose debts rendered him the effective guarantor of the entire structure of obligations.

The issue was highly complex. Unlike other bankruptcies recently examined by the authors (Alloza and De Luca, forthcoming), the Fugger company was far more than an ordinary banker, tax farmer, or royal financier. It constituted a multifaceted

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Ángel Alloza Aparicio, angel.alloza@cchs.csic.es, Spanish National Research Council, Spain
Francisco Fernández Izquierdo, francisco.fizquierdo@cchs.csic.es, Spanish National Research Council, Spain
Elena García Guerra, elena.guerra@cchs.csic.es, Spanish National Research Council, Spain, 0000-0002-7042-8577
Giuseppe De Luca, giuseppe.deluca@unimi.it, University of Milan, Italy, 0000-0002-8146-6181
Isabella Cecchini, isabella.cecchini@isem.cnr.it, Institute of History of Mediterranean Europe, Italy, 0000-0002-6659-2323

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entity that both administered and governed extensive territories of the Castilian monarchy – specifically, the *mesas maestrales* of the military orders of Santiago, Alcántara, and Calatrava. The company also operated and profited from the Almadén mine, the source of the mercury essential for refining silver in the American colonies; it financed the monarchy across Europe through *asientos*¹ and *factorías*; and, crucially, it provided the king with emergency liquidity whenever cash shortages arose – a chronic condition, particularly from the early seventeenth century onward (Voltes 1961; Ruiz Martín 1990; Kellenbenz 1990, 2000; Buxó 2019; Ramallal 2024).

To keep the firm solvent in difficult years – especially in the early seventeenth century – the Fuggers increasingly resorted to raising capital from private individuals, whether as interest-bearing deposits or funds held in trust. These resources were subsequently channelled into the monarchy's external financial operations and, from 1626 onward, used to cover royal household expenditures.

The century-long alliance between the Habsburg Crown and the Fugger house fully justifies the meticulous inquiry undertaken by the *Consejo de Hacienda* (Treasury Council) and its subordinate bodies before an official declaration of insolvency. The extraordinary scale of services rendered explains the exceptional treatment the firm received: between 1552 and 1630, the Fuggers signed *asientos* with the Crown worth some 20 million ducats, extended additional loans and emergency credits totalling 4.2 million, and provided a further 1.5 million ducats at trade fairs. According to the German factor Andrés Hyrus, in his inventory of the company's services, the 253,154 *quintales*² of mercury extracted from Almadén since the German takeover had produced roughly 253 million ducats in silver, since each thousand *quintales* of mercury yielded one million ducats in refined silver. By Hyrus's calculations, the Crown's fifth share would thus amount to nearly 50 million ducats³.

Nevertheless, despite the longstanding collaboration and repeated attempts at recovery, the Fugger-Habsburg partnership eventually collapsed. Yet, it must be acknowledged that while it endured, the alliance proved remarkably productive, and its dissolution was managed with restraint and mutual responsibility. As a result, the surviving documentation provides an exceptionally rich and varied corpus of evidence, one that illuminates not only the internal organisation and financial mechanisms of this legendary business house, but also, more broadly, the credit and fiscal administration of the Habsburg monarchy. In turn, it sheds new light on the structural weaknesses that underpinned the monarchy's decline during the turbulent seventeenth century.

¹ Loan agreements with the Crown.

² One quintal equals 112 libras (pounds) or nearly 50 kilos of weight.

³ List of services provided by the Fugger family to Spain between 1552 and 1632, prepared by Andrés Hyrus, its agent: «Aunque los servicios, que la Casa de los Condes Fucars ha hecho a la Corona de España fueron notorios a las Magestades del Emperador Carlos Quinto, don Felipe Segundo, y Tercero, de gloriosa memoria, y en consideracion dellos leshiziero[n] merced particular en las ocasiones que se ofrecieron, y lo mismo ha hecho, y se espera hará el Rey don Felipe Quarto nuestro señor» (1641): [S.l.]: [s.n.]. Biblioteca Nacional de España, *Varios Especiales* E/200/30. Another copy in Bibliothèque Municipale de Besançon, *Ms Chifflet*, 62, ff. 76-85. Published in facsimil by Buxó 2019, 181-199.

1.1 Early rumors of liquidity problems and the establishment of a special commission

Antonio Domínguez Ortiz identifies royal household provisioning as the monarchy's most sensitive *asiento* during the seventeenth century's third decade, requiring annual disbursements of 600,000 ducats. The contract's exacting terms – demanding punctual monthly payments of 50,000 ducats – reflected its political significance: delays threatened to unleash courtiers' resentment, royal opprobrium, and damaging rumors of court penury. Despite the Fuggers' vehement opposition to undertaking this burden, German factor Andrés Hyrus, having succeeded Sigismund Hinderhofen, was ultimately constrained to execute the agreement in 1626. The resulting arrangement, though sustained for several years, generated persistent bilateral tensions, as Domínguez Ortiz documents. The year 1627 witnessed the Fuggers providing 670,000 ducats for general provisions (augmented to 820,000 with accumulated charges), while simultaneously advancing 200,000 ducats to the Imperial treasury (Domínguez Ortiz 1983, 135-140).

These multifaceted services – encompassing administrative control over the *Maestrazgos*, mercury extraction at Almadén, and comprehensive banking operations – ensured the Fuggers' exclusion from the Crown's 1627 payment moratorium, maintaining the exemption pattern established in previous suspensions, notably 1607. The house's financial resilience, however, had reached its limits. The 1628 monetary reform, which devalued Castilian vellón by fifty percent, inflicted severe losses upon the Fuggers, as their contractual revenues underwent proportional deterioration (García Guerra 2012).

Mercury payments terminated abruptly in 1630, with American silver reserves redirected to finance Italian military operations against France. The Treasury Council's 1631 attempt to restructure Fugger *asientos* encountered firm resistance: the Germans insisted upon substantial debt redemption before entertaining new arrangements. Acknowledging the house's vulnerability, the Council advocated a 200,000-ducat subvention (Domínguez Ortiz 1983, 135-40).

Despite uncertainty regarding the Fuggers' exact financial exposure, the Treasury Council recognized that 200,000 ducats represented merely palliative relief. The Germans' acceptance reflected pragmatic resignation, as Crown obligations actually totaled between two and three million ducats, discrepancies attributable to varying accounting methodologies evident in the multiple balance sheets assembled during this investigation.⁴

Still, the monarch's harsh rebuke in such an unusual situation – where he first strangled his bankers and then blamed them for inefficiency – is hard to fully comprehend. He wrote:

⁴ Thanks to the preservation of some notebooks of letters written in different languages, it will be possible to trace the instructions sent from the headquarters in Augsburg to the agents stationed in different cities in Europe, but especially in the Castilian territories (agents and factors were Juan Xelder, Tomás Miller, Tomás Carg, Magno Lucenberguer, Juan Lampaquer, Juan Jácome Holzapfel, Segismundo Hinderofen, Andrés Hyrus).

I note in this *asiento* that I am warning the Fúcares here and in Germany that their mismanagement has rendered this House, once so useful to this Crown, burdensome to such a degree that, since my household has been paid very poorly throughout this year, and many unheard-of indignities have occurred therein, I have been forced, through friendships and small loans raised by this House, to assign them in the last two fleets arriving in the past four months nearly half a million escudos, which leaves me pressed and in an almost impossible position to fulfill my other obligations. So they must manage things differently, for I cannot continue at this pace.⁵

It was already widely known by 1632 that the Fuggers in Spain were experiencing liquidity problems. A royal decree from that year reads:

Given that it has been learned that in the house of the heirs of Marcos and Cristóbal Fugger, brothers, creditors are no longer being paid with the same satisfaction and promptness as in the past, and desiring to take the most appropriate steps in this regard, and considering the services rendered to this Crown, I have resolved to form a *junta* (commission) composed of the Archbishop of Granada and members of my Treasury Council, to examine the measures that may be taken to restore the firm's credit and improve the collection of debts owed to it, as well as to ensure the payment of its creditors.

These circumstances compelled Philip IV to place the German house under Crown protection, thereby suspending creditor actions and execution proceedings against its assets. This royal intervention marked the inception of the Fuggers' irreversible Spanish decline. Although formal insolvency proceedings were deferred pending thorough evaluation of the firm's true financial exposure, all subsequent inquiries, forensic examinations, and accounting assessments converged upon a single, inescapable verdict: the enterprise faced inevitable collapse.⁶

1.2 The background

Following the suspension of payments decreed by the monarchy in 1607, a Fugger agent named Juan Lampaquer wrote a memorial to Philip III requesting that the house be exempted from the recently published bankruptcy edict. In the document, the agent listed and justified the reasons for his request, and – as had occurred during previous suspensions of payments – the house was ultimately excluded from the measure.⁷

The consignment suspension's public announcement immediately precipitated a destabilizing run on Fugger deposits. Despite tellers' attempts to satisfy withdrawal

⁵ Archivo General de Simancas (AGS), *Consejo y Juntas de Hacienda* (CJH), 676.

⁶ AGS, *Tribunal Mayor de Cuentas* (TMC), 1762.

⁷ AGS, CJH, 397 (2-13), *Memorial dado por Juan Lampaquer, agente de los Fúcares, para que se vea en el Consejo de Hacienda*, El Pardo, 1607.

demands until reserves were exhausted, many depositors were turned away empty-handed, fueling speculation about the house's insolvency.

Technical inclusion in the suspension decree would have deferred the Fuggers' restitution obligations pending systematic bankruptcy proceedings and creditor restructuring. Nevertheless, the house pursued exemption, recognizing that consignment cessation would prove catastrophic. As factor Lampaquer articulated, such suspension threatened "complete credit annihilation and the downfall of this distinguished establishment."

The Fuggers faced hostility from multiple quarters, not only aggrieved creditors but also competitor banks, especially Genoese houses. Court factions exploited the crisis to disseminate accusations of *Maestrazgo* profiteering, alleging that the Germans manipulated grain markets through sales at prices far exceeding official ceilings. Lampaquer's memorial to the Treasury Council vigorously contested these allegations as deliberately defamatory, asserting instead that only German financial support maintained the economically unviable domains.

According to Lampaquer's accounting, the *Maestrazgos* generated 110 million *maravedís* annually through grain tithes (encompassing wheat, barley, and rye) and supplementary wine and oil levies. Yet sustained agricultural crisis had already forced half the agricultural population into abandonment:

The tithes have been meager, so that with regard to farming and livestock, all is in a ruinous state – and it would be worse still if the Fuggers did not assist and support the vassals of the said domains, who, without such aid, would surely abandon the land.

Moreover, the sales tax (*sisas*) levied to finance the millones imposed disproportionate burdens on wine and oil production. To evade the predatory collection practices associated with this revenue stream, numerous cultivators abandoned viticulture and olive production entirely, precipitating severe deterioration in domain revenues and, consequently, Fugger returns.

Economic conditions had deteriorated to such an extent, Lampaquer documented in his memorials, that neither expeditious rent collection nor debt recovery proved feasible, given debtors' complete insolvency. Property seizure and liquidation offered no remedy, as market illiquidity and the absence of purchasers rendered assets unrealizable. These cumulative factors resulted in *Maestrazgo* arrears to the Fugger house approaching 1.5 million ducats.

Vellón currency manipulations increasingly undermined Fugger operations from the early seventeenth century, compounding already substantial administrative overhead. The enterprise maintained ten accountants, extensive collection personnel, and agricultural laborers for harvest operations. Additionally, the Fugger establishment network – spanning Madrid, Almagro, Seville, Granada, and Toledo, each staffed with requisite agents, factors, and legal counsel, imposed prohibitive operating costs.

To vindicate his position, Lampaquer petitioned the *Contaduría Mayor de Hacienda* to release comprehensive accounts, thereby refuting those who had «through

inadvertence and deficient accounting» alleged excessive Fugger profiteering, accusations he denounced as both malicious and demonstrably false.

Lampaquer presented conclusive evidence: pre-1562 *Maestrazgo* revenues averaged 61 million *maravedís* annually. Under initial Fugger administration (1563-1572), yields increased to 93 million. Concurrently, the Fuggers were obligated to acquire the *escribanías* recently alienated by the Crown, securing usufruct rights through 1572. The subsequent decennial lease generated 98 million annually, with the following term reaching 110.5 million.

The factor attributed this revenue enhancement to the Fuggers' exemplary stewardship and the consequent reputational capital accrued to the domains. He concluded with evident satisfaction: «Even the Fugger themselves could not have borne such a burden without their extensive experience and skill in managing the domains, nor would many of the rents and privileges have been preserved».

He also highlighted the countless legal battles fought and won by the house to defend these interests, cases managed by salaried lawyers and solicitors stationed permanently at court and in the chancelleries.⁸

1.3 The Fugger position under Crown scrutiny

From the moment Philip IV placed the Fugger house under royal protection – thus shielding it from legal execution – measures were taken across nearly all areas where problems had been identified, with the goal of restoring its credit, improving the collection of debts owed to it, and ultimately enabling the firm to satisfy its creditors. However, it soon became clear that the actions and remedies proposed by the king and his Council were not being implemented with the attention and punctuality that might have been expected.

On September 25, 1635, the German factor Cristóbal Eberlin was summoned to produce a detailed report on the firm's credits and debts and to propose a reform of the salaries and expenses of the German holding. In parallel, Tomás de Aguilar – Secretary to His Majesty, accountant at the *Contaduría Mayor*, and at the time the leading expert on royal finances – was tasked with auditing the statements presented by Eberlin. From that point forward, numerous financial statements were produced for the house.⁹ Although a comprehensive study of these documents is still pending, the research group has already compiled some relevant findings.

Tomás de Aguilar compiled two comprehensive assessments of the Fugger position. The first encompassed the enterprise's entire Spanish trajectory from its 1524 Castilian establishment, documenting all capital provisions to the Crown across various instruments and territories, administrative outcomes from the *Maestrazgos*, and Almadén mercury operations. This report additionally catalogued obligations contracted at Italian exchange fairs and deposit accounts held for Spanish subjects – both

⁸ AGS, CJH, 397 (2-13).

⁹ See some of them in AGS, CJH, 1772.

interest-bearing and non-interest-bearing – while inventorying available assets for liability coverage, with detailed valuations and classifications.

The second assessment addressed contemporary fiscal relations with the Crown: *asiento* status, mercury pricing structures, *Maestrazgo* lease arrangements, salary and *juro* obligations, and corresponding asset coverage.¹⁰

The initial report revealed Fugger liabilities totaling 1,006,856,000 *maravedís* in vellón – equating to 2,684,949 ducats applying the prevailing 30 percent silver conversion premium¹¹ – excluding interest accruals on deposits from January 1640. Against these obligations exceeding 2.5 million ducats, Eberlin reported nominal assets of 1,335,580,000 *maravedís* (3,561,546 ducats).

Aguilar's analysis, however, questioned asset quality. Examination of the German factor's ledgers revealed the portfolio comprised: 2,625,000 *maravedís* in *juro* principal yielding 112,500 *maravedís* at 5 percent; 221,000 ducats in contested court claims; and 1,749,128 ducats in acknowledged and disputed *Maestrazgo* receivables. Aguilar classified these latter categories as effectively irrecoverable, warranting their exclusion from viable assets.

There were other items on the list of the firm's assets that Aguilar did deem reliable, though collectively they still fell far short of covering the debt:

- 365,232 ducats in grain (wheat, barley, rye) and oil debts,
- 53,300 ducats in outstanding accounts from the accountants and officers of the *Maestrazgos*,
- 34,600 ducats from lands belonging to the Order of Santiago in the district of Porzuna,
- 37,200 ducats as the estimated value of the Fugger house in Madrid,
- 163,200 ducats in existing stocks of wheat and barley (calculated at regulated prices or *tasa*),
- 25,141 ducats in annual returns from the *juros* on silk revenues in Granada,
- 32,000 ducats in mercury still being processed at the time of reporting,
- 107,500 ducats personally owed by factor Eberlin,
- and finally, 766,132 ducats representing principal and interest of a debt known as the «Frisia debt», supposedly stemming from an advance made by the Fuggers to Emperor Charles V in 1552. However, no proof of this debt had ever been produced, even though the Fuggers had long claimed its repayment.

Ultimately, Tomás de Aguilar concluded that the debt owed by the Fugger house was precise, fixed, and monetary, whereas many of its reported assets were speculative or unrecoverable. For example, the 1,747,794 ducats in receivables from the

¹⁰ Both reports can be seen in AGS, CJH, 867 (11-1).

¹¹ The premium on silver coins relative to copper or billon coins appeared in the early 17th century, but was only officially recognized after 1625 at a rate of 10%. This premium continued to rise, becoming a significant additional cost in all commercial and financial transactions. Its origin lies in the manipulations of the values of fractional currencies – upward or downward – decreed in Castile throughout that century, combined with the stability of the values and intrinsic characteristics of silver coins.

Maestrazgos stemmed from nearly a century of leases and were owed by some 12,200 individuals,¹² many of whom were deceased. Despite numerous recovery efforts, no significant amount had been reclaimed. The same could be said for the Frisia debt and most of the other assets listed, whose collection was doubtful at best.

As for the house's accounts with the Royal Treasury, while it was true that the Crown owed the Fuggers certain amounts for mercury and other services, it was also the case that the Germans owed the treasury large sums – mostly for unpaid salaries, military orders, and *jueros* associated with the *Maestrazgos*. After reconciling both sides of the ledger, Aguilar found a net difference of barely 2,150 ducats, «more or less», without accounting for several amounts already assigned by the treasury to the house for various debts, though not yet collected.

Thus, the matter could not be easily grasped at first glance. More detailed data on the firm's credit and debt positions was needed. Fortunately, the research team already has access to documentation that is currently being analysed in detail.

This paper presents preliminary findings from a two-year investigation into the Fugger bankruptcy in Spain. Initial efforts concentrated on assembling primary sources across multiple repositories. The recovered documentation proves both voluminous and substantive, with representative materials presented below, though substantial archives await future examination.

2. The Fugger financial records under Crown control, 1632-1640

The final years of the Fugger house's collaboration with the Habsburg royal treasury are especially well documented in the minutes, reports, and letters managed by the supervisory board established by the Treasury Council in 1632. These proceedings are primarily preserved in the *Consejo y Juntas de Hacienda* series of the Archivo General de Simancas.

The settlements and final balances of the various *asientos* signed by the house with the Royal Treasury – including those involving large loans to the crown, the management of the *Maestrazgos*, and the operation of the Almadén mercury mine – are also archived there, particularly in the various series of the *Contaduría Mayor de Cuentas*. This information forms the foundation for the investigation into the evolution of the German bankers' operations in Spain, which will soon be supplemented by examining the Fugger family's own archives in Dillingen, a city near their original base of operations in Augsburg.

A major impetus for the current research project was the identification of a previously unexamined set of documents seized by the Treasury Council's supervisory board. In earlier studies on financial bankruptcies in sixteenth- and seventeenth-century Castile, it was noted that two specialized tribunals handled defaults affecting royal revenues, one for ordinary royal rents and another for the *Millones* tax, in cases where contractors failed to deliver the agreed funds.

¹² This other front of the study on the status of the firm has already been opened with the transcription of the data referred to up to the year 1632 and contained in AGS, TMC, 1754. After consulting it, it is possible to identify the name, status, profession, gender and amount owed by 364 people.

These tribunals pursued the collectors and their guarantors, seizing documents to recover as much as possible from insolvent financiers. Among the 197 bundles preserved from the *Tribunal de Quiebras*, at least ten are exclusively dedicated to the Fugger bankruptcy, in addition to other documents scattered across various bundles. These materials come from the so-called 'Old Fuggers', or the successors of Anton Fugger under Philip II, who during the reigns of Philip III and IV operated under the name «Heirs of Marcos and Cristóbal Fúcar, brothers».

Despite avoiding formal bankruptcy declaration, the enterprise underwent intervention under Crown protection, with royal officials securing portions of its documentary archive.

The Archivo Histórico Nacional preserves military order records within dedicated sections, while Fugger materials appear dispersed across the *Consejos*, *Estado*, *Inquisición*, and *Mesta* collections. Additional holdings reside in the Archivo Histórico de la Nobleza, Archivo General de Indias, and manuscript collections at the Biblioteca Nacional de España and Real Academia de la Historia.

Space limitations preclude comprehensive examination of the extensive judicial documentation at Toledo's Consejo de Órdenes Archive, comprising 752 case files of litigation, royal decrees, and legal instruments. The *chancillería* archives preserve substantial proceedings: thirty-two Granada cases (1540-1635) and sixty-two from Valladolid (1534-1633).

Notarial archives from Madrid and Ciudad Real – particularly Almagro, where the family adopted the Castilianized 'Fúcares' – yield significant evidence of centralized revenue collection strategies. Documentation extends throughout *Maestrazgo* administrative centers including Ocaña, Quintanar, Villanueva de los Infantes, Mérida, Llerena, Alcántara, Villanueva de la Serena, and Porzuna.

Preliminary inventories have systematized holdings from the Tribunal Mayor de Cuentas (Simancas), Biblioteca Nacional, Real Academia de la Historia, and selected Archivo Histórico Nacional materials, transcending their generic catalogue descriptions. Significantly, the primary accounting ledgers remain absent, Spanish agents having persistently refused their surrender to royal authorities.

The documentary corpus predates the 1632 intervention, extending to the late sixteenth century, enabling reconstruction of the firm's trajectory preceding its crisis. Comprehensive financial data has emerged for the *Maestrazgos* of Santiago, Calatrava, and Alcántara, alongside Almadén operations documenting mercury shipments via Seville and American silver returns.

Most significantly, previously unknown documentation has surfaced revealing private financial operations – deposits and credit extensions – illuminating this understudied dimension of early modern banking practice

Tab. 1. New Documentation of the Fugger's Company

Main Topic	Documentary records	Dates	16th Century	17th Century
House management and staff				
Fugger/Fúcares agents	15	1526 – 1629	7	8
Fugger/Fúcares household	12	1586 – 1644	2	10
Management instructions	17	1588 – 1637	2	15
Inventories of goods and documents	7	1615 – 1643		7
Management of <i>Maestrazgos</i>	12	1534 – 1638	7	5
Visits and inspections	4	1611 – 1614		4
Letters and correspondence	17	1577 – 1638	4	13
Almadén and factor in Sevilla				
Seville – accounting	22	1547 – 1637	8	14
Almadén – contracts, management, mercury	20	1564 – 1653	14	6
Guadalcanal	1	1637		1
Slaves	5	1579 – 1627	2	3
<i>Asientos</i> y and foreing operations				
<i>Asientos</i>	24	1536 – 1634	10	14
<i>Asientos</i> – Milan	1	1597	1	
Italian accounting	3	1597 – 1610	2	1
Trading agency / Commercial out-post	1	1629		1
International trade fairs	3	1563 – 1631	2	1
Supervisoy bord and Crown relationship				
Supervisory board for the Fuggers	5	1637 – 1648		5
Memorials / Petitions	7	1578 – 1637	1	6
General financial reports	3	1628 – 1627		3
Treasury consignments	6	1582 – 1629	1	5
Consignments related to the millones tax	3	1605 – 1624		3
Financial statements and reports	11	1624 – 1646		11
Operations and general accounting				
Currency exchanges	2	1625 – 1631		2
Deposits	8	1597 – 1639	1	7
Debtors and creditors	11	1606 – 1637		11

Debts in cash, grain, and tithes	6	1552 – 1630	3	3
Loans and obligations	8	1571 – 1629	2	6
General accounting	25	1554 – 1630	12	13
Cash accounting	8	1603 – 1632		8
External accounting	4	1601		4
Expense accounting	1	1619 – 1623		1
Grain accounting	2	1605 – 1610		2
Accounting for military orders	1	1615 – 1624		1
Miscellaneous accounts	2	1602		2
Regional accounting of domains	1	1630 – 1637		1
<i>Juros</i>	11	1534 – 1626	3	8
Bills of exchange	2	1584 – 1596	2	
Draft orders / payment mandates	10	1606 – 1630		10
Interest-bearing drafts	1	1595	1	
Drafts for military orders	5	1597 – 1642	1	4
Receipts and payment records	2	1617 – 1645		2
Collection authorizations	4	1606 – 1627		4
Powers of attorney	3	1617 – 1623		3
Proofs of life	1	1598 – 1600	1	
Pledges / promissory agreements	1	1583-1610	1	
Royal orders, draft versions	1	1588	1	
Royal fines (<i>penas de cámara</i>)	1	1565 – 1569	1	
Seizures / asset seizures	2	1578 – 1632	1	1
Royal grants / favors	1	1629		1
Jewelry sales	1	1555	1	
Export licenses	1	1616		1
Safe-conducts / travel permits	1	1619		1
Tax exemptions (<i>excusados</i>)	1	1599	1	
Petitions for military orders' insignia	1	1613		1
Novice dowries	1	1573	1	
<i>Maestrazgos</i> administration				
<i>Order of Calatrava</i>				
Almagro	25	1583 -1634	2	23
Andalusia of Calatrava	26	1583 -1650	3	23

Commanderies	3	1627 – 1641		3
<i>Order of Santiago</i>				
Ocaña	4	1598 – 1642	1	3
Quintanar	1	1631		1
Campo de Criptana / Montiel	2	1606 – 1640		2
Mérida	2	1625 – 1631		2
Llerena	1	1644		1
<i>Order of Alcántara</i>				
Alcántara	2	1583 – 1604	1	1
La Serena	57	1583 – 1628	10	47
<i>Yerbas de las órdenes</i> (grass pasture)	4	1566 – 1583	4	
Other operations				
Zahara – sales tax (<i>alcabalas</i>)	4	1623 – 1630	4	
El Algodonar – accounting	1	1628		1

With regard to the activities of the Fugger house within the domains of the Hispanic Monarchy over the course of its hundred-year history – specialized in four major areas (*asientos* and provisions, administration of the *Maestrazgos*, operation of the Almadén mine, and deposit banking) – it is offered in the following pages an initial examination of the fourth area (banking and deposits). This constitutes one of the fundamental aspects characterizing financial activity in that era, yet remains largely understudied. This subject has been selected as an example of the potentiality of the vast body of documentation that has been assembled so far.

3. An aspect of the internal operations of the Fugger House: the seize of savings from small, medium, and large fortunes in Castile

As was customary, the capital of commercial or financial firms established from the late Middle Ages and throughout the early modern period consisted of the individual contributions of partners, whether in money, goods, or credit. However, external investors represented another indispensable source of funding for such companies, regardless of their size, and the same held true for the Fugger house.

It is true that in this respect a certain evolution can be observed, particularly in what were known as *compañías de dineros* (money companies). In their charters, during the sixteenth century, such contributions were referred to as *puestos* (placements), and these deposits were not considered loans. By definition, they had to be gratuitous in order to avoid charges of usury. For this reason, capital contributions were recorded under the heading of «loss or gain», without any reference to fixed interest, although in practice at the end of the year the company's partners would often pay a 'fixed' return to the depositor, without formally accounting for it.

By the late sixteenth century in Castile, the interest on such investments generally ranged between 7 and 8 percent. This attracted the savings of people from various social strata, especially in an economic system that offered few viable investment opportunities, particularly as agricultural yields began to decline and the manufacturing sector showed signs of exhaustion.

More specifically, the Fugger house became a destination for the savings of small, medium, and large fortunes seeking a simple return on their capital, regardless of the eventual use of the funds. That is, cash was handed over, and it was the managers of the firm who decided whether to allocate it to strictly commercial ventures or – more commonly – to sustain the imperial machinery, thereby integrating it into the massive sums that made up the well-known *asientos*.

Let us consider an example: at the end of the sixteenth century, Felipe Crel, a German agent of the Fugger house, drew up his last will and testament on May 16, 1594. One of the clauses reads:

Item, I declare that I have in my possession 300 ducats belonging to Catalina Díaz, resident of this town of Madrid and originally from the city of Guadalajara. She gave me the amount as a deposit, as is recorded in my account books. I order that it be paid to her with an additional seven and one-seventh percent per annum from the day the money is shown to have entered my possession until it is fully repaid.¹³

However, such formal precautions regarding the money received gradually diminished over time. By the seventeenth century, commercial and financial companies were openly authorized to accept deposits and pay annual interest on them. On September 25, 1623, the king granted the Fugger house the necessary license:

[...] and by the present, I give and grant to the said heirs of Marcos and Cristóbal Fugger, brothers, license and authority to accept on deposit, or otherwise, from any persons, any amounts of *maravedís*, paying them interest or returns at the rate of five percent per year, calculated on the amount and for the duration that it remains in their possession, without the said Fúcares, their agents, or the owners of the money and deposits, or any persons involved, incurring any of the penalties established by the laws and pragmatic sanctions of these realms [...]¹⁴

Therefore, the debts that the Fuggers would accumulate under this heading – that is, the interest generated by the deposited sums – would be regarded in the accounting balances (as noted above) as entirely legitimate.

Thirty-five years after Catalina Díaz's aforementioned deposit, matters relating to bank deposits had changed. In the liquidation of the estate carried out after the death of Duchess Ana de Mendoza in 1629, the first wife of Don Francisco López de Zúñiga, Duke of Béjar, there is a section dedicated to the debts incurred with said

¹³ Archivo Histórico de Protocolos de Madrid (AHPM), *Protocolo* (Prot.) 1615, fols. 313v-223 [sic]. Notary foliation error.

¹⁴ AGS, CJH, 1772.

estate. Among these debts stand out the 13,638 *maravedís* corresponding to the interest owed over a certain period on a principal of 4,000 ducats in *vellón* (at 5 percent) held by Marcos and Cristóbal Fúcar (or the elder Fugger). Secondly, there is a mention of 1,125,000 *maravedís* (3,000 ducats in double silver)¹⁵ that were in the possession of Julio César Escarzuola – agent of the young Fuggers – which had a return of 10 percent, or 112,500 *maravedís*. The principal was delivered in December 1628.

On March 16, 1632, the reading of the will of Doña María Mena y Barnuevo, wife of Don Jerónimo Diego de Vera y Rótulo, knight of the Order of Calatrava, took place. In that will she left a legacy to her daughter worth 1,200 ducats in double silver, which were in the house of the «Fúcares Mayores» and it read as follows:

and I want and order that they be and remain in the said House and be able to earn as they are now yielding interest and that neither the principal nor the interests may be taken from there until my said daughter marries.¹⁶

In these two cases, the chronology is very relevant, as it is a particularly delicate moment due to the monetary changes experienced by the Crown of Castile, which by this time were strongly influencing royal finances and also the investment decisions of individuals, who were very attentive to the economic situation. Here it is clear that while copper coins received the current official interest rate of 5 percent,¹⁷ silver deposits were much better remunerated, as it was the metal needed for provisions and also served as a safe haven, and the only way to make it flourish was by offering good returns to its owners (García Guerra 2000).

But while all this information about the deposits and their owners is of enormous interest, little has yet been explored in the case of the Crown of Castile. The data offered above is part of scattered accounts painstakingly compiled in the Archivo Histórico de Protocolos of Madrid.

However, thanks to the documentation generated by the difficulties faced by Fugger's house in its business dealings in Castile in the 17th century, which the authors of this work have compiled over the last year and a half, historians now have an enormously valuable information that, for the subject of private investments in businessmen's enterprises, will represent a significant advance in knowledge. The key lies in the fact that from now on, historians can work with serial data.

Indeed, among the numerous measures adopted to ascertain the exact state of the accounts of the German firm, one of them was to appoint a private judge to put them in order. This appointment fell to Don Pedro Pacheco, a member of the Royal Council and the Council of the Inquisition. On January 31, 1638, this judge ordered the public notary Gaspar Ramírez, in charge of the Fuggers' notarial deeds, to make and deliver a copy of all the agreed deeds and payment letters that had been granted in favor of the firm and, more specifically, in favor of Juan Cristóbal Eberlín, its main

¹⁵ That is, in multiples of the real.

¹⁶ Archivo Histórico de la Nobleza (AHNobleza), *Antigua Sección Osuna*, 240, núm. 4, exp. 27.

¹⁷ Tax instituted in 1608 by Philip III and which did not change until 1705 when it was reduced to 3%.

factor at that time.¹⁸ This mandate was prompted by the fact that those responsible for managing the factory in Castile had refused to allow the authorities to confiscate the original account books.

Gaspar Ramírez began by providing information corresponding to the year 1631. In «Notebook 1», the notary recorded those transactions that had taken place with «particular individuals», that is, with people removed from the business world, since in successive notebooks the protagonists of the deeds were financiers and recipients of rents – *millones* or *alcabalas* from different parties – more or less relevant, and who were going to receive powers from the Fuggers to carry out different transactions, highlighting the payment and collection of large amounts.

Paying attention to the first ten notes in the aforementioned Notebook 1, which consists of a total of 931 records, the following is observed:

1. On February 16, 1631, Doña Antonia de Ysla issued a letter of payment in favor of the Fuggers for 192,968 *maravedís*. These proceeds are from the principal of her deposit and its income.
2. On the 18th of the same month, Father Fray Martín Galindo issued another letter of payment for 38,250 *maravedís*, which came from the one hundred ducats of income that he held in the *Maestrazgos*.
3. On the 19th of the same month, Don Juan de Cuenca Ramírez issued another letter of payment for 20,000 reales in *vellón* on account of his deposit (680,000 *maravedís*).
4. On the said day, Doña Juana de Briçuela issued another letter of payment for 18,700 *maravedís*. These proceeds are from deposit interest, payable at the end of December 1630.
5. On the said day of February 19 of the said year, Doña Juana de Briçuela delivers another payment of 8,670 *maravedís*. These proceed from the *juro* of *Maestrazgos*.
6. On the 20th of the said month, another donation was made by Don Cristóbal Tenorio, Knight of the Order of Santiago, for 350,852 *maravedís* in silver and copper. These proceeds are principal and deposit income.
7. On the same day, the Convent of the Mother of God in Granada delivered another donation of 1,100 reales on account of the alms that the Knights of the Order of Santiago give for their professions in this court. This totals 37,400 *maravedís*.
8. On the said day, the testamentary trustees of Doctor Álvaro de Billegas delivered 251,591 *maravedís* in copper, and these proceeds are principal and deposit income.
9. On the said day, Diego García Monobel delivered another donation of 903,624 *maravedís* in copper, and these proceeds are deposit income.
10. On the 21st of the aforementioned, the lawyer Juan Romero, priest tutor of Don Pedro de Aguilar Romero, delivers another of 194,694 *maravedís* on behalf of His Majesty for the herbs of Alcántara.

¹⁸ AHN, *Consejos*, 27752, exp. 8.

These early examples clearly show the nature of the payments made by German bankers to private individuals in the Crown of Castile: either they were entitled to interest payments on *jurros* located in income belonging to the military orders, or to direct drafts ordered by Philip IV on such income, or to alms given to religious centers located in the territories of the military orders, or to maintain the knights themselves.¹⁹ But, above all these payments, stand out those made by the Fuggers to repay the amounts of deposits made at some point before 1631 or to deliver the interest generated.

All of this data will be expanded upon by an analysis of «Notebook 8», which contains similar information, this time relating to the year 1632. Similarly, we will also proceed to analyse data from the «Relation» of income and payments (*cargo* and *data*) compiled by Andrés Hyrus, the administrator of the Fugger Family in Spain, which includes expenditure items for the aforementioned item in the data from November 9, 1639, to December 31, 1641.²⁰ Between these two dates, on August 6, 1636, a survey conducted by Tomás de Aguilar found that the amount of deposits held by the Fuggers in Castile amounted to the not inconsiderable sum of 1,554,545 ducats, mostly in silver, and that the outstanding interest amounts to 240,000 ducats. Based on these general quantitative data, the considerations made by Juan Cristóbal Eberlin regarding the nature of these debts are even more interesting. Specifically, he divides them into three groups:

a) Those who do not wish it to be known that they are holders of deposits totaling 365,451 ducats and who, undoubtedly, due to their status, can wait to receive their due payment. As can be seen, discretion has always been essential in the upper echelons of the business world.

b) People with little need who can also wait to collect without problems. 1,102,135 ducats should be included in this group. They are the majority.

c) Depositors who are truly needy, «whose debt is pitiful» not to be paid, as their investments have been very small. The total amount to be repaid would not exceed 86,959 ducats.

The transformation from fragmentary, episodic evidence to systematic documentation marks a methodological breakthrough. The newly constructed database captures comprehensive depositor information, names, gender, social standing, interest rates, and currency denominations. While source materials do not invariably specify initial deposit amounts, prevailing interest rates enable reasonably accurate retroactive calculations for numerous entries.

This documentation enables unprecedented reconstruction of the Castilian depositor profile during the early seventeenth century's first third. Despite sample limitations, many investors demonstrably operated within the military orders'

¹⁹ The *yerbas* were the extensive pastures of the mastership of the military orders in the territories of Alcadia, the Order of Calatrava, La Serena and Alcántara, of the same order, and those of the Order of Santiago in Extremadura and La Mancha, where the mesteño livestock farmers contracted the feeding of their flocks of sheep during the winter. Although in some years the Fuggers also relied on the leasing of the *yerbas*, this income was not usually included in the entries on the mastership tables, but the annuities placed on them from the late 16th century onwards were paid by the treasurers of the masterships, since their management extended to all economic operations based on the military orders.

²⁰ AGS, CJH, 1772.

administrative sphere, though not necessarily as knights themselves, the Fuggers' substantial Madrid presence mitigates this selection bias, enhancing the material's representativeness. The chronological significance cannot be overstated: these records illuminate financial behaviour during decades far removed from the prosperity characterizing the Castilian economy through 1570-1580.

Upon completion of comprehensive data processing, definitive findings regarding deposit banking operations will emerge.

The aforementioned Notebook 1 comprises 931 entries. Current analysis encompasses the initial 250 payment letters received by the Fuggers confirming transactions between February 16 and May 16, 1631. Preliminary findings reveal that these four months alone witnessed capital flows totaling 88,990,883 *maravedís* (237,209 ducats). The following table delineates recipient categories and institutional distributions:

Tab. 2. **Types of receiving persons or institutions**

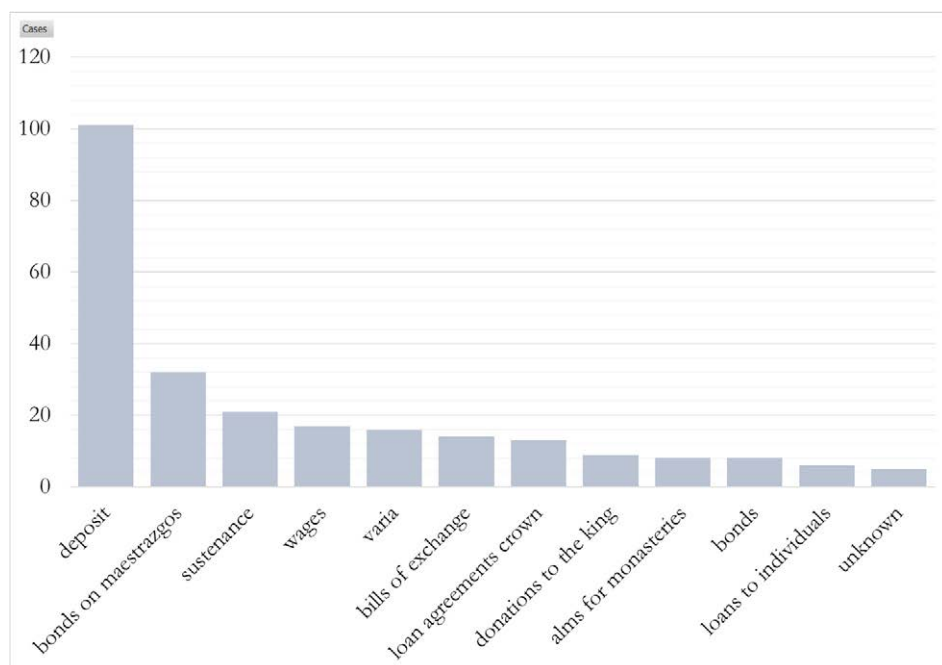
Types	Total deliveries <i>maravedís</i>	Average deliveries
Council	12,000	12,000
Monastery	990,246	141,464
Heirs or Testamentary	180,055	180,055
Men	72,309,945	392,989
Couple	411,564	137,188
Women	15,087,073	279,390
Total	88,990,883	355,984

The reasons why the Fugger house has to pay these individuals or institutions have been grouped into 12 categories. Its percentage within the total of payments made can be seen in this other table and its corresponding graph:

Tab. 3. **Reasons for payments**

Reason for payment	Cases
Deposit	101
Bonds on <i>maestrazgos</i>	32
Sustenance	21
Wages	17
Varia	16
Bills of exchange	14
Loan agreements crown	13
Donations to the king	9

Alms for monasteries	8
Bonds	8
Loans to individuals	6
Unknown	5
Total	250

Graf. 1. **Reasons for payments**

Focusing exclusively on 101 transactions involving deposit interest payments or principal redemptions reveals significant gender and social patterns. Female ownership characterizes thirty accounts, male ownership seventy, with the remaining deposit held institutionally by Daimiel's municipal council (Ciudad Real province). The female cohort includes one titled noblewoman – the Countess of Medellín – and nine widows. The male depositors encompass nine ecclesiastics and six military order knights. Eleven payment letters from noblemen predominantly (nine instances) represent the estates and heirs of the Count of Castilnovo and Lodosa.

Investment magnitudes demonstrate striking heterogeneity, ranging from substantial disbursements of 2,646,332 *maravedís* to Doña Isabel Lozano Montalbán (widow) and 2,720,000 to Don Jerónimo de Avellaneda, to minimal payments of 2,805 *maravedís* for Doña Catalina Negrete and 4,352 *maravedís* for Juan Coder. Currency composition, documented in thirty-six deposit-related transactions, reveals

seventeen payments in silver specie, ten in copper coinage, and nine in mixed tender, distributions suggesting distinct investment categories within the previously identified typology

3. Research in progress

The financial difficulties encountered by the Fugger company in Castile during the early decades of the seventeenth century constitute the central focus of an ongoing research project conducted by our group at the Institute of History (CSIC). In this preliminary contribution, we outline the framework of negotiations between the company's directors and the Spanish Crown, present an initial classification of the collected archival materials – dispersed across multiple repositories and therefore posing significant challenges – and examine one specific dimension of the firm's internal operations: the mechanisms of fundraising. In short, this work offers the first results of an investigation into a subject of major relevance for European financial history, one that is also deeply intertwined with the political destiny of the Spanish Monarchy itself.

The final phase of the study will situate the Fuggers' decline within a broader comparative perspective, drawing on the trajectories of other financial dynasties operating within the same geographical and chronological context. Unlike the Fuggers, these houses did not administer royal territories, yet their strategies for survival – or, conversely, the reasons for their failure – provide illuminating parallels (Baumgartl 2025; Jeggle 2023; Lehm 2025). As shown by Denzel (2025), the Fuggers displayed remarkable resilience in sustaining their operations in Spain until such persistence was no longer economically viable.

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Proprietari terrieri e produttori

Landowners and manufacturers

*Manufacturing markets: Managing the industrial risks of Franco-Asian commerce, 1683-1702**

1. Introduction

What is an entrepreneur? While many divergent definitions exist, many relate in one way or another to risk and uncertainty. Many treat entrepreneurs first and foremost as risk takers, but Mark and Catherine Casson (2013, 2-6; 16; 23-25; 31-36) have argued they should be better understood as risk *managers*: accomplished entrepreneurs exercise sound judgement in identifying and responding to opportunities, reaping the rewards from successfully navigating the uncertainties of the market while recognising that they themselves and their investors will bear the burden of the financial pain if the tide turns against them (see also Wadhvani and Lubinski 2017, 779-83).

The nature of the entrepreneur has not always been seen in these terms. My essay revisits the relationship between entrepreneurialism and risk-taking by returning to the birthplace of the word *entrepreneur*: early modern France. Specifically, it looks at the so-named *entrepreneurs* of Saptés and Villenouvette, two royal factories operating in the remote province of the Languedoc in southern France in the late seventeenth century.¹ These factories specialised in producing high-quality woollen cloth (*draps*) for foreign markets.

Historians to date have rightly stressed that Languedocian cloth dominated the markets of the Levant in the first half of the eighteenth century (Frangakis-Syrett 1992; Eldem 2003). However, in exploring the nature of the factories' activities, I will focus especially on their production for the French East India Company (*Compagnie des Indes Orientales*, hereafter CIO). The high-quality cloth that was being made for the Levantine markets was purchased and sent by the CIO to the East Indies from the 1680s to the early 1700s. This was the product of a peculiar trading dynamic, whereby the CIO was not only required to purchase this cloth, but also to bear the uncertainties involved in its production. This invites us to reflect on the role of *entrepreneurs* in early modern France in undertaking projects that were perceived to serve the public

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¹ The word '*entrepreneur*' is used consistently throughout the records I have seen in the *Marine* series of the Archives nationales (AN) to refer to the leading directors of both factories.

good (*bien public*), thus motivating the French crown under Louis XIV to protect these *entrepreneurs* from risk.

Fig. 1. The Languedocian factories and the key markets for their cloth in the Levant



2. Protecting Languedocian cloth

The early modern Languedocian cloth industry's history is especially tumultuous. While it enjoyed great success in the sixteenth century, and continued growth up to around the 1640s, growing English and Dutch competition soon brought into focus the deficiencies of the industry's wares, compounded by waves of plague and political unrest that destabilised the province (Thomson 1982, 100-04).

The 1660s marked the beginning of a series of reforms introduced by Jean-Baptiste Colbert, Louis XIV's famous minister of finance. Within his wide-reaching economic and commercial policies, Colbert envied Dutch and English success in Ottoman markets, and wanted to restore the Languedoc's place as Europe's leading producer of fine woollen cloth. Among his many reforms, Colbert threw his support in the 1660s behind Saptès (near Carcassonne) and Villeneuve (near Clermont-de-Lodève). These royal factories received significant private investment in order to develop the infrastructure needed to compete with their English and Dutch rivals (Boissonnade 1902; Thomson 1982).

Progress was slow and expensive. Villeneuve was built largely from scratch (and its buildings have largely survived to this day, as have those of Saptès); equipment had to be made for the various stages of the production process (weaving, dyeing, etc.); skilled artisans had to be poached from the United Provinces; Languedocian artisans had to be employed (and, in the case of the remotely located Villeneuve, housed and fed too); merino wool, cochineal and other raw materials had to be secured through international trade routes; the list goes on (Thomson 1982, 149-55). Supporting these investments and high overheads required a reliable stream of orders, but this was simply not forthcoming: despite Colbert's introduction of a

bounty of 10 *livres tournois* (the currency of account in France at the time) for every piece of cloth exported by merchants to the Levant, Marseille's merchants balked at the prospect of trying to compete with English and Dutch cloth in the *échelles* (i.e. the commercial centres of the Levant) (Boissonnade 1902, 14-15). This required Colbert to establish a series of Levant Companies (*Compagnies du Levant*) with the goal of exporting more cloth, but the inauspicious climate of the Dutch War (1672-8) led to inconsistent corporate orders from year to year, which itself likely explains the issues the factories faced in producing cloth of a consistently high quality (Boissonnade 1902, 15-18). Put simply, without buy-in from the mercantile community, the factories were destined to struggle.

By 1681, Saptès and Villenouvette were on the verge of collapse, and Colbert enlisted the Estates of the Languedoc to try to find a viable solution (Boissonnade 1902, 19-23; Thomson 1982, 162-5). One of Colbert's final acts before his death in 1683 was to secure a bailout for the factories. Four investors (Pierre de Varennes, Jean-André Fredian, Pierre Thomé, Gaspard Hindret) came out of the woodwork to finance the factories as a single company. In recompense, this new company received remarkably generous terms: in exchange for committing to keep at least thirty looms in activity at each of the factories, the Estates of the Languedoc granted the company an interest-free loan totalling 130,000 *livres*; the cost of Villenouvette's rent; and a bounty of 10 *livres* per piece of cloth produced, which was matched by the king. Lyon was also enlisted to make an annual grant to the Levant Company of 6000 *livres* for ten years (Boissonnade 1902, 23-26; Thomson 1982, 165-70).

2.1 The CIO and the 1686 ban on Asian textile imports

Although Colbert died in the belief that this bailout would allow the factories to finally flourish, in reality, their fate remained deeply uncertain (Thomson 1982, 170). Marseille's merchants were yet to buy in to Languedocian cloth, leaving entirely unclear how the factories would find a path to sustainable growth and success.

It was Colbert's successors who would ultimately secure the fortunes of the Languedocian cloth industry. After Colbert's death, oversight of the factories and France's chartered companies passed to his son, the marquis de Seignelay, who became secretary of state for maritime affairs (*secrétaire d'état de la marine*).² After 1686, Seignelay was supported by Jean-Baptiste de Lagny, director general of commerce (*directeur général du commerce*) (Wade 2023, 59-127; Ulbert 2017).

Amongst the companies that Seignelay administered was the Mediterranean Company (*Compagnie de la mer Méditerranée*), which he established in 1685 to replace the Levant Company. However, this company proved especially unsuccessful in its goal of exporting Languedocian cloth to the Levant: much to Seignelay and Lagny's chagrin, it focussed on a multitude of activities *other* than cloth exports.³ In early 1688,

² Strictly, this should be translated as 'secretary of state for the navy'. However, I eschew this translation throughout my work, as the secretary's remit was far broader than naval affairs.

³ On these other activities, see as a starting point Takeda 2014. Lagny's frustration that the company was slacking in its responsibility to export Languedocian cloth is documented at length in AN, MAR/B/7/58, 60 and 62.

France's ambassador to the Ottoman Empire lamented that, thanks to the Mediterranean Company's laxity in fulfilling its duties, 'there is currently no piece of French cloth [on sale] in Constantinople or Izmir'.⁴ While most chartered companies in this decade were kept under the thumb of Seignelay and Lagny, the Mediterranean Company proved an exception to the rule: the leading figure in the company, Joseph Fabre, was simply too useful to the crown in naval financing and provisioning in Marseille to be held to account for his actions as director of the company (Wade 2023, 59-87 and Wade forthcoming).⁵

Fig. 2. The CIO's main trading posts in India



With the Mediterranean Company proving unreliable, and private merchants not yet willing to buy Languedocian cloth on scale, Seignelay and Lagny looked to the CIO to take up the slack. The CIO was established by Colbert in 1664, with the explicit aim of challenging the successes of the English and Dutch East India Companies (the EIC and VOC respectively). Just like its competitors, the scope of the CIO's monopoly was defined in maritime terms from the Cape of Good Hope to the Strait of Magellan (Dernis 1755 vol. I, 60; Antunes and Ekama 2020). Colbert had hoped to garner a capital of 15 million *livres* through investment from across the social spectrum, but he proved unable to graft the VOC's corporate structure onto

⁴ Bibliothèque nationale de France (BNF), *Français 7171*, 146v-50.

⁵ On Fabre, see Takeda 2011 and 2014. There is a great deal more to be said about the Mediterranean Company, and I intend to do so in future work.

the French political landscape, with mercantile indifference towards the project intermingling with the suspicion of provincial élites as to the implications of investment for their tax status (Haudrère 2014, 32-3; Wade 2023, 29-57; Clark 2007, 44). In the end, the king himself became a major shareholder, supported also by a series of court notables, thus establishing the CIO as an arm of the state rather than a public-private enterprise.

Suffice it to say that the CIO was not a major commercial success under Colbert (Ames 1996; Kaepelin 1967, 1-192). Nevertheless, despite consistent harassment from the VOC, the CIO had managed to establish secure trading posts at Surat and Pondicherry by Colbert's death in 1683. With a depleted capital for future voyages, and heavy debts in Surat, Seignelay opted to restructure the company in 1685. By the end of the process, twelve investors – who had each invested at least 30,000 *livres* – became the key shareholders. All were tied to the crown in one manner or another, and their corporate investments were elements within broader strategies for social advancement (Wade 2023, 63-76). One of the investors was Marius-Basile Morel de Boistiroux, whom Seignelay had appointed as his director general of commerce. Morel served as a CIO director, but following his death shortly after in 1686, Lagny took up Morel's directorship, tasked with serving as the intermediary between the company directors and Seignelay (Kaepelin 1967, 196). As we will see in the coming pages, Lagny played a major role in formulating and executing the company's strategy.

Tab. 1. **Directors of, and their investment in, the CIO in 1687**

Directors	Investment
Marquis de Seignelay	35,000 lt
M. de Frémont	197,000 lt
Jean-Baptiste de Lagny	58,000 lt
Nicolas Souillet	201,000 lt
M. Pocquelin	98,000 lt
Oudard Thomas de Lisle	118,000 lt
Louis Desvieux	77,000 lt
M. Parent	58,000 lt
Claude Céberet du Boullay	58,000 lt
M. Lebrun	98,000 lt
Thomas Tardif	78,000 lt
Hugues Mathé de Vitry-la-Ville	238,000 lt (60,000 lt in his own name, the remainder in the name of his private partners)

Source: Kaepelin 1967, 194.

Just as this corporate restructuring was taking place, and Lagny was taking over from Morel, the CIO found itself as the object of a debate regarding its place in the French economy. In 1686, M. Chauvel wrote to Seignelay from Dieppe, a significant clothmaking centre, arguing that the CIO's trade was running French industry into the ground. 'Instead of securing the sale of our merchandise and giving us silver',

Chauvel argued, 'it [i.e. the CIO's trade] gives us poor cloth, not in exchange for other merchandise, but for infinite sums of silver and gold', a trade dynamic that ostensibly had 'entirely ruined our [i.e. France's] manufactures in silk, wool and thread'. Chauvel was at pains to stress that the French populace was opting to buy 'this cloth of poor quality [only] because of its low price'.⁶

The 'poor cloth' to which Chauvel was referring were Indian cottons. From 1600 to approximately 1650, Gujarat (and especially Surat) was India's main centre of production; the centre of gravity thence shifted to the Coromandel coast; at the turn of the eighteenth century, Bengal took up the mantle. Each region boasted a skilled workforce with technical knowhow that, especially regarding dyeing, was unmatched in Europe at the time (Gupta 2009, 285; Gottmann 2016, 19).

Assuredly, Chauvel's characterisation of Indian cottons as of 'poor quality' was decidedly misleading. As Felicia Gottmann has argued, the success of Indian cottons in France and the rest of Europe can be attributed in large part to their diversity: impoverished women could wear low-quality but pretty block-printed cottons, while the nobility vied to acquire high-quality painted chintzes (Gottmann 2016, 7). Even when the CIO's transportation costs and profits are factored in, these cottons remained competitive on the French market, owing to lower labour costs in India that stemmed from cheaper subsistence and flexible labour structures (Gupta 2009, 285).

By the time Chauvel wrote his *mémoire*, the argument that Asian textiles – I say *Asian* because the Levant was also producing cottons,⁷ and I say *textiles* because Chinese silk quickly came under attack too – were undermining French industry was already rapidly gaining traction at Versailles.⁸ François-Michel le Tellier, Marquis de Louvois, was able to wield his influence as secretary of state for war (*secrétaire d'état à la guerre*) to push through an order of the Council of State (*arrêt du conseil d'état*) on 26 October 1686, banning the import and trade of all 'cottons painted in the Indies or counterfeited in this kingdom and other silk textiles with gold and silver flowers from China and the said Indies' (quoted in Gottmann 2016, 54; Kaepelin 1967, 200-5). This was soon extended to 'any and all printed textiles, be those cottons, linens, or hems, produced in France, Europe, India, China, or the Levant' (Gottmann 2016, 54).⁹

This ban struck at the core of the CIO's business: since its establishment in 1664, Indian cottons had been its core import. Desperate to protect the company's commerce and credit, the directors sought a series of exemptions. An order of 27 January 1687 gave the CIO limited rights to continue importing Indian cottons, as well as

⁶ AN, MAR/B/7/492, 147v.

⁷ Gottmann stresses this point in 2016, 21.

⁸ Chauvel refers to plans to impose duties on cotton imports, which were ultimately put into action on 30 April 1686, before the outright ban was introduced later in the year; AN, MAR/B/7/492, 149v; Kaepelin 1967, 204.

⁹ In brief, the ban never worked: over 100 orders of the Council of State were issued up to 1755 in the crown's attempts to enforce it, but as Gottmann illustrates, Indian and Levantine calicoes were easily smuggled into the country and people (especially women) from across the social spectrum flaunted the ban by wearing calicoes publicly; Gottmann 2016, 54-74; Gottmann 2015.

permission to import 150,000 *livres* of patterned silks and *écorces d'arbre* (fabrics woven with ligneous filaments) per year.¹⁰

In exchange, the directors made a significant concession. Chauvel argued that the CIO had been contributing significantly to the outflow of silver from France, while providing no support to French industry. Conscious of the weight this line of argument now carried at Versailles, the directors offered to export 500,000 *livres* of French merchandise per year to the East Indies. The exemptions granted to the CIO were made explicitly conditional on the directors meeting this commitment (Dernis 1755 vol. I, 470-74). Renewals of these exemptions on 14 August 1688 and 13 July 1700 again stipulated that the CIO must export 500,000 *livres* of French merchandise per year (Dernis 1755 vol. I, 499-502; Dernis 1755 vol. II, 7-17).

The factories of Saptès and Villenouvette rapidly emerged as the major beneficiaries of the CIO's compulsory export regime. The CIO was already submitting orders to Saptès and Villenouvette in 1686 for cloth to be sent to Siam, but the company's dealings with the factories intensified soon after the royal order of January 1687.¹¹ In the immediate aftermath of this order, the directors proposed to distribute twenty per cent of its profits to its shareholders as a dividend, in the hopes of restoring its credit and tempting new investors to come on board as directors.¹² Lagny, however, wanted the directors to focus instead on immediately outfitting and loading ships to be sent to Surat and the Coromandel coast.¹³ Conscious also of the directors' recent commitment to exporting French manufactures, Lagny wrote to Seignelay on 6 July, advising him to press the directors 'to have woollens made in the Languedoc and to prepare other things that make a profit in the Indies', with the goal of reducing specie exports. 'I believe', he stressed, 'Monseigneur should also urge them to make the terms [of the CIO's orders with the factories] a little more advantageous to the *entrepreneurs* of the Clermont and Saptès factories, and tell them there is a profit to be made on our cloth in the Indies'.¹⁴

600 pieces of cloth from Saptès and Villenouvette were loaded on the *Saint Nicolas* alongside other merchandise and silver totalling 150,000 *livres*; the vessel set sail from Port-Louis to Pondicherry on 13 October. In exchange for this, Seignelay agreed to the dividend payment the directors had requested, and eight new directorships were created by an order of the Council of State of 26 August; these directorships increased the CIO's capital by 600,000 *livres* to approximately 2,295,605 *livres* in total (Kaepelin 1967, 211-12).

This infusion of capital supported Lagny's plans for more frequent voyages in the years to follow. With Seignelay's close oversight – including making the necessary orders of Languedocian cloth – the *Coche* left from Port-Louis for Pondicherry on 12 March 1688, loaded with cargo of 800,000 *livres* in specie and merchandise; and the

¹⁰ AN, MAR/B/7/498, 44-5r; Dernis 1755 vol. I, 470-4; Gottmann 2016, 8-9. On the challenges these exemptions caused, see Kaepelin 1967; Gottmann 2016.

¹¹ Sadly, the CIO's trade in Languedocian cloth in Siam cannot be discussed in detail here.

¹² AN, MAR/B/7/492, 393-4; Kaepelin 1967, 211.

¹³ Kaepelin 1967, 210-1; AN, MAR/B/7/492, 389.

¹⁴ AN, MAR/B/7/492, 393-4.

Florissant left for Surat on 19 April with 520,000 *livres* in specie and merchandise (Kaeppelin 1967, 213).

2.2 The CIO and the industrial risks of the Languedocian factories

Heading into 1688, however, the rising prices of Spanish wool and cochineal meant the factories were starting to produce cloth for the company at a loss. Much to Seignelay's chagrin, the *entrepreneurs* chose to drag their feet in fulfilling the company's orders; when Seignelay demanded an explanation, they responded that they simply could not continue producing cloth on the basis of the agreed terms.¹⁵

Seignelay therefore looked to the company to bear the uncertainty of the market in primary materials by agreeing to retroactive changes to their contracts with the factories. In writing to the company's directors (28 February and 12 March 1688), Seignelay stressed that the factories were (and would continue to be) under orders to prioritise their commissions over all others and fulfil them to the highest possible standard. In exchange, Seignelay insisted that the directors needed to engage with the factory directors to agree to a fair price 'until the [raw] materials return to their ordinary price'.¹⁶ Seignelay later chastised the CIO directors for dragging their feet, and implored them to meet with M. Varennes, director of Saptès who happened to be visiting Paris at the time, to agree to new terms.¹⁷

This did not seem to resolve the issue, however, and on 23 August, Seignelay wrote again to the CIO directors to reprimand them for their tardiness in planning their upcoming voyages. (It is clear that the directors were already frustrated by their commitment to export French manufactures and were scraping the barrel to find ways to circumvent it: Lagny was required to inform them that neither 'the victuals for your crews nor the equipment' for the vessels could count towards the 500,000 *livres* required.¹⁸) Specifically, while the CIO had signed a contract with Villenouvelle for 240 pieces of cloth, the CIO's needs were greater than this; Seignelay was frustrated by the news he had received from the factory that the CIO was changing its order on an almost daily basis, thus leaving it unclear as to the quantity of cloth that was needed and the colours in which to dye them.¹⁹ 'I do not understand', Seignelay wrote, 'where such bad behaviour is coming from; you are putting yourselves in danger of not receiving enough cloth in time'. Seignelay was equally frustrated by the modest size of the order: he stressed that Languedocian cloth was selling well in Surat, with the trading post asking for at least 20,000 *écus* of cloth while being capable of selling more still than this; Pondicherry was also proving a willing market, and Claude Céberet de Boullay, a CIO director sent to Siam in 1687 as an envoy, had emphasised on his return to France that Languedocian cloth would sell well on the

¹⁵ AN, MAR/B/7/58, 710-12; 716-7; 748-9; 763-5.

¹⁶ AN, MAR/B/7/58, 710-12; 716-7; 748-9; 763-5.

¹⁷ AN, MAR/B/7/58, 748-9; 763-5. A number of members of the Varennes family served as director of Saptès in the late 1680s and early 1690s, and it is not yet clear to me precisely when each member served.

¹⁸ AN, MAR/B/7/60, 5-6r.

¹⁹ AN, MAR/B/7/60, 5-6r; 14r.

Coromandel coast. Therefore, in ordering only 300 pieces of cloth – thus comprising the approximately 20,000 *écus* of cloth requested by Surat – the CIO would not have enough to provision markets in the East Indies beyond India. Seignelay's conclusion to this letter was precise: the directors 'must not lose a moment' in confirming their order with Villenouvette and securing another order with Varennes at Saptès to ensure they had enough cloth to send.²⁰ The directors bowed to Seignelay's demands, confirming its order of 300 pieces of cloth from Villenouvette and making a separate order for 150 pieces from Saptès for cloth intended for Siam; Augustin Magy, a leading merchant in Marseille, was enlisted to ensure the orders were received.²¹

Owing to the challenges created by the Nine Years' War (1688-97), only a single, small CIO vessel left for the Indian Ocean between 24 February 1690 and 26 March 1692. This risked losses for Pierre Barthe, newly established as director of Villenouvette, who had already started on the CIO's 1690 order when it was apparently cancelled. While Seignelay asked Barthe to be sympathetic to the directors – the suspension of shipments to India was largely beyond their control – he agreed Barthe should not suffer any loss as a result of the CIO's ongoing woes. Seignelay's solution was simple: he would ask the directors to agree to terms with Barthe privately; if this failed, he would happily try to arrange a settlement himself; if this failed, Barthe would be within his rights to take the CIO to court for his losses.²²

By the end of the year, Seignelay had died, and was succeeded by Louis Phélypeaux, comte de Pontchartrain. Pontchartrain's approach to protecting the factories diverged quite significantly from that of Seignelay: while Seignelay's approach had an element of pragmatism, asking both sides to accommodate the changing market conditions and geopolitical climate that affected each other's activities, Pontchartrain was emphatic that the CIO needed to fulfil its contract with the factories even during the suspension in its activities. Three CIO vessels reached France in early 1691, laden with much-needed merchandise; the auction for these goods for 1,267,000 *livres* in May produced a profit of 940,000 *livres* (Kaepelin 1967, 223-24). Despite this infusion of cash, the CIO directors did not make an order with Villenouvette for the year. After being informed of this, Pontchartrain wrote to the directors on 26 July, stressing that

...This factory, as well as that of Saptès, was established to provide woollen cloth for the Levant and for your [own] trade; it is [thus] necessary that you are contributing to maintaining it [i.e. Villenouvette], and that you ask *Sieur* Barthe to provide you with the cloth he can make to deliver to you between now and the departure of your [next] vessels, until you can give him more considerable orders for the shipments [*envoys*] you will undertake in the future.²³

²⁰ AN, MAR/B/7/60, 5-6r.

²¹ AN, MAR/B/7/60, 14.

²² AN, MAR/B/7/62, 136v-8r.

²³ AN, MAR/B/7/62, 242-3r.

Pontchartrain also sought an order from Saptés beyond the CIO's contract with Varennes:

...In doing this, you would be doing something agreeable to the King, which could again serve to secure for you the continuation of His Majesty's protection, from whom you receive strong marks [of said protection, in exchange] for committing yourselves to omitting nothing in making your commerce as useful to the kingdom as possible.²⁴

The *Florissant*, *Écueil* and *Lonray* set sail from Lorient on 26 March 1692, bound for Surat. These were loaded with 262,200 *livres* of cloth from Saptés and Villeneuve (Kaeppelin 1967, 230).

Cloth exports to India continued up to the turn of the century. As we have seen, the CIO's agents originally had some sporadic success in selling Languedocian cloth, especially in Surat and Bengal, but these markets became increasingly shallow as political and subsistence crises rippled throughout the Indian subcontinent (Kaeppelin 1967, 249-50).²⁵ Not even the factory at Surat proved able to keep up with the supply of Languedocian cloth it was sent: in 1702, the CIO warehouses there were filled with a stash of 2500 unsold pieces of Languedocian cloth (Kaeppelin 1967, 496). Based on a surviving contract between the CIO and Saptés from 1687, we can estimate that this batch would likely have cost the CIO somewhere in the region of 350,000 *livres* (in 1687 terms) and run to a staggering length of approximately 60km.²⁶ With so much cloth going unsold, it is unsurprising that Louis Pilavoine wrote from Surat to the metropolitan directors in early 1702, pleading with them to send specie rather than merchandise (Kaeppelin 1967, 496). In a candid letter of 17 November 1700, a company agent wrote from Bengal stressing that 'it is not possible to make people buy things they do not need – especially the Indians, whose fashion and outfits never change' (quoted in Kaeppelin 1967, 472).

Put simply, by the turn of the eighteenth century, the CIO was paying for the luxury of carrying Languedocian cloth on its ships and then storing it indefinitely in the company's Indian warehouses. In 1702, the directors managed to convince the crown to relieve them of their commitment to export 500,000 *livres* of French manufactures per year (Dernis 1755 vol. II, 105-8). Although it is not yet clear to me if it had ever met this obligation in any given year, it had certainly invested heavily in the cloth of Saptés and Villeneuve between 1686 and 1702.

²⁴ AN, MAR/B/7/62, 242-3r.

²⁵ K.N. Chaudhuri finds that the 1680s and 1690s was also a period of 'crisis' for the English East India Company's trade: Chaudhuri 1978, 86-7; 94.

²⁶ Archives nationales d'outre-mer (ANOM), COL/C2/6, 23-4r; Thomson 1982, 463. Per the contract, each piece of cloth was provided to the CIO for an average of 141 *livres* (with variations depending on the precise quality of the cloth and the colour specified) and was fixed between 20 and 22 *aunes* in length, i.e. 23.76-26.13 metres. Cloth sizes depended on the market and rarely changed in any substantial manner, so we can be confident that a piece of Languedocian cloth in Surat in 1702 would have been of similar length to a piece of Languedocian cloth for the Indian market in 1687.

3. Conclusion

By way of conclusion, let us reflect on the following question: *who* was bearing the uncertainties entailed in the production, transportation and sale of Languedocian cloth after 1683? There is an idiom that goes ‘nothing ventured, nothing gained’ (*qui ne tente rien n’a rien*). The successful entrepreneur as we know them today gains because they venture, i.e. they soundly judge the risks they face and accept the uncertainties that can bring even the most well-founded enterprise to the ground. Yet when faced with the volatility of commodity markets after 1683 and the unreliability of the Mediterranean Company as a customer, it was not the *entrepreneurs* of the Languedoc who bore the costs, but the CIO, which was pressured into accepting retroactive changes to its contracts to relieve the Languedocian factories of losses. When war crippled the CIO’s finances and credit, threatening a key revenue stream for the Languedocian factories, the CIO was still required to step up to the plate and keep to the purchases it committed to in its contracts. The crown’s inconsistency thus ensured that the factories were protected by the contracts, but not bound by them; by contrast, the CIO was bound by the contracts, but not protected by them. By the turn of the eighteenth century, the CIO had become an unwilling underwriter of the Languedocian cloth industry, dumping cloth on the Indian market without hope of sale. The Mediterranean Company, by contrast, avoided accountability for failing to fulfil its obligations to the factories, owing to the crown’s overreliance on Joseph Fabre for its Mediterranean policy. This created a dynamic that ensured Fabre was ‘too big to jail’, and in exploiting this dynamic, he forced the crown to lean on the Atlantic-oriented CIO – over which Seignelay and Lagny had much tighter control – to take up the slack.

Let us return, then, to what we mean by an *entrepreneur* in seventeenth-century France. Below, we can see the definition of *entrepreneur* given by the 1718 edition of the *Académie française*’s dictionary.

Entrepreneur

Architecte qui entreprend un bastiment pour un certain prix. Un habile, un bon entrepreneur.

Il se dit aussi, De ceux qui entreprennent d’autres travaux publics, comme le pavé d’une ville, des fortifications &c.

Par extension il se dit aussi, De ceux qui entreprennent d’autres choses, comme la fourniture des vivres, la fourniture des mats. En ce dernier sens il ne se dit pas absolument, mais par rapport à la chose dont il s’agit (*Dictionnaire de l’Académie française* 1718).

The root of the word in the French verb *entreprendre* – to undertake something – is clear, but focussing on the second and third definitions, we can see something more complex than this. The *entrepreneur* is understood to be someone who undertakes public works or other endeavours involving often complex logistics. The logic

of these definitions centre, then, on acting in one way or another in service to public interests, or one might say the public good.

This invites us to revisit decidedly modern understandings of entrepreneurialism within the context of free markets and private enterprise. Saptès and Villenouvette received what was effectively a public bailout in 1683, and they continued to be subsidised extensively in the years that followed. Also, as we have seen, the CIO was forced to justify its activities after 1686 in relation to the public good in response to growing scrutiny on the impact of Asian textiles on French industry. Exporting Languedocian cloth became one of its key responsibilities, because the production of Languedocian cloth itself was perceived by Seignelay and Pontchartrain to serve the public good. As a result, it was the CIO rather than the factories that were expected to bear many of the uncertainties of the market. Saptès and Villenouvette receiving this support was not antithetical to entrepreneurial values; to the contrary, the directors received this support precisely *because* they were *entrepreneurs* in the eyes of the state.

Tab. 2. Apprenticeships at Clermont-de-Lodève, 1686-1700

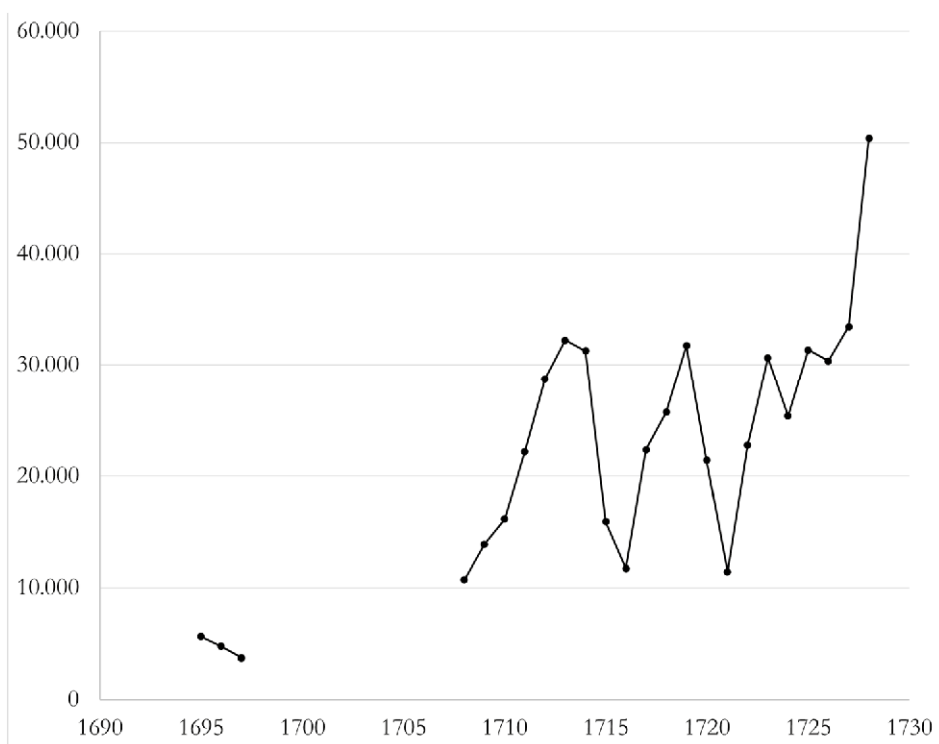
Professions	Apprenticeships
<i>(Cloth industry total)</i>	88
Weavers	73
Shearers	9
Clothiers	5
Dyer	1
<i>(Other industries/trades total)</i>	111
Hat-makers	37
Shoemakers	19
Leather-bleachers, tanners and curriers	8
Tailors	5

Source: Thomson 1982, 69.

This support was not trivial. After 1683, Saptès and Villenouvette were a source of remarkable success and vigour even during the severe economic downturn witnessed in France during the Nine Years' War (Thomson 1982). This translated into well-paid employment for a province that was otherwise heavily agrarian in its pursuits. Table 2 outlines the apprenticeships that were registered with notaries in Clermont-de-Lodève in the period 1686 to 1700: the cloth industry contributed significantly, with the technical knowhow to create the cloth demanded in the discerning Levantine market being transmitted to an ever-increasing body of weavers. Moreover, many of the apprenticeships beyond the cloth industry related to clothing more broadly, suggesting a concentration of sartorial expertise in Clermont-de-Lodève.

The trade dynamics that facilitated this investment in human capital may not have been efficient – transporting cloth that would never be sold entailed an extraordinary wastage of the CIO's resources – but this investment contributed to the Languedocian cloth industry's success in the long run. We do not have consistent production figures for the Levantine market until the turn of the eighteenth century, but what is clear is that production remained decidedly modest up to the 1680s (perhaps less than 1000 pieces per year) before taking a large leap forward in the 1690s (between 4000 and 6000 pieces per year, based on the extant figures from Marseille's newly established *bureau des draps*) and then surging around the turn of the century, peaking at well over 60,000 pieces per year in the 1730s.²⁷

Graph 1. Annual cloth exports to the Levant recorded by Marseille's *bureau des draps*



Source: 1695-7: ACCIMP, *H174*. 1708-28: BNF, *Français 11789*, 369-84r.

²⁷ ACCIMP, *H174*; BNF, *Français 11789*, 369-84r.

To quote James Thomson (1982, 229), ‘No sector of the French economy grew more rapidly than the Languedoc’s cloth industry in the first half of the eighteenth century, no trade as rapidly as the Levant’. Marseille’s mercantile community had finally bought into Languedocian cloth, creating a virtuous circle.²⁸ Yet it had taken decades for this to happen, and in understanding how the factories survived for so long in the meantime, the CIO’s role has been overlooked. Its investment in the Languedoc – almost certainly amounting to more than a million *livres*, based on the patchwork of sums identified in this essay, and likely running into multiple millions – came at a critical moment, facilitating the development of Saptès and Villenouvette into stable, mature enterprises.²⁹ The human capital these factories fostered in turn fuelled other royal and private factories which, in the first half of the eighteenth century, made Carcassonne, Clermont-de-Lodève and Saint-Chinian the leading European centres of production for the Levantine market. In this way, although the directors of Saptès and Villenouvette were neither masters of risk management nor even the bearers of uncertainty in many cases, they nevertheless lived up to their roles as *entrepreneurs*, undertaking complex, capital-intensive operations in service to ministerial conceptions of the public good. Going forwards, I intend to further investigate the CIO’s contribution to the Languedocian cloth industry’s development (although a perfect quantification is unlikely to be possible), thereby shedding new light on one of early modern France’s great economic success stories.

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²⁸ BNF, *Français 11789*, 369-84r. Unfortunately, the loss of the archives of the *bureau des draps* during the Second World War means we do not have numbers from the institution for the period 1698-1707. I will address the question of why Marseille’s merchants finally bought into Languedocian cloth in the 1690s in future work.

²⁹ I hope to offer a more precise figure as I continue working through the archival holdings of the *Archives nationales d’outre-mer*.

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*Risk sharing in agriculture: institutions and practices of cooperation
in early modern Lombardy*

1. Introduction

Between the late Middle Ages and the Early Modern period, significant changes occurred in the countryside of Lombardy. These transformations facilitated the spread of capitalist agricultural practices, particularly in the lower plains (Cipolla 1957; De Maddalena 1958; Chittolini 1978; 1989; Chiappa Mauri 1995; 1997). As a consequence, the region became one of the most advanced agricultural areas in Europe, but it also experienced high demographic pressure, with around 50 to 100 inhabitants per square kilometre (Di Tullio 2014a, 25-27; 2016). The precarious balance between population and resources was therefore also characteristic of this part of the Po Valley, giving rise to various forms of risk management at individual and collective levels.

This article analyses how early modern Lombard society promoted risk-sharing as a means of dealing with the possibility of agricultural failure. The focus is on the *collective* dimension of risk distribution. As it is impossible to consider all types of risk related to the pre-industrial agrarian economy, we examine *ordinary* risks, i.e. events that occurred with a certain frequency. These events were no more predictable because they occurred regularly. However, their cyclical nature has led to the implementation of policies and the creation of institutions aimed at mitigating their consequences. This study focuses on specific institutions and practices that have changed in response to evolving socio-economic contexts.

To achieve these objectives, Section 2 defines ordinary risks associated with agriculture and reflects on the shared system of values by different social groups, particularly those of the urban and rural populations. Having defined the various concepts of agricultural risk, Section 3 analyses how local and urban societies seek to strike the necessary balance between population, resources, and risk mitigation. To this end, the article focuses on four key aspects: firstly, tenancy and the various forms of land ownership and access to land; secondly, the actions of urban, state and rural institutions in relation to food supply; thirdly, the establishment of institutions and practices for managing environmental resources; and fourthly, rural servants' role in informal risk sharing. It is evident, however, that these risk-sharing institutions and practices were not always coordinated, and may even oppose each other directly.

In this article, I explore the various forms of risk management by reviewing, revising and systematising some of my previous research on related subjects, referred

to in the following pages. This enables me to emphasise the complexity of the various experiences and the range of objectives pursued at local and regional levels.

2. Definition and perception of risk

Risk can be defined as the variability of future outcomes. In the context of agriculture, it is defined as the possibility that unpredictable and uncertain events will negatively impact the production, the income or the economic sustainability of agricultural activity.

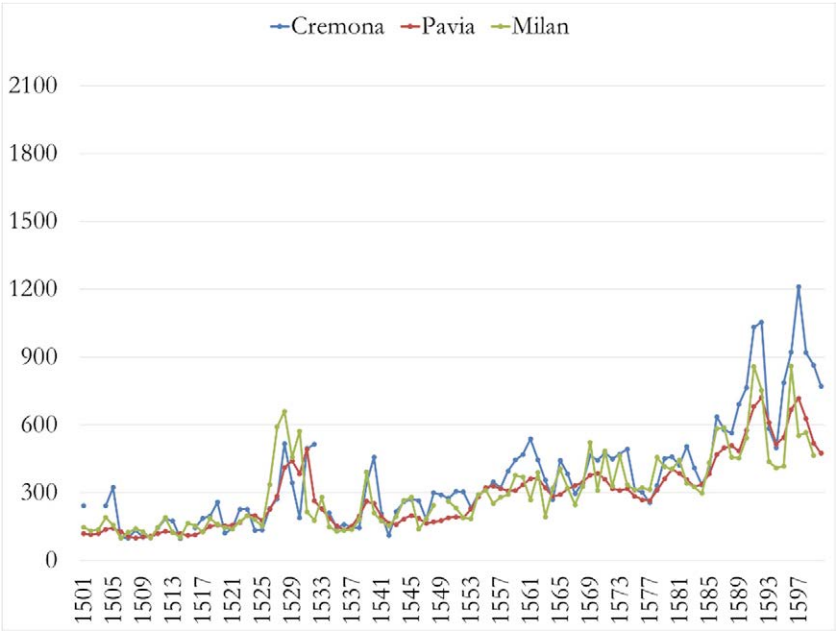
These risks can be categorised into different types. In preindustrial societies, the main risks were climatic (e.g. drought, hail, frost or floods damaging crops), biological (e.g. plant diseases, pest infestations, human or animal epidemics), technical (e.g. agricultural tool failure, cultivation or breeding technique errors) and political (e.g. riots, wars, tax increases). In addition to these factors, the impact of market risks must also be recognised (see, i.e. Stead 2004; Akerberg and Botticini 2000). It is well known that pre-industrial markets had very different characteristics from those of today. This issue will therefore be examined in more detail later in the article.

While some of these risks were more individual in nature, their aggregate consequence had a collective impact. The precarious balance between population and resources was a defining feature of pre-industrial society. Ensuring an adequate food supply was a fundamental political, social, and economic objective (Di Tullio 2012). To understand agricultural risk in early modern Lombardy (and more broadly in regions of Western Europe where peasants enjoyed a certain degree of freedom, feudalism was relatively weak, and there was a strong communal tradition), it is necessary to consider the prevailing collective values held by different social groups.

The relationship between agricultural products and urban and rural societies was different. The urban population's challenge was to ensure a steady supply of affordable produce from the countryside (Corritore 2007, 490-94). Revolts, such as bread riots, were also common during the Ancien Régime, although urban institutions tried to limit them by controlling the regular supply, and lowering the prices, of basic goods (Alfani and Ó Gráda 2017; Cohn 2021). Nevertheless, in general, we must remember that the sixteenth century was characterised by the so-called 'price revolution', which was caused by the influx of silver from the Americas and population growth, and which affected almost all European societies (Braudel and Spooner 1967; Boldizzoni 2005). Graph 1 shows the price of wheat in some towns in Lombardy, while Graph 2 proposes the case of other towns in the Po Valley. These independent series use the price of wheat in grams of silver to consider currency depreciation.¹

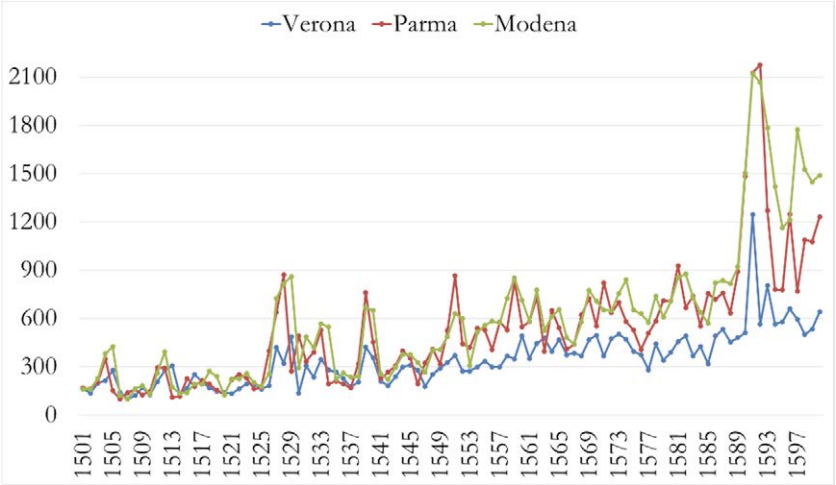
¹ On the price of wealth, the currency depreciation and the conversion of values in grams of silver see Boldizzoni 2005 for the Cremona, Pavia, Verona, Parma and Modena series; Di Tullio 2015 for the Milan series. This last series is built on the average prices recorded on the ledgers of two important welfare institutions of the city of Milan, the Ospedale Maggiore and the Schola delle Quattro Marie, provided by Di Raimondo 1975/1976 and Biasibetti 1976/1977.

Graph 1. Price series of wheat in Cremona, Pavia, and Milan 1501-1600 (independent series; 1508 = 100 for Pavia, 1506-1507 = 100 for Cremona, and 1506 = 100 for Milan)



Source: Our elaboration from Di Raimondo 1975/76; Biasibetti 1976/77; Boldizzoni 2005, 1033-35.

Graph 2. Price series of wheat in Verona, Parma, and Modena 1501-1600 (independent series; 1507 = 100 for Verona, 1506 = 100 for Parma, and 1507 = 100 for Modena)



Source: Our elaboration from Di Raimondo 1975/76; Biasibetti 1976/77; Boldizzoni 2005, 1033-5.

Although prices in pre-industrial economies did not necessarily reflect the exact equilibrium between supply and demand suggested by neoclassical theory, it is true that the price of staple foods broadly reflects the tension between harvests, available food stocks and the population to be fed. In other words, changes in grain prices in cities and towns are a reliable indicator of a population's ability to feed itself. Therefore, a significant increase in cereal prices in a given market can be reasonably interpreted as resulting from a decline in agricultural production and/or an increase in the local population. It could also be the result of an inadequate supply system, resulting in scarce public and private food reserves or limited market connections (Malanima 1997, 135-36; Sen, 1997; Alfani 2010; Mocarelli 2013; Ferrari and Vaquero Piñero 2015).

Taking all this into account, graphs 1 and 2 illustrate the price dynamics observed in the analysed cases (note that both graphs use the same scale). Price growth is evident everywhere, but the rate of increase varies from Lombardy to the rest of the Po Valley. Lombardy's indices (Graph 1) are lower and more stable than those of Verona, Parma and Modena. This seems to confirm Lombardy's higher productivity and better overall economic performance (especially in districts that experienced the aforementioned 'agrarian revolution' [Cafagna 1957], such as Milan and Pavia), compared with other Po Valley districts. In other words, despite all of them being close to extensive lowland areas, price growth was more pronounced in Verona, Parma and Modena. As Graph. 2 shows, growth was sustained overall, with wheat prices rising to more than ten times their initial value by the end of the century – even when the peak observed in the 1590s (which was associated with a substantial famine) is excluded. In short, Lombardy's high agricultural productivity enabled its cities to provide better urban subsistence, even in the face of high population pressure. However, the price of wheat also rose in Lombardy during the sixteenth century, primarily due to increasing demographic pressure on agricultural resources.

The question of the risks associated with farming obviously differs for rural people. For most people engaged in agriculture, the primary objective of their activity was reproduction. In summary, the aim was to produce enough to fulfil the following purposes: Firstly, to give a portion of the harvest to the landowner; Secondly, to sell some of the harvest in order to accumulate sufficient funds for small transactions and, above all, to pay taxes; Thirdly, to set aside what was needed for sowing the following year; Finally, to feed the household until the next harvest. (Cattini 1977).

The composition and quantities of these four elements were related to the conditions of the land and the agricultural contracts, as argue below, but they were also, of course, related to the size of the harvest each year. Since the dominical portion and the part devoted to the market for paying taxes were difficult to reduce, it is reasonable to assume that the portion planned for food or sowing was reduced when the harvest was insufficient. As mentioned above, fluctuating production and its more or less serious consequences were a constant feature of pre-industrial economies.

In the most serious cases, when poor harvests occur for several consecutive years, the situation of the peasants becomes particularly precarious in terms of subsistence. This is partly due to the debt they accumulate. Poor harvests often meant

that peasants could not afford to buy seeds for the following year, so they had to borrow from their landlord, typically at interest. If the debt was not repaid on time, the creditor would take the debtor's few possessions, such as tools, animals, or small plots of land. This process of debt-based dispossession led to the proletarianisation of the peasants, making them increasingly vulnerable (Cherubini 1978; Cattini 1984; Roveda 1984; Cazzola 2014).

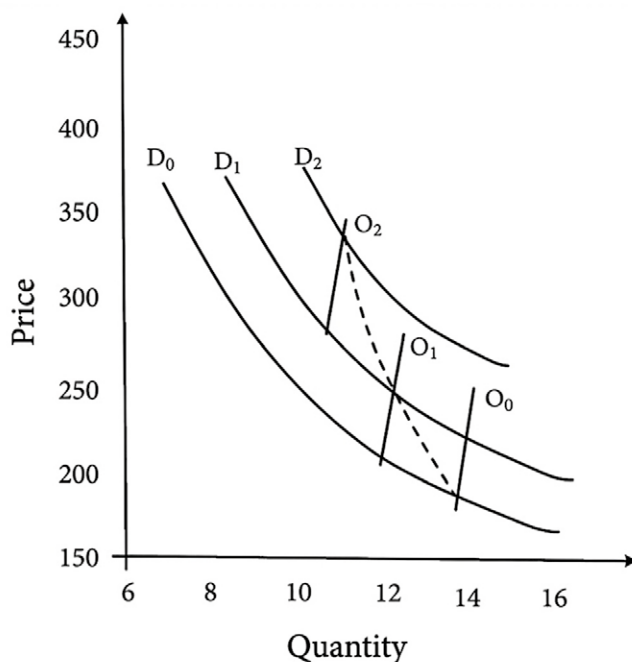
The objective of landowners was different: they aimed to obtain regular rent (in kind or in cash) by leasing out their land. This rent was then used to meet household needs and savings, and possibly to invest in other assets or improve existing infrastructure. A difficult year or series of bad years might lead to reduced investment or savings, but would rarely lead to reduced household consumption or debt. At least this was the case for large landowners, as the risk of losing their property increased greatly if their wealth decreased. It should also be noted that most of the food routinely available on urban or rural markets came from these rents. To these were added the cereals destined for the market from small farmers and peasants (either freely or through rationing), as well as those from tenants on larger farms – the so called *fittabili*.

During the early modern period, large tenants became increasingly important in Lombardy and other parts of Western Europe, particularly around large urban centres and in densely populated areas where land was suitable for major infrastructural investment, especially for irrigated agriculture. Put simply, large tenant farmers became progressively significant in a more commercial form of agrarian economy, where the market became central to regulating the factors of production – land, labour and capital – which were treated as commodities. This was particularly evident in the Po Valley, Flanders and certain regions of France, as well as later in England, where the agrarian economy shifted towards market production according to a capitalist model. Broadly speaking, tenant farmers sought to maximise the use of production factors to boost productivity and produce as much as possible for urban and rural markets. A difficult year or series of bad years would lead to reduced production, affecting the rate of reinvestment or savings. However, serious consequences for their household's subsistence were rare.

Considering the various groups' different objectives, it is clear that one of their main aims was to achieve a certain yield to ensure reproduction, income or profit. Consequently, a poor harvest was their primary 'ordinary' risk, and managing the inevitable irregularities in agricultural production was their primary risk management objective.

Moreover, the decline in harvests posed a particular danger to early modern agriculture due to the peculiar way in which the grain market functioned. Given the high level of self-consumption among peasants and in rural communities (i.e. the majority of the population), collective demand for cereals increased significantly ($D_0 \rightarrow D_1 \rightarrow D_2$) during periods of poor harvests ($O_0 \rightarrow O_1 \rightarrow O_2$), when the rural population could not produce enough food to meet their needs. Consequently, rural people were increasingly forced to buy grain on the market when supplies were scarce, which put pressure on prices. The rapid increase in grain prices created a challenging situation for farmers, landlords and tenants in rural and urban areas (Cattini, 1977, 121-50; 1984) (Graph 3).

Graph 3. Theoretical collective demand curve for cereals in rural areas in preindustrial period



Source: our elaboration from Cattini 1984, 110, fig. 10

Clearly, rising prices affected different social groups in different ways. When high prices had serious consequences for buyers, they could work in favour of sellers. While rising prices obviously favoured indebtedness among the poorest in society and wealth distribution, severe food shortages became a social problem that worried governments and the entire population, rich and poor alike.

3. Different ways to sharing the risk

Fluctuating harvests and the resulting strong pressure on the grain market can therefore be considered one of the main 'ordinary' risks of pre-industrial societies, particularly in relation to agricultural activity. To address this widespread issue, early modern societies implemented various measures to mitigate the potential negative effects. Due to the variety of social groups and interests related to crop dynamics, the actions taken varied in type and involved different institutions, actors, and resources.

First and foremost, the various types of land tenure and ownership, and access to land, can influence the distribution of risk associated with fluctuations in agricultural yields (Giorgetti 1974; Roveda 1984b). During the early modern period, there

was a tendency to shift the risks associated with irregularities in agricultural production onto the rural population, particularly peasants and small tenants. More specifically, leases were increasingly based on a predetermined fixed rate, which generally favoured landlords over tenants. The situation became even more difficult where market and capitalist agriculture spread, as in Lombardy. This was because the leases changed from a fixed rate to an annual fixed rent in kind, or even worse, in cash. A similar system was instrumental in overcoming the sharecropping system and facilitating the spread of large-scale capitalist tenancy (Di Tullio 2009a; 2009b). However, although this was originally a way for landowners to transfer agrarian risk to their tenants, in the long run, this process could sometimes backfire on the landowners themselves. This was particularly true of large landowning institutions, which were more interested in generating income than managing their estates. Tenants often became creditors of their landlords due to the constant improvements they made to the estate. Sometimes, these debts were so high that the owners were forced to sell their properties to their tenants (Cipolla 1947; Chittolini 1973; Di Tullio 2017). This process could only occur under certain conditions: a specific geo-pedological context, certain demographic developments, the presence of important urban markets and a fair grain price level.

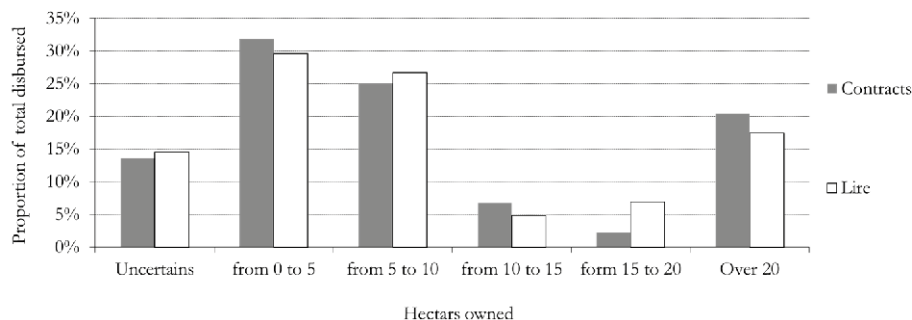
Therefore, this cannot necessarily be a universal or linear process. However, it has become increasingly prevalent in the Lombard countryside (as well as in other parts of Western Europe), alongside the 'privatisation' of access to land and collective resources. I am referring to the well-known shift from village management agricultural system to so-called agrarian individualism, which was also evident in the enclosure of the open fields and the attacks on collective resources. The issue of common pool resources has been widely debated (see i.e. Bailey 1989; Moreno and Raggio 1992; De Moor, Shaw-Taylor, and Warde 2002; Alfani and Rao 2011). I don't wish to revisit that debate here, except to emphasise that open fields and common goods were effective systems for risk sharing. As many scholars have argued, including in the case of Lombardy, they enabled peasants to supplement their meagre incomes, which proved particularly useful in years of poor harvests (Roveda, 1979, 30-31; 1984). The products obtained (e.g. fruit, wood or pasture) meant that cereals originally intended for subsistence could be sold on urban markets, or in the case of chestnuts, used for producing flour. This limited inflation and social unrest. Even during the French Revolution, many communities called for a return to village agriculture and the open field system, or for the restoration of collective domains in various ways (Bloch, 1931).

These final aspects are directly linked to the institutional dimension of risk management in agriculture, particularly about the reduction of production irregularities. While agricultural contracts transferred the risk to peasants and the poorest sections of society, the early modern period also saw the creation or consolidation of institutions designed to manage this type of risk. The most important of these were the *annone*, institutions responsible for controlling the supply of grain to towns and cities (Vecchiato, 1979; Romani, 1986-87; Guenzi 1995; Corritore 2007; Parziale 2009). They became an integral part of the bureaucratic apparatus of early modern states. In the event of a potential famine, *annone* officers travelled from village to village to assess the food available in relation to the population to be fed. This was a complex

and expensive process that was not always effective, but it did limit sudden price rises in urban and rural markets. Often, the corollary was the seizure of part of the rural stock, which was forcibly transported to the markets (Galletti 1994; Di Tullio 2009a).

At the same time, rural communities often organised themselves in order to cope with poor harvests, as well as to mitigate the effects of growing agrarian individualism and the loss of collective assets. Solutions varied, but public granaries or charitable institutions were generally set up, often with the support of municipalities and parishes. These institutions distributed bread to the poor in normal times and grain to the whole population in times of famine. They also supplied local markets with grain that had previously been stored, thereby limiting price rises. These charitable institutions constantly grew in wealth through inheritances from the local population and tax exemptions.² As well as their various social activities, these institutions also fulfilled an important microcredit function, which was essential for defending rural property and the local socio-economic structure. I studied this phenomenon in some rural communities on the border between the State of Milan and the Republic of Venice during the Italian Wars of the sixteenth century. In short, these charitable institutions, known as *scholae*, played a key role in limiting the influence of urban capital in a highly prosperous agricultural context, by providing credit to rural communities and small rural landowners (Graph 4). This limited local indebtedness, even during a long period of difficult war (with the consequent burden of taxation, expensive military billeting, and disruption to economic activity) (Graph 5).

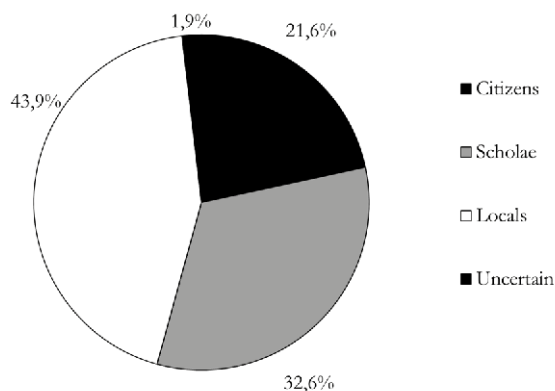
Graph 4. Relationship between the beneficiaries of the loan and landed property (Vailate, Geradadda, 40s of sixteenth century)



Source: Di Tullio 2014a

² For an overview of this kind of institutions and their role in the preindustrial economy see Ago 1998; Muldrew 1998; Todeschini 2002; Fontaine 2008; Bianchi 2009; Ammannati, 2013

Graph 5. Source of the capital obtained by the communities of Geradadda (1495-1555)



Source: Di Tullio 2014a

Agricultural risk-sharing institutions could also provide an opportunity to organise environmental management and promote agricultural innovation. This is illustrated by my third example: the consortia that manage irrigation canals. I will draw on my experience of reclamation in Lombardy in particular, where the relationship between human societies and water is (and always has been) crucial and significant. In early modern Lombardy, for instance, water management was primarily an ecological concern because some areas of the plain were unpassable without prior hydraulic stabilisation. For this reason, draining the marshes was one of the main steps taken to settle these areas. This does not mean that economic activities or temporary settlements were impossible in the plain of Lombardy before the hydraulic arrangements were put in place. Rather, it suggests that stable rural settlements and the systematic adaptation of natural resources to human needs only became possible once the environment had been domesticated (Di Tullio 2012).

Clearly, control of water was important in terms of social and political power, as well as being a significant economic issue. In any case, participation in the irrigation networks was not limited to the wealthiest section of society. While the construction of a large canal or the abstraction of water from rivers required a ducal licence (since river water was considered the property of the state) and these licences were mainly obtained by urban and rural communities, large religious institutions, noble families and 'social' institutions, the development of the secondary network was favoured by the «servitù d'acquedotto» (literally «aqueduct easements»). This consuetudinary legal institution, recognised by municipal statutes and then by the state, allowed anyone to build a canal on another's land by paying the price of the occupied land plus a quarter of its market value (Roveda 1984; Bigatti 1995).

For all these reasons, water management can be considered a collective objective involving public and private institutions, as well as local and central government, the rich and the poor. In addition to the main ecological value mentioned above, the water network had many other general values, such as protection, disinfection, nutrition and trade. In many cases, this public value was guaranteed by common ownership of part of the water system by local communities or the state. In many other cases, collective ownership or management was possible through the creation of consortia or other collective action institutions among the beneficiaries of a particular canal. Consortia also ensured the sharing of start-up and maintenance costs and any extraordinary expenses, as well as allowing for effective conflict management. In other words, consortia were necessary institutions for managing the environment and guaranteeing the agricultural use of these areas, and for sharing environmental and economic risks. At the same time, however, they were both a cause and an effect of other factors, each playing a fundamental role in the process of creating this artificial landscape and the agricultural avant-garde in Lombardy, especially thanks to the integration of agriculture and livestock farming. In a broader sense, therefore, irrigation consortia have been fundamental in ensuring high agricultural yields and limiting the risk of famine (Di Tullio 2023).

Finally, we consider an informal form of risk sharing associated with irregularities in production: the spread of *famulato*, whereby servants lend domestic or agricultural labour to families other than their own.³ This is a practice of labour mobility that changes over time and across different regions. Indeed, while the early modern peasant family was primarily a labour unit, the *famulato* was the most effective means of balancing land and labour availability. In some studies of rural Lombardy in the mid-sixteenth century, I observed an almost perfect correlation between the amount of available land (owned or rented) and family unit size. I concluded that this was due to the prevalence of *famulato* (Di Tullio 2009a; 2009b; 2014b; 2016). Graphs 6 and 7 clearly demonstrate this correlation for the various agricultural occupations and geographical regions examined. As my objective was to examine the progress of the “agrarian revolution” in various regions of Lombardy, I selected case studies from the hills, the middle plains, and the lower plains. At the same time, I thought it would be useful to categorise households according to the occupation of the head of the family. For this reason, graphs 6 and 7 show different values for *braccianti* (agricultural workers), *massari* (tenants of medium or large estates who generally own the means of production – labour, seeds, animals and tools – and are subject to leases that provide for sharing the harvest in exchange for a fixed rent), and *fittabili* (tenants of estates and the aforementioned promoters of the capitalist transformation of Lombard agriculture).

This almost perfect balance between agricultural land and family size was made possible by the widespread use of *famuli*, as shown in Graph 8. The *famuli*, who were mostly very young (see Graph 10), ensured that the surplus labour of the *braccianti* or *massari* became available to other *massari* and *fittabili* families. In addition to hiring

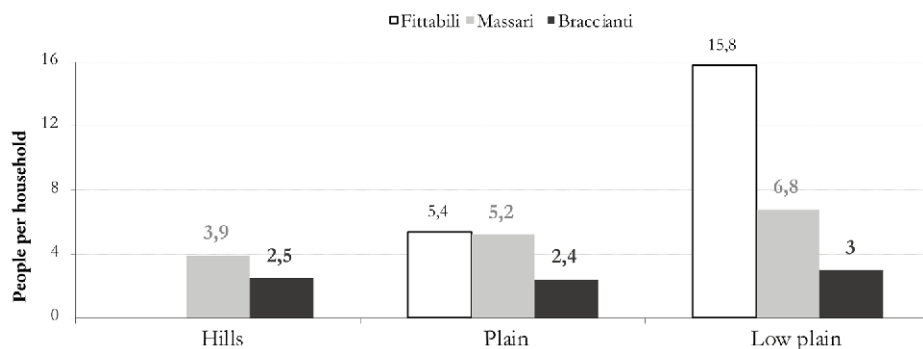
³ About the rural servants in Europe see Whittle 2017. For Italy, see Sarti 2017a e 2017b; For Lombardy, a part from the above mentioned articles of mine, see Beonio-Brocchieri 2000; Leverotti 2001; Gioia 2004.

external agricultural labourers, these latter groups welcomed *famuli* into their households for domestic and agricultural work, particularly to care for livestock. For young people from families with limited resources, working as a *famulo* was a necessary step to earn the small amount of capital required to start a family. However, the desire to avoid overburdening the group of origin certainly stimulated the development of *famulato* before the desire to accumulate capital. For this reason, *famulato* can be viewed as a family risk-sharing practice that has collective value.

This assumption appears to be confirmed when we consider the spread of *famulato* in mountainous and hilly areas (see graphs 9 and 10). Here, despite the limited expansion of cultivated land, the use of *famuli* by *massari* families clearly indicates a double movement of labour. As in the domestic groups of *braccianti*, young people in the *massari* families left to work as servants for other households. At the same time, the *massari* took in other young people, which ensured the flexibility of the family unit. The *famuli* were “temporary” members of the family group (as opposed to biological children), so their numbers could increase or decrease according to the availability of land and food.

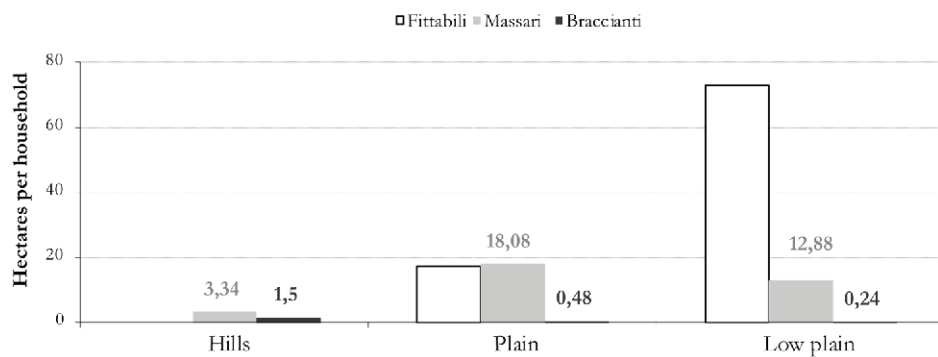
In conclusion, *famulato* was a collectively accepted system for coping with hazards and sharing the risk of fluctuating harvests or contractual conditions at a local, if not regional, level (Di Tullio 2019).

Graph 6. People per household and by occupation in different regions of Lombardy (mid sixteenth century)



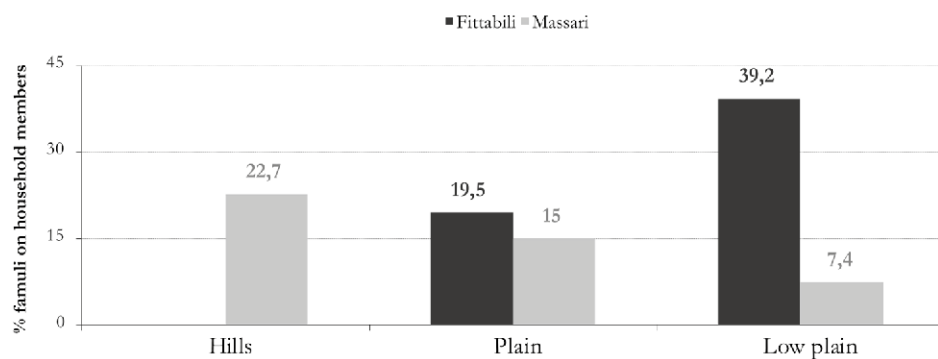
Source: Di Tullio 2009

Graph 7. Hectares per household and by occupation in different regions of Lombardy (mid sixteenth century)



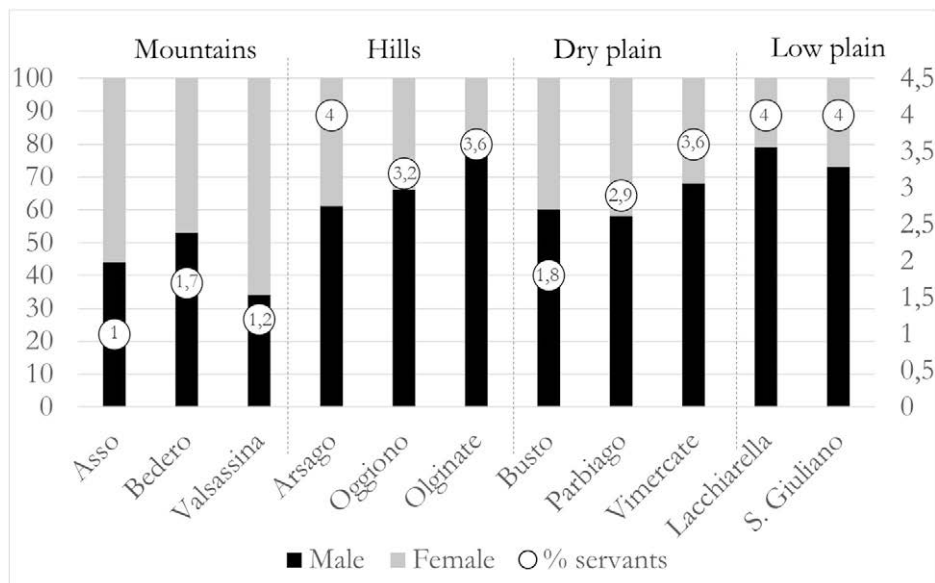
Source: Di Tullio 2009

Graph 8. Percentage of famuli on household members



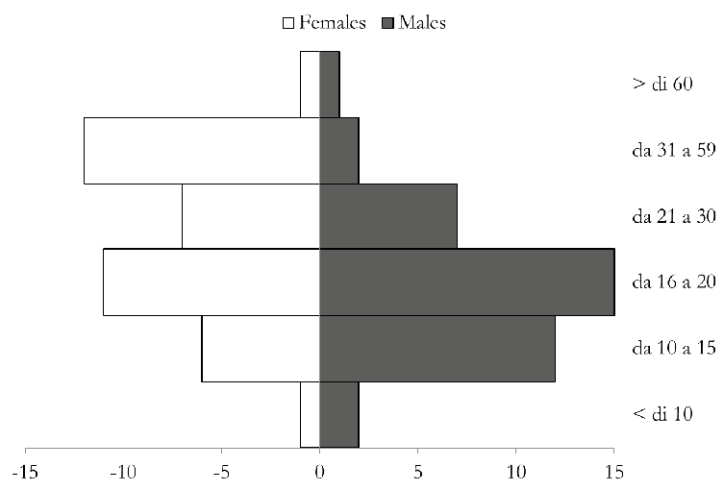
Source: Di Tullio 2009

Graph 9. Gender (principal y-axis) and incidence (% of total population - secondary-axis) of famuli in some *pievi* of the Milanese *contado* at the end of the sixteenth century



Source: Di Tullio 2019

Graph 10. Age composition of rural servants in mid-16th-century Lombardy (Pievi di Angera, Brebbia, Varese and Valcuvia. c. 1540)



Source: Dalla Zuanna *et al.* 2012

4. Concluding remarks

This article discusses the institutions and practices of risk sharing in agriculture, focusing on Lombardy during the early modern period. In order to address such a broad topic, I decided to concentrate solely on the ‘ordinary’ and ‘collective’ aspects of risk in preindustrial agrarian economies.

Having defined the risks associated with farming in early modern Lombardy, I examined the different objectives pursued by the various social groups involved in agrarian activities. First, I defined the difference between rural and urban objectives. Then, the article explains the differences in interests between landlords and tenants, and between tenants and farmers.

To provide a multi-perspective analysis of this phenomenon, the article focuses on four main aspects of early modern agrarian Lombardy: tenancy; urban and rural food supply institutions; environmental management institutions; and the rural servant system. By describing these aspects, I illustrate the complexity of the collective dimension of risk sharing and highlight the differences that occurred during the early modern period, as well as the contrasting interests involved in each of these practices and institutions.

Although Lombardy had an advanced agricultural economy, the main risk to be addressed was managing crop cycles due to high demographic pressure. Also due to the spread of the market economy, during the early modern period there was a general attempt to shift this risk to the ‘peripheries’ and the less well-off, for example from cities to the countryside and from landowners to tenants and farmers. This trend was mitigated not only by urban and rural institutions, but also by uncoded social practices such as the *famulato*. These practices were nonetheless widespread and effective.

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1. Mortmain financial management in social context

The term «mortmain institutions» (*les gens de mainmorte*) comprises a broad range of ‘corporate’ structures such as monasteries, schools, hospitals, guilds (to name but the most obvious examples) whose existence is independent of the lives of their members. These institutions, often ecclesial, (since preindustrial societies were steeped with religious identity), were considered to have indefinite existence. More importantly, mortmain institutions enjoyed specific rights to own property and plead in judicial instances. Thus, mortmain institutions strongly resembled today’s corporations; they were legal persons, *des personnes morales* (Imbert 1992; Ferron, Alain 1933; Godin 2016).¹

Since mortmain institutions were in theory immortal, their ownership capacity raises several thorny issues, in particular the question of whether these institutions might eventually own all property in their precincts. Here, we must bear in mind, as with today’s corporations, that mortmain existence is a legal fiction whose social reality is a product of state sanction and legal framework. Mortmain immortality equally harkens to what today we term «foundations» or «trusts» where a class of assets is held independently of any particular biological person or group of persons (such as a family, whose existence while extending beyond its members’ individual lives, nonetheless might come to extinction were the lineage to end).

This paper shall restrict its scope to a limited class of mortmain institutions: pre-industrial monasteries and, to a lesser extent, colleges; although my purview could be extended to a broader range of charitable or religious institutions wherever a *mensa* - a group of assets destined to finance a specific mortmain institution or some part of that institution’s activities - is managed, my documentation limits my ambition to this small class of institutions.

The question of financial strategy and risk management does not exclusively pertain to mortmain institutions, clearly individuals adopt strategies to preserve their assets, to acquire further wealth and to navigate the turbulent sea of economic vagaries that beset all sources of revenue (see Dewald 1987 for a study of noble asset management). Also, the idea of a «mensa» (*mense* in French) is not restricted to Roman Catholic institutions, kindred forms of assets held in perpetuity, destined to finance

¹ For the question of «mainmorte» or «mortmain institutions» and above all the *amortissement* tax see Imbert 1992; Ferron 1933; an overview of the legal issues underlying mortmain ownership is found in Godin 2016.

charities or religious or pious actions, are found in Islamic *waqfs* (Dedieu 2025). More generally all forms of religious institutions would seem to fit within a category of mortmain. No general study of mortmain institutions as asset holders has been written. Curiously, many of the reservations raised concerning the powers of mortmain institutions also applied to corporations and corporate ownership (Maier 1993).

While legal history extensively discourses on the theory and concatenation of ideas leading to given factual situations and, manifestly, provides the basis upon which judges might rule in cases of dispute, it still leaves the historian with the task of culling concrete examples of how theory performs in practice; in particular, how institutions with a theoretically eternal existence were in reality maintained or terminated or resurrected.

Although it is tempting to conflate financial strategies of both mortal business owners and mortmain institutions, an initial caveat merits mention. Mortmain owners in general, and charitable or ecclesial institutions in particular, benefited from pious endowments and varied gifts. Capitalist businesses, in particular mercantile undertakings, did not enjoy such prestige per se. Merchants were not elevated to the rank of privileged intercessors between humans and the divine.

Mortmain institutions, however, existed (and exist) within an economic realm where value (measured as either real or potential returns on assets) undergoes shifts. Any «asset», defined as a potential source of wealth production, can either produce greater or lesser returns depending upon the economic context in which this asset is embedded. An asset's ability to generate returns (that is, wealth) is also a historically determined feature. These vicissitudes underlie the idea of «risk». As economic institutions, mortmain owners were subject to the same constraints as befell «private» or «mortal» businesses: they had to factor shifting asset values, manage assets and seek redress for situations in which they (the mortmain institutions) suffered prejudice or their assets were impaired.²

A further distinction that I wish to draw concerns the difference between economic risk and financial risk. Economic risk results from contextual parameters or variables – whose scope is vast, ranging from bitterly frigid winters (such as in 1709) to wars and sovereign devaluations – while financial risk results from an individual judgment or misjudgment: this type of risk involves loans and debt. All the varied dangers attending debt threaten non-sovereign economic agents (and even states or kingdoms may be so threatened) and come into play with financial risk. Moreover, this distinction, while heuristically useful, often disappears in practice: economic crises conjoin with financial weakness to produce bankruptcy.

A major caveat underlies mortmain insolvency: unlike profit seeking businesses, mortmain institutions were essentially non-profit institutions. They were charities or foundations or trusts. Their principal goal was survival, not endless enrichment. Not only did these institutions largely eschew profitable investments for the sake of ever greater aggrandizement, they equally benefited from pious gifts and royal beneficence. Beneficence translated into munificence. While private enterprise might well

² «Impaired» here is used in the formal accounting sense: an asset whose book value is greater than its capacity to produce (with depreciation) a return or whose resale value is obviously lower than its depreciated value.

have benefited from subsidies and royal favor (we evince Colbert's efforts at mercantilist industrialization), few can cite cases of pious endowments made to such businesses. Merchants paid for masses for their souls, they did not perform masses themselves.

The major distinction between mortmain institutions and private enterprise lies in the charitable nature of the former. Mortmain institutions received pious endowments. While investments were a key to long-term stability, these institutions benefited from spontaneous gifts. There was indeed an «economy of salvation» which enabled mortmain institutions to eke out their existence. However, the pious element also gave rise to a danger of moral hazard. Pious institutions might well adopt riskier investments with the belief that the sovereign would bail them out whatever occurred. Particularly if these institutions were royal creations.

2. Mortmain credit, insolvency and bankruptcy

2.1 Bankruptcy and frauds: generalized distress or specific mismanagement?

The paper will thus address the question more of «credit», risk and managerial investment practices rather than the question of bankruptcy or insolvency per se. There are few cases of mortmain bankruptcy in eighteenth century France. Among mortmain institutions we should note, as a generalization, women's convents suffered greater financial distress than did men's institutions. This prejudice suffered by women's houses arose largely from «conjunctural» issues, i.e., the French Monarchy's hostile fiscal policy towards mortmain institutions. Several factors conspired to the detriment of women's communities.

Elizabeth Rapley, undoubtedly the leading authority of French female monasticism, has written

the female monasteries of France were so many business ventures, operating with limited capital and facing the constant possibility of failure. Bad decisions on the part of the chapters, or bad luck in their business dealings, could overturn them entirely. Throughout the seventeenth century there was a small trail of bankruptcies. But most women's monasteries managed their money adequately, and some became quite affluent (Rapley 1994, 422-23).

However, in the eighteenth century, the situation soured, as Rapley observes: «Between 1690 and 1720 this picture changed completely. Of the two thousand monasteries, approximately five hundred fell into destitution».

We should, thus, draw a distinction between cases of exceptional distress resulting from a concurrence of circumstances, including individual decisions, and generalized situations resulting from economic factors of which state financial plunder. Before considering general contexts, we can review three «remarkable» bankruptcies involving mortmain institutions.

2.2 Three specific cases

The most famous case involved the collapse of Antoine Lavalette's international credit network. While fascinating, this bankruptcy concerns more Lavallette's own undertakings and not those of a mortmain institution *stricto sensu* (Dial 2018). In April 1760 the *Parlement de Paris* sequestered the Jesuits' French holdings. The Society of Jesus was expelled from France between 1762 and 1764. A legal grouping of creditors was formed, a so-called «syndic». These creditors sought redress through sale of Jesuit assets but could not sell off the properties used for educational or religious purposes, for these latter were transferred to other religious orders, such as the *Oratoriens*, the *Pères de la Doctrine Chrétienne* – even the Theatines took charge of a college in Tulle, which further burdened their indebtedness.

Another particularly lurid bankruptcy concerns the Dominican convent in Dijon. In 1768, the Dominican sisters had an accumulated debt of 320.000 l.t. The sisters had lost 25.039 l.t. in capital after John Law's bank or «system» collapsed (Dinet 1999, vol.1, 190-91).

Subsequently the Dominican sisters reoriented their investments to urban real estate. This strategy led to further losses. Thus, as of 1750, the congregation's treasurer borrowed large sums from low-income urban denizens (servants, crafts workers and widows) as well as other local religious houses. Initially the loans were conducted through private agreements and were recorded in a specific ledger. The loans were not notarized. In March 1768, lenders realized a something was amiss. Lenders sought to formally notarize the loans. When word got out other lenders appealed for similar recognizance. As in most frauds (recall Madoff) the realization that others are in similar straits led to a general panic and total discredit. At least 160 creditors clamored for their loans. Moreover, the sisters had borrowed at illegally high rates of interest! Just as in other frauds, this rendered the investments attractive. The convent's chattel was seized and sold but the sale of these possession (furniture, silverware, personal belongings and cattle) only yielded 45.000 l.t. The sisters' rural estates were not sold until the French Revolution and that sale only raised 42.000 l.t. in October 1791. The convent itself, located in the center of Dijon, estimated at 100,000 l.t. became the object of conflicting claims and was transferred to the municipality which in turn promised to reimburse the outstanding debts. Finally, when the Revolution began, those creditors still had not been repaid.

This bankruptcy merits a detailed study. Here is an example of adverse selection: heightened risk leads to tantalizingly higher potential yields – but the qualification «potential» underscores possible loss. The lenders initially were lured into lending to a venerable institution, founded in 1612. The institution in turn drew upon its status and the lenders' pious credulity. The convent's imposing presence in the heart of Dijon reassured lenders. In any case, the bankruptcy was judged as a criminal, deliberate undertaking. The sisters implicated in the fraud were sent to an isolated convent, obliged to wear penitential gowns for the rest of their days.

One further example of bankruptcy, taken from Dominique Dinet's study of Burgundian monasteries, underscores my distinction between financial and economic risk. Prâlon abbey, a female Benedictine institution, was heavily indebted in 1743 due to a vast and costly project of reconstruction undertaken between 1710 and

1729 by Charlotte de Bussy-Rabutin, the abbess. She spent some 152.000 l.t. on rebuilding the church and choir as well as the convent's stables. At the time only 24 professed nuns and 5 lay sisters formed the community. These ostentatious expenses left the abbey heavily indebted. Bussy-Rabutin died in 1739. On June 19th 1743 a catastrophic flood occurred after an intense rain. A raging torrent toppled the cloister's walls and swept away food stocks, fowl, sixteen lambs, furniture, books and religious ornaments. Three women drowned. An orchard had fifty trees uprooted. The watermill was destroyed. The abbey was dissolved thereafter. The surviving sisters were dispatched to different convents while the abbey's lands were transferred to the chapter of Saint-Etienne in 1756 (Dinet 1999, 188-89).

2.3 Royal taxes and mortmain woes

While the aforesaid bankruptcies are clearly outliers, numerous examples of impoverished convents strew mortmain financial history. These latter cases would *prima facie* seem to provide ample material for any study of mortmain bankruptcy, management or mismanagement. At the other extreme, there are clear classes of prudent and prescient investment, these will be addressed in a further section dealing with risk management and diversified investments. Impecunious institutions were largely feminine. Elizabeth Rapley has cogently argued that the preponderant cause for such financial hardship lay in the French Monarchy's own predatory taxation of Post-Tridentine convents (Rapley 2001).³

In 1720 the French monarchy's experiment in paper-based currency ended in a catastrophic fiasco. This well-known currency collapse, John Law's bankruptcy, had baneful results for numerous women's communities (Suire 2014). However, Law's failure only brought the *coup de grâce* to many women's communities already weakened from excessive taxation under Louis XIV. During the later years of the Sun King's reign, as a result of successive wars against European adversaries, French financial woes worsened and the Crown adopted ever greater expedients either through creation of offices or through taxing whomever including convents. Those women's communities founded after the Council of Trent – the Counter-Reform or baroque convents – suffered most from the fiscal onslaught. In the Kingdom of France, these convents were founded after 1600 once religious conflict had been largely quelled. Many of these convents were destined to teach young women. Pious daughters flocked to these establishments during the Baroque devotional surge which marked the Counter-Reform.

Essentially, in 1689, the Crown imposed a tax, *le droit d'amortissement*, on all real-estate acquired since 1641.⁴ This tax required communities to pay a percentage of their real-estate purchases to the Crown (collected by means of either avaricious tax farmers or newly created venal offices sold to those willing to pay who,

³ We should add that this fiscal policy was not restricted to the French Monarchy, kindred taxes were found under the Austrian empire, see (Lepointe 1937).

⁴ This tax was not a novelty, the Crown had asserted such a right in the mid 16th century; its imposition, however, reveals, among other features, to what extent the Royal State had strengthened over the succeeding century and a half.

unsurprisingly, would seek to maximize their gains). This tax itself could vary between $1/3$ and $1/6$ of the value of the property purchased, depending on whether the real-estate belonged to a Royal, noble or roturier fief (Pocquet du Haut-Jussé 1916).⁵ Added to this tax, was a further tax on the value of accrued income from the properties for which the *amortissement* had not been paid, that is, the income obtained since the initial date imposed by the edict. The *amortissement* concerned future incomes to accrue from the property, but the revenue obtained over the course of the preceding decades also was taxed! This tax was *le droit de nouvel acquêt*; here the property was taxed at 5% annually (based on the property's initial value) multiplied by the number of years since construction. Moreover, mortmain institutions had to pay a further 10% on the property's assessed value in compensation for the recovery fees! Nor did this situation hold; worse was to come. Until 1704 the *amortissement* was restricted to real-estate, as of this date, annuities (*les rentes constituées*) entered within the scope of the tax. This fact is crucial to Elizabeth Rapley's argument as to the origins of conventual distress.

The monasteries founded at the beginning of the seventeenth century acquired land, largely urban properties, to house their communities, to have space for teaching and, if possible, to obtain rental income. The women's communities were largely financed through dowries granted when daughters entered the convent. These dowries formed the capital which should have provided for the nun's vital needs. The convents used these receipts for investment. From 1689, when the *amortissement* dues were imposed, the convents shifted their investments from real-estate to annuities, since these latter paid a 5% yield which compared favorable to rental property yields. This shift exposed Counter-Reform convents to further risks. First, in 1705, the *contrôleur général* (minister of finances) imposed the *amortissement* dues on annuities.⁶ This led the seventeenth century foundations to ever greater indebtedness. Next, came a royal review (in fact a partial bankruptcy) of bonded indebtedness; this «review» or «revision» termed the «visa» reduced interest rates and partially cancelled outstanding crown debt. John Law's bankruptcy in 1720 brought to a dramatic close this downward spiral towards impoverishment. Convents received reimbursements of their loans' capital (annuities) in rapidly depreciating paper currency. Those communities which reinvested this currency saw yields drop to 2%. And once Law's financial structure collapsed, the Crown undertook a second visa operation to reduce outstanding debt. As a result, numerous convents petitioned the king to succor their plight. Various inquiries followed. These pleas for financial assistance, and the subsequent audits that they provoked, ultimately fostered a policy which sought to reduce the number of convents, and by a snowball effect also spawned a wider inquiry which suppressed men's communities and numerous colleges – all eliminated in the name of economic necessity and social utility. (An argument which recurs throughout modern history).

⁵ The Royal Edict of May 1708, sealed with green wax (symbolizing perpetuity), listed the various types of fiefs purchased and the ad valorem rate to be paid for each type of landholding. (Pocquet du Haut-Jussé 1916), in his study (126-27), states that the one-sixth ad valorem rate was the most widespread.

⁶ Royal declaration of 4 October 1704.

To see how costly these taxes were, consider the Ursulines of Rennes whose convent was ordered to pay 9.390 l.t. for *amortissement* dues as well as 2.464 l.t. for the *nouveaux acquêts*. This amount was reduced to 10.666 l.t. but an extra 1066 l.t. were required for the cost of recovery (*les deux sols pour livre*) (Pocquet du Haut-Jussé 1916). In 1645 the community's annual receipts were 21.491 l.t. while in 1751 the receipts were 16.012 l.t.⁷

Another community in Rennes, the Dominican sisters, known as the Catherinettes, founded in 1636, was suppressed in 1768 after experiencing serious finance distress from Law's bankruptcy and its aftermath. A lengthy, excruciating decline brought the convent to insolvency. The surviving nuns were transferred to other convents, the buildings at first were transferred to the Ursulines of Hédé, and then, in 1772, purchased by the bishop of Rennes for a seminary (Daniellou 2008, 32, note 7).⁸ Here again financial distress led to suppression and reuse of the community's assets.

The 1707 bankruptcy of Rouen's Ursulines provides a further example of a distressed women's community. In 1707, the Ursulines enjoyed a total income of 8.163 l.t. The assets comprised both urban, rural and financial investments. Six farms, another rural property and a fief together yielded 2.935 l.t. The convent also owned 36 houses situated in different parishes in Rouen; these urban properties brought an income of 2.284 l.t. The convent earned very little from annuities, less than 295 l.t. Life pensions for the nuns brought 500 l.t. while 550 from student boarding fees. However, as noted above, when the Crown sought *amortissement* for annuities, the convent was taxed for 7000 l.t.⁹ At that point, the convent's diverse creditors presented their accounts receivable due by the convent: the amount was 110.941 l.t.! The community had entrusted a certain Mr Lecomte with the management of its finances (he had a reputation for being skilled in finance) and this individual bilked the convent for some 75.000 l.t. in repairs on their properties. A general subscription was made by the Rouen *parlement* and various distinguished families (a type of crowd funding if the analogy be allowed) to cover the convent's debt; all the while the creditors was summoned by the archbishop who negotiated a reduction of twenty-five percent in the accounts receivable (22.500 l.t. instead of 30.000 l.t.) and a moratorium on payment of the outstanding interest on annuities (whose capital equaled 80.000 l.t.). Here the Ursulines found protection in the archdiocese's authority. Their 'social utility' was underscored; also, the mother superior's family connections contributed to the convent's survival. To repay their debts, the convent sold several houses for 14.000 l.t. and the nuns undertook crafts work during their spare hours. Redress in

⁷ The livre tournois lost value over this period: an on-line converter gives modern equivalents for the two sums as €486.032 (1645) and merely €180,560 (1751). <https://convertisseur-monnaie-ancienne.fr/>.

⁸ Information on the convent's sale is from the site <https://www.bretania.bzh/portail/doc/GERTRUDE/IA35022266/couvent-de-dominicaines-dit-couvent-des-catherinettes-petit-seminaire-puis-hopital-general>.

⁹ This information and what follows is from (Renault 1919, 172-184). My deep-felt thanks to Dr Aude Loriaud for having so generously provided me with her copy of the relevant pages from this very rare book as well as her own notes and photographs of documents.

their fortunes was spectacular: by 1721 their revenue exceeded 18,000 l.t. By 1746 their debts had been paid and the convent undertook the completion of its church.

While this final example ends on a happy note, the general picture for women's communities grew somber during the course of the eighteenth century. What began as a procedure to safeguard impecunious communities became an instrument for suppression that set the stage for a cascade of suppressions among other mortmain institutions.

On April 19th, 1727 a *Commission de Secours* was created by royal proclamation (*un arrêt de conseil*). This commission, which foreshadowed the *Commission des réguliers*, undertook the task of suppressing, reuniting or redistributing the wealth of numerous convents as well providing pensions for convents which were either financially straitened, or in other cases, highly favored due to their prestige and noble membership (Rapley 1994, 430-36).¹⁰

Starting in 1762, the French Monarchy, financially stressed by the ruinous Seven Years' War, assigned several investigative bodies to inquire into the financial status of mortmain institutions. First, in 1764, a report was submitted to the King's Council as to the situation of Parisian university colleges, many of which were heavily indebted.¹¹ In 1766, a *Commission des réguliers* was tasked with what today would be termed an audit of the kingdom's men's religious communities; this notorious commission concluded that many monasteries and priories suffered from serious infringements to their rules; numerous abuses existed and a general dissipation afflicted many monastic communities. The commission's inquiry ultimately led to the extinction of eleven monastic orders in France (Chevallier 1960).¹² As one might imagine, various motives underlay these projects, among which jealousy for these various monastic orders' landed assets. The financial reports, certainly biased, seeking to darken the portrait, do provide an insight into the checkered financial states of these mortmain institutions – always bearing in mind the ulterior motives behind such reports.

The 1764 university report's timeliness was further enhanced by the predicament in which the kingdom was thrown with the expulsion of the Jesuits. The report analyzes the financial situation of the smaller university colleges in Paris. The founders of these colleges, so the report declared, would be surprised if they were to see these institutions' current situation. «Their property dilapidated, their income diminished, the scholarships reduced to merely a handful or entirely abolished». From this report we observe a wide range of financial situations among the smaller colleges. There were ten major Parisian colleges whose financial condition was not questioned; these

¹⁰ Rapley's research in the Commission's archives also drew upon Armelle Sebbagh's unpublished dissertation at l'École nationale des Chartes).

¹¹ French Arch. nat., M 77, *Mémoire sur la réunion des petits collèges fondés en l'Université de Paris*. Signé Fourneau (recteur), Vallette, Le Neveux, Cochet, Hamelin, Guérin et D. Gigot, Paris, Imprimerie Didot, 1764. (This memoir laid the bases for the actions of the Recteur & former Recteurs, when carrying out the Royal declaration (arrêt) of 4 February 1763)

¹² Chevallier accepts the reality of monastic decadence, yet bases his conclusions on correspondence kept by Loménie de Brienne's secretaries; Chevallier did not conduct any counter inquiries to verify those letters.

institutions provided instruction as well as lodging. The other 26 colleges merely provided lodging (Compère 2002).¹³

2.4 Secular Colleges and their distress

Among the twenty-six small colleges, eighteen were indebted and several were heavily indebted to the point of insolvency. The college of Bourgogne owed 41.000 l.t. which required annuities of 1014 per year, but its annual gross revenue was relatively high: 14.223 l.t. The college of Séez was annually paying 4275 l.t. in annuities while its gross revenue was merely 9.116 l.t. The college of Bons Enfants owed 71.053 l.t. with a gross income of 8612 l.t. The college of D'Autun owed 60.000 l.t. with 8727 l.t. in gross revenue and the college of Narbonne had a debt of 110.000 l.t. with a meagre gross income of 6970 l.t. The latter college had only a single scholar dwelling therein, that person served as *procureur* (an officer) for the college. The most astounding situation was Hubant (or Ave Maria) college's debt: a remarkable 201.199 l.t. was owed! Hubant's principal, Louis Grillet, undertook the reconstruction of the college buildings during the period 1731-1733. His college lacked the financial wherewithal for such a project, but Grillet managed to get the University of Paris to underwrite his loan. The creditors brought suit against Grillet. The latter died in 1763 whereupon Antoine Guy Fourneau, the rector of the university, was appointed principal. Despite all efforts, the scholarships would never be reinitiated. The college's buildings were sold in 1810 (Compère 2002, 83-87).

The report on the unification of the colleges, partially written by the same Antoine Guy Fourneau, affords an explanation for the financial decline of certain colleges. The report asks «From whence comes this decline?» and answers thus

Aside the specific causes that this report will not address, there are three which are shared by all the colleges: the nature of their property, their management and the difference over the course of time in the remuneration of the administrators.

Nearly all the colleges were endowed with buildings in Paris as well as either royal annuities or annuities paid by individuals (*les rentes sur particuliers*). Few founders gave the colleges land or farms outside Paris. The founders wanted the treasurer's activities to be observed by all administrators and even the students. The founders preferred assets that could be managed in view of all without need to travel and interrupt work or study.

As for the annuities, aside those funds which have been irretrievably lost, either from treasurers' negligence or Civil Wars, or from reimbursements which were not reinvested, these annuities represent merely a tiny part of what they were three or four hundred years ago. While their nominal value has remained, their intrinsic value a greatly changed through monetary debasement

¹³ The colleges of *«plein exercice»* were Beauvais, Cardinal Lemoine, Les Grassins, Harcourt, La Marche, Lisieux, Quatre-Nations (or Mazarin), Montaigu, Navarre and Le Plessis. For information on these institutions (Compère 2002).

and their relative value has also diminished by the increase in specie and the dearness of food and other provisions which necessary resulted from that monetary increase.¹⁴

...

Rents from the houses have not been a better source of income for the colleges. Although they rise approximately in proportion to costs of living, they are subject to other types of unfavorable circumstances. As long as the houses were in good shape, the communities could maintain the statutory number of scholarships. Over the course of time, however, houses require repairs. The costs thus increase. Payments to the workers, having exhausted earlier savings, required spending current income. Which thus required decreasing the number of scholarships. We could provide examples where over a decade, a house that rented for 800 l.t. ceased providing a net income to the college which owned it, but cost more than it yielded due to maintenance costs.

Nor has this been the colleges' worst problem. Over the course of time, the college's buildings have become decrepit and required to be demolished and rebuilt. Undertaking such reconstruction, the colleges lost the income from investments needed to rebuild these buildings and they have been unable to earn a net interest from the sums invested in the property. For it is a well-known fact that new buildings in the Quartier Latin do not yield more than 5%. The colleges which borrowed to reconstruct their properties are now burdened with interest payments that absorb part of the rental income and which render principal payments all the more difficult. Those who could not borrow have to use their rental income and a share of their other revenues to pay the workers. Both types of finance leave the colleges at a loss. Besides the loss of income from the building that is razed, there are loans for reconstruction whose interest exceeds the rental yields from the newly built dwelling. Reconstruction is a form of renewing the initial endowment.

To these two main disadvantages whose consequences are easily understood, there is a further one that has also contributed to the college's decadence. Just over two centuries ago, the neighborhood of the University [the Latin Quarter] was the most highly frequented in all Paris and houses there yielded high rents relative to that period of time. Since then, the city has grown in size, and much more beautiful and commodious homes have been built in more agreeable neighborhoods. The wealthy and esteemed have withdrawn from the University neighborhood and rents there have declined relative to those obtained elsewhere, that is, these rents have not increased in proportion to the overall cost of living.

Finally, public needs have required various taxes to be raised and these added costs have weighed unfavorably on the colleges. Unlike individuals, or even monasteries, the colleges cannot retrench their expenses to cover new taxes:

¹⁴ Obviously, this is false given the two visas over the previous sixty-four years.

the scholarships are at fixed rates; it is easier to reduce the number of scholarships than to lower their value.¹⁵

This lengthy citation develops several arguments to explain institutional distress, at least in the case of colleges. The text obviously takes into account mismanagement (a part that I have not cited even states that various past treasurers were dishonest). Of course, «mismanagement» does not explain anything, it is merely a judgment passed on unsuccessful investments. What is meant by mismanagement in this text, but is not stated in my citation, is that many treasurers did not make provision for depreciation of assets nor – admittedly unpredictable – sovereign defaults. The annuities loss of value followed that of inflation and monetary debasements. Most of the small colleges did not own farms from which they might have brought produce in times of high food prices (dearths). The rental yields from urban properties require maintenance costs and, in the long term, reconstruction. The text claims that rental yields were lower than interest due on loans. However, further on, the authors explicate this point by observing that rental prices in the university neighborhood had not risen with inflation and that higher rents prevailed in other, more attractive neighborhoods.

The question of how to compensate for lower rental prices in central Paris, or more generally in dense town centers where a system of narrow medieval lots prevailed required adopting the novel reconfiguration of horizontal apartment rental rather the vertical system of renting an entire house (Cabestan 2004). Pyramidal tenancy in narrow single storey or multistorey buildings is replaced by one-floor apartments whose rental income is concentrated in the hands of the owner and not the «main tenant» who would rent out rooms to sub-tenants (Perluss 2014). We shall return to these issues when we address the question of strategy and risk.

Having considered the financial insolvency of numerous secular colleges, let's examine the situation with monastic colleges. A priori, these mortmain institutions should have fared better since they belonged to monastic orders from which they could obtain support and which wielded greater political clout than the isolated women's communities subject to episcopal authority.

2.5 Monastic Colleges: two examples of distress

In 1760, despite an annual income of 45.000 l.t., operating expenses reached 46.400 l.t. for the Parisian Franciscan college known as «Grand Couvent des Jacobins», which described its financial distress in the following terms: «It is easy to see,» the prior, Joseph Faitot, wrote, «that expenses exceed receipts so the college lacks the true necessities, this leads to various abuses inseparable from poverty: poor fare, upkeep for some and not others, disorder in the infirmary, lack of maintenance on buildings both inside and outside».¹⁶

¹⁵ French Arch. nat., M 77, 15-18.

¹⁶ «Il est aisé de voir que la dépense excède la recette et encore manque-t-il un vrai nécessaire à ce couvent, ce qui conduit à des abus inséparables de sa pauvreté, comme la mauvaise nourriture, l'entretien pour certains religieux et non

The college buildings had become so dilapidated that the Paris Police, on October 18th 1780, had ordered the Dominican church to be closed! As the prior wrote in 1790:

up to 1780 we had always kept a community much too large for our income, and we could never repair the successive degradations of the convent & everything being on the point of collapse so that on October 18th 1780, the church was closed upon police order and the cloister abandoned by the friars, frightened by the danger of dwelling therein. The community was thus forced to reduce its size to a third of its previous number and take refuge in a small building which had once been the infirmary.¹⁷

In 1790 the friary had 31 denizens (servants included) still living in the Dominican cloister while in 1728 there had been approximately 80 individuals, students included. We see a similar decline in students at the Franciscan college during the course of the eighteenth century. In 1728 there were some 192 denizens, with 40 priests and converso brothers; in 1790 there were at most 23 monks and 8 servants dwelling therein.

By 1790, the Dominican college had an income of 42.725 l.t. but its accounts payable were 40.692 l.t., while their accounts receivable were 17.790 l.t. , thus leaving an outstanding debt of 22,902 l.t. Moreover, the college owed 3118 l.t. in annuities for long-term debt. All told, the college had 16.862 l.t. to cover its expenses: if every monk received the same percentage, that remainder would have accorded 733 l.t. to each and all. Of course, there were other expenses to be paid, and thus the true proportion was certainly less.

The Dominican college had in the past borrowed heavily to finance the reconstruction of its rental properties. This policy had not been pursued beyond the 1750s in any systematic manner. Partially this lapse resulted from the political context of the 1770s when the *Commission de réguliers* was conducting its inquest and had frozen recruitment of novices.

Another case underscores the problems besetting the monastic colleges, and lends credence to the *Rapport sur les collèges*. This example is from the Mercedarian college in the university district. In 1790, the college owed 8125 l.t. to various suppliers, 4885 of which was for wine! While the college's total income was merely 588 l.t. The only denizen of the college was its prior who wrote in his declaration of income, holdings and debts that

It is surprising that the superiors of a house with barely any income should be burdened with a debt of 8125 l.t. and that suppliers would have continued to provide such considerable amount of credit; but we must note that the priors compensated the college's modest income by taking on foreign boarders for over 50 years, that the current prior has not received any others for 9 years and that the debts thus contracted with the suppliers arose from agreements before our arrival at a time when the college was a hospice, for 8 years

pas pour les autres, le mauvais ordre qui règne dans l'infirmerie, le deffaut de reparer soit les batimens du dedans, soit les batimens du dehors» (Raunié 1901, 259).

¹⁷ Arch. nat., S 4228.

now the current prior realizing that the cost of living made taking on boarders a disaster and that the dilapidated state of the buildings was a danger to the guests, the guests were dismissed and the prior decided to reside in the college alone without any servants. The prior has not increased by more than 800 l.t. the debts of the college since 1782.¹⁸

The order of the Blessed Virgin Mary of Mercy was one of the ten orders that the *Commission de réguliers* sought to dissolve. In the case of the Mercedarian college, there were no other sources of income than several annuities and a subsidy for wine (the college received an amount of funds that compensated the excise tax on the wine it consumed).

The distress observed with the college was not unique to one establishment. The order had in the past been threatened with a total loss of credit. In 1772, the Vicar general of the Parisian Mercedarians requested succor from the King. The request stated

Despite our greatest frugality, the mediocre income of the three houses which form our congregation together with the high cost of living which has lasted several years, has obliged us to contract towards our suppliers considerable debts which in our present state we cannot possibly honor. The administrators of the monastery of Chenoise en Brie, near Provins, diocese of Sens, were imprudent enough to sign promissory letters for 1500 l.t. for debts due to their suppliers and by lack of funds, the supplicants have been sued before the Paris commercial court where the suppliers seek a judgment against the entire congregation for the debts of Chenoise. *Should this affair become public, there is a threat that the Congregation's credibility and credit would be undermined and thus the means of subsistence for its members would be lost* (my italics). After careful examination of their situation, the supplicants recognize that they owe 32.000 l.t. in debts while the income of their three houses, including receipts from the church masses (*casuel des églises*), is merely 9887 l.t; from which sum must be paid the necessities for twenty friars and seven servants.¹⁹

The Vicar sought royal relief in the form of a 2-year stay against the plaintiffs. The king granted the Congregation a six-month reprieve. Although the order was supposedly destined for suppression, a complex diplomatic wrangle protected the order from dissolution until the French Revolution.

This latter example shows the extent to which a favorable credit-rating was necessary for the less favorably endowed monasteries. Not all mortmain institutions experienced such dire conditions. However even those relatively well-endowed institutions could flirt with financial distress. Their prosperity or impoverishment often depended on their debt management.

¹⁸ French Arch. Nat. S 4285.

¹⁹ France Arch. Nat., G^o 22.

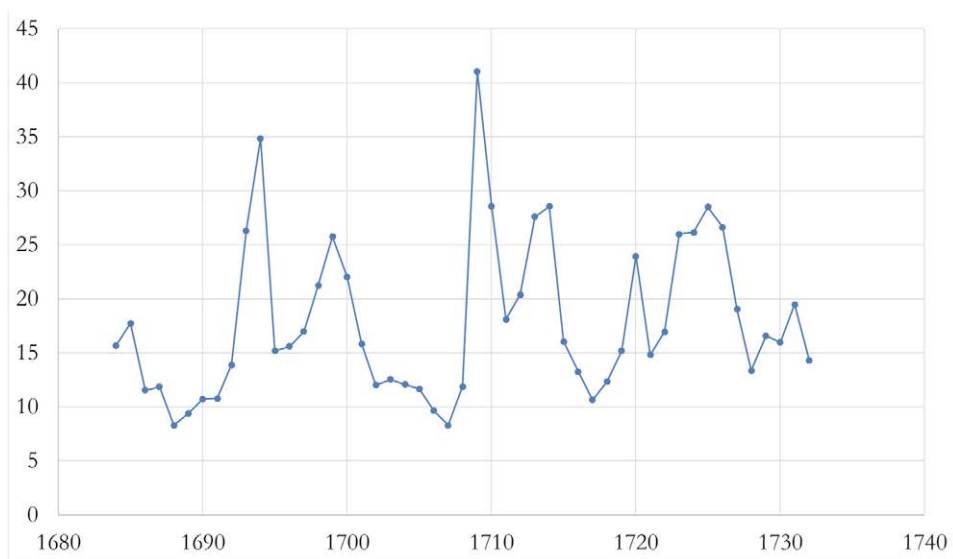
3. Mortmain strategies and risks

3.1 Rural asset purchases

A strategy of diversified portfolios enabled the most prescient institutions to survive if not prosper. It should be borne in mind that most of the post Tridentine mortmain institutions were urban. Thus, these institutions had to draw upon their largely urban resources to fend off economic hardships and, in the best of cases, enhance their incomes through cautious stewardship of their assets. More generally, we can include within our purview older institutions, whether mendicant or not, but equally urban, which consciously acquired rural properties to diversify their assets. In «medieval times» rural assets obviously formed the key elements of a mortmain heritage. Yet even in early modern times, given the risks of dearth, in particular as urban populations expanded, having one's own farm offered a clear hedge against excessive grain prices.

The graph below, using the information provided by Baulant's grain prices at *les Halles de Paris* (based on the *mercuriale*) (Baulant 1968) shows extreme fluctuations in 1693 and 1709 – years of dearth, starvation and death (Lachiver 1991).

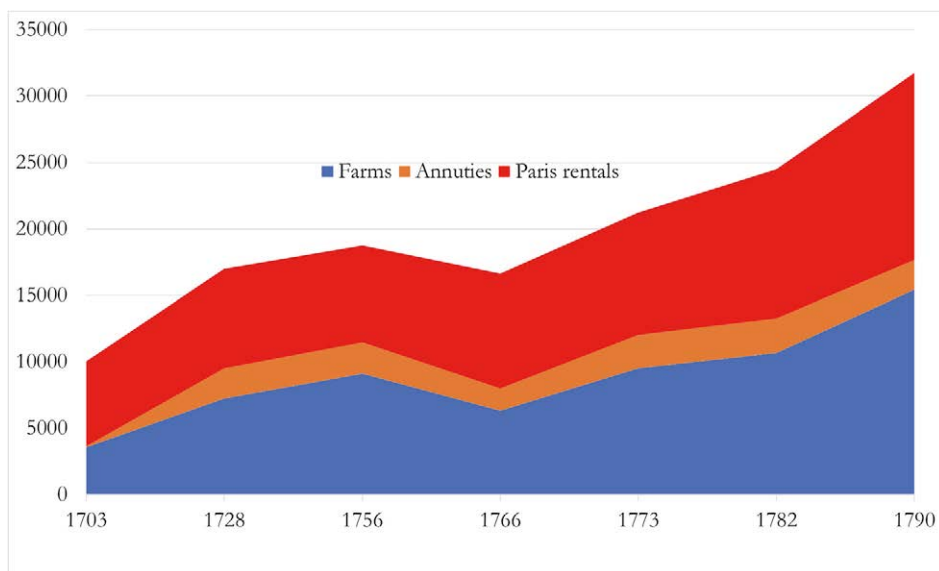
Graph. 1. Price for a sétier of wheat aux Halles de Paris



For Paris, all the abbeys and priories whose origins date from the High Middle Age possessed extensive rural estates. For smaller institutions, rural estates were also commonly owned. The regular canons of the Sacred Cross and the monastery of the Blanc Manteaux (Benedictines members of the Saint-Maur congregation), both established in the 1250s, had extensive farms.

The Maurist fathers who inherited their monastery from the Guillaumite order when the latter joined the Saint-Vanne reformation in 1618, equally inherited the Guillaumite's farms (Raunié 1903). The asset distribution of the Blancs-Manteaux reveals a balance between urban properties and rural income with a slight percentage from annuities. A similar income distribution obtains for Carmes Billettes, a reformed branch of the Carmelites. The Carmes and the Blancs Manteaux were comparable in both income and number of residents. However the Carmes Billettes purchased their farms at a much later date, in the seventeenth century.

Graph 2. Income Parisian Blancs Manteaux



The Carmes Billettes obtained wood, wine and wheat from their farms near Fontainebleau. The Billettes purchased these farms between 1650 and 1670 when grain prices were exceptionally high (in 1660 the *setier* cost 26.81 l.t., in 1661, 33.75 l.t.; in 1662, 22.06 l.t.; in 1663 20,19 l.t. in 1664, 15,75 l.t. in 1665 and 14,56 l.t. in 1666. Afterwards the general price level dropped below 15 l.t. until the disastrous decade of 1690-1699) (Baulant 1968). The Billettes major acquisition was a farm near Valjouan for which the community paid 3300 l.t. in 1666 (Mouzet, 1998, 80-81.).²⁰ They also owned the farm and seignory of Malassisise near Courquettaine in Brie (68 hectares that yielded grain) and also 64 hectares of arable land and 3.2 hectares of forest in the parish of Fontain, near Nangis.

²⁰ Arch. nat., S 3712. This farm had stables, barn, granary, chicken coop, dairy, bread oven and a calefactory where the monks could warm themselves.

Here again we clearly observe a balanced portfolio. Yet these facts, telling as they are, need to be compared with strategies adopted by other urban monasteries with initially fewer rural assets.

On 3 May, 1714, the monastic college of the *Grands Carmes* at the Place Maubert, Paris bought 68 hectares of farmland, 9 hectares of meadow and 1 hectare of vineyard.²¹ The monks wrote «they worked the farm with their own labor to obtain grain, hay, wine and rents».²² Here a medieval monastery, founded in the 14th century, purchased a farm four hundred years later, after a period of excessive grain prices. This reveals an astute strategy to diversify assets.

Sometime between 1699 and 1703 the reformed Augustinians in Paris (*les Petits Pères* of Queen Margot) purchased a farm in Saint-Fargeau-sur-Seine with some 8 hectares of vineyard. This farm was clearly a source of wine, not grain.²³ Here, an urban monastery, founded in early seventeenth century, invested in a rural estate.

The Discalced Carmelites, a major post-Tridentine monastery, founded in 1611, demonstrates a clear asset diversification strategy consequent to the 1709 catastrophe. In January, 1711, merely two years after the great dearth of 1709, the Carmelites bought nearly 70 hectares of arable land, and an associated lordship of 8 hectares.²⁴ The acquisition cost at least 38.000 l.t. This farm yielded 20 *muids* of wheat, i.e. approximately 37.500 liters of wheat, hence approximately 28 tons – enough to annually feed a community of 80 souls.²⁵ In 1775 the Carmelites said they possessed the farm's yearly produce plus 21 *muids* in their granary.²⁶

These examples sustain our argument that those men's communities which did not possess initial rural holdings, sought to orient their investments into farms in light of high grain prices. Such a strategy required financial resources and patronage since the communities had to find landholders willing to sell and, in some cases, accept annuities instead of outright cash payments. The outstanding feature in the foregoing cases is the relative decline in annuities as source of income. The predominant source of overall income for the Parisian post Tridentine men's communities, however, was urban rental properties.

3.2 Urban investments and risks

Tritely stated, institutions with perspicacity and foresight succeeded even though they often took on considerable long-term debt. The paradigm is found in the Discalced Carmelites on the rue Vaugirard, while others, initially well-endowed, erred in

²¹ French Arch. nat., M.C. étude XI, 424. The college paid 40.000 l.t. but as capital for an annuity of 1656 l.t.

²² French Arch. nat., S 7496, declaration for décimes, 27 November, 1728.

²³ French Arch. nat., S 7496, *Supplique*, 1771.

²⁴ French Arch. nat., 4 AP 16 f° 360, état du 2 septembre 1766.

²⁵ A muid equaled 240 setiers; a setier equaled 12 boisseaux of 13 litres – I have used Marcel Marion's conversions to calculate this amount (Marion 1989, 374.).

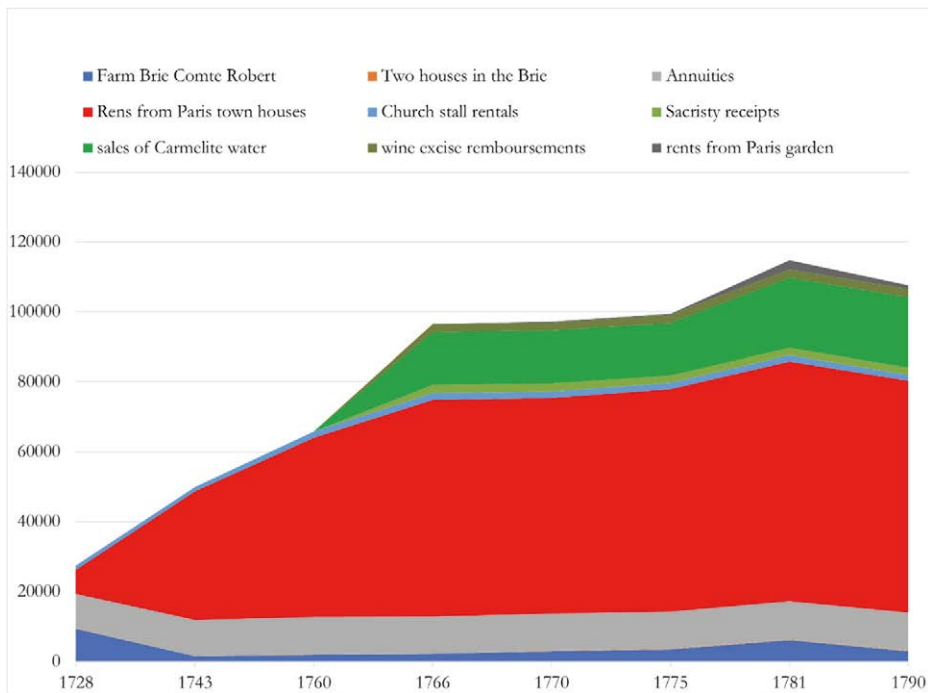
²⁶ Arch. nat., S 3731, État des revenus, charges, dettes actives et passives, et provisions du couvent des Carmes déchaussés de Paris au 29 avril 1775.

their investment strategy and skirted bankruptcy. The latter situation is apparent in the case of the Croix-Rouge Premonstrant fathers and the Theatine fathers.

The weight of urban rental incomes in Parisian post Tridentine institutions' revenues is irrefragable: 76% of their overall income. For monastic colleges, 51% of their overall revenue resulted from urban rentals. Thus, we cannot argue in favor of truly diversified portfolios. As a result of urban growth, Parisian monasteries concentrated, when possible, on improving their real-estate.

A fuller discussion of these strategies is found elsewhere (Perluss 2012, 51-74; 2001). As one of the most impressive investment policies, the Discalced Carmelite fathers undertook a major investment project soon after Law's bankruptcy whereby they borrowed nearly 600.000 l.t. between 1720 and 1743 in order to edify a series of luxurious noble residences surrounding their monastery. The graph below clearly shows the presence of a «diversified portfolio» for the Discalced Carmelites. But, again, rental income has the lion's share.

Graph 3. Income of Discalced Carmelites



While the Discalced Carmelites built hotels or palaces for noble tenants, other types of profitable real estate development were possible. In particular, replacing single dwelling rentals with apartment building rentals enabled the communities to considerably enhance their rental income. My argument here is that the monasteries sought to accumulate the «total rental value» of the building rather than conceding a

hefty percentage to a main tenant. This explains the strategy to build apartment buildings (as in the case of Pyramidal tenancy whereby a single tenant rents an entire structure and may sublet sections, is replaced by horizontal rentals granted by the building's owner). This is the fundamental idea underlying Jean-François Cabestan's argument for the conquest of single level habitats (Cabestan 2004).

Not all real-estate indebtedness led to prosperity. Risks surrounded such ambition. In February, 1790 the Parisian Theatine fathers declared a total bonded debt of 432,837 l.t. in addition to 29,200 l.t. in life annuities (extinguished upon the beneficiaries' deaths), for whose annual interest the Theatines paid over 25,000 l.t. Taken with diverse overhead, the Theatines were paying 37,488 l.t. annually on a gross income of 49,289 l.t. Had this been the balance, the Theatines would seem to be in the black, however they owed 64,000 l.t. for reconstruction of a major apartment building and their church needed 24,000 l.t. in repairs. Another 48,504 l.t. was owed to «suppliers and workmen» for the college in Tulle that the Theatine fathers were running.²⁷ The Theatines were awaiting the King's gift of 105,000 l.t., to be paid in yearly installments of 15,000 l.t., but this promise had not been respected since 1784.

Although laden with an enormous debt, the Theatines real-estate project in itself was far from outlandish. The apartment building cost 220,000 l.t. to rebuild and was rented by apartments to diverse tenants for a total of 16,200 l.t., yielding an annual return of 7.4%. The interest on their annuities was 5%. The building was sold for 381,000 l.t. in February 1791, although at a time when the currency was subject to devaluation and sales were made on credit (Dumolin 1929, 300-01).²⁸

The most thoughtful reflections on investment strategy, however, are found in the account books of the Grand Carmelite College where the procurator (financial administrator) lays out a clear argument showing that the college was producing a positive net income (a profit, so to speak) and thus could clearly undertake a major construction project to replace four small buildings with a single apartment building.²⁹ This construction project in itself is revelatory of how colleges, and other institutions which owned aged, contiguous rental properties, could reform their old buildings through the construction of apartment buildings.

While these arguments would seem to pertain to a limited range of mortmain institutions, they actually do apply to a wider array of situations. First, there is clearly the need to diversify investments. Having both rural and urban properties provide a degree of guarantee against inflationary pressures. Second, different mortmain investors could take advantage of their locations: those who were situated on the outskirts of growing towns could build on their land and profit from higher rental yields from larger buildings. However, this observation applies to fringe zone developments in towns where urban growth exerted pressure on rents. The foremost examples are found in the investment strategy of the Paris Discalced Carmelites. Yet real-estate

²⁷ French Arch.nat., S 4355, Theatine's declaration of 16 February, 1790.

²⁸ Note that Dumolin confounded n°21 Quai Voltaire and n° 25, the latter being the more recent reconstruction.

²⁹ Arch. nat., H5 3929, ff°381-383. «Etat actuel du temporel du couvent après l'administration du P. Joseph Dulaurent; laquelle a commencé le premier novembre 1750 et a fini le premier novembre 1753»

investments required foresight and careful management. Nonchalance had to be eschewed.

4. Conclusions on mortmain bankruptcy, investment and risk

Mortmain institutions comprise a wide array of distinct establishments – whether educational, hospitals, monastic or parish churches – whose *raisons d'être* varied enormously, as did their dates of foundation. Bankruptcies were rare since mortmain institutions relied on social ties, religious devotion and general charity for their pereniality; if their assets suffered, often magnanimity from local notables could be invoked. Their spiritual credit bolstered flagging fortunes – at least in those instances where the institutions inspired spiritual fervor. Such at least characterized the prevailing sentiment in the first half of the seventeenth century. The economic context darkened when Richelieu and Louis XIV engaged France in costly military conflicts. Fiscal policies placed ever greater stress on mortmain institutions.

The eighteenth century with its quickening materialism slowly eroded the venerable status of many foundations. In particular, convents and monasticism came under attack by the philosophes and concomitantly Royal finances and episcopal authority conspired to wrest wealth and power from many mortmain institutions. If institutions no longer benefited from official amity, those which financially floundered risked complete loss.

In general, older institutions, those founded in the high Middle Ages, with extensive landed wealth, were largely sheltered from bankruptcy. However, they could undertake lavish reconstruction projects that weakened their finances, as we saw in the case of Prâlon. As these institutions did not undertake major real-estate acquisitions in the modern era – although counter-examples exist – they were largely immune to the effects of the *amortissement* dues and even when rental improvements were made, their resources permitted such without distress. On the other hand, these institutions' sheer wealth encouraged royal «depredation» in the form of the *commende* whereby the crown would assign parts of their assets to non-monastic uses. Whether this practice was baneful to these monasteries remains a subject of debate. What is clear, however, is that mortmain institutions whose human membership had dwindled or entirely disappeared, became easy prey to reassignment of assets (Dinet 2011, 463-76; Lavagne d'Ortigue 2005).

The single greatest cause for mortmain distress was the French Crown's financial rapacity. The women's monasteries fell prey to *amortissement* dues, a Royal bankruptcy, Law's bankruptcy and finally the Commission de Secours. Parisian colleges were subject to a restructuration and reunion in the 1760s while in the provinces colleges were financed through transfer from other religious benefices (Nougues 2012, 14). The wealth of various monastic institutions was transferred from institutions without beneficiaries (fallen into disinheritance, if you will) to other more «useful» institutions. This reasoning underlay the *Commission de Secours* and the *Commission des réguliers*, which both sought to reduce the number of monasteries by first limiting recruitment in various communities and, once all the members had deceased, transferring wealth elsewhere. In most cases, the monasteries to be suppressed were accused of

mismanagement or moral laxity or insufficient membership to assure the services, but bankruptcy was not the issue, rather control of their assets was the driving force. Bankruptcy followed on the heels of ruinous Royal taxation and bans on recruitment that stifled community finances.

Adopting strategies to ensure survival, if not prosperity, the post Tridentine institutions, largely urban, sought to diversify their assets, in particular after periods of catastrophic harvests and exceptionally high grain prices. In Paris, we can observe the preponderance of rental income in the monastic finances. To maintain rental income, however, required renewal and investment. As demand for housing increased, the prescient monasteries converted their rental properties into apartment dwellings which yielded higher rents than older, single tenant occupancies. To perform such conversion was costly, and taxes had to be paid to the Crown, and the usual method was to borrow with annuities, thus increasing debt burdens. In the case of the Grand Carmelites, a detailed balance sheet and income statement was drawn up by their procurator to show that they could rebuild without incurring debt, that is, without borrowing through annuities. This specific case reveals the extent to which cautious financial management could indeed pave the way to continued prosperity. Of course, provincial convents, located in economically stagnant towns, could not avail themselves of dynamic urban property prices. Their survival required great financial acumen coupled with strict, if not dolorous, austerity.

Conversely, institutions which relied on Royal largesse or their continued credit with credulous suppliers and investors, embarked on a treacherous path toward insolvency and demise. The Dominican nuns of Dijon provide one such example as do the Mercedarian fathers. The Parisian Theatine fathers, emboldened by their replacement of the Jesuits in Tulle, and despite their grandiose real estate investment strategy, clearly had gone too far into the red and could not rely on princely gifts to salvage them, only the French Revolution brought an abrupt close to what clearly would have been a tragedy of another sort. Risk did not always carry its reward.

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Mercanti e operatori finanziari

Merchants and financial operators

Bankruptcy procedures in sixteenth century Seville, with special reference to the Espinosa and Morga bank failures in the 1570s

«Becoming bankrupt was a form of original mercantile sin» (Oldham 1992, 403)

1. A world without bankruptcy

The eminent legal scholar Douglas G. Baird has invited us to imagine «a world without bankruptcy» as a thought experiment (Baird 1996, 29-38). Specifically, Baird sought to postulate a world without bankruptcy law, codes or procedures, where individual claimants would use debt collection law to pursue their (presumably) atomistic claims. Baird does not ask us to imagine a world without lawyers (he is one), although the idea has appealed to others, including of course one of Shakespeare's characters.¹ In a powerful rejoinder to Baird, Elizabeth Warren² wrote:

[T]he attractions of abstract economic analysis such as Baird's are many...the fact that the economic analysis is utterly self-referential also spares the proponent from nasty hours searching out empirical evidence or trying to learn about what happens in real borrowing and lending decisions. (Warren 1996, 93)

An economic historian might add that Baird could very well have looked more broadly for real-world examples in his theoretical discussion. There are near-contemporary examples of countries without settled bankruptcy codes or clear legal procedures. Although China has had a bankruptcy law (of sorts) since 1906-7, it remained largely ineffective and not until the 1986 Enterprise Bankruptcy Law and the more comprehensive legislation of 2007 (extended in 2016-2017) was an effective insolvency code promulgated (Chen 1999-2000). There is still no personal bankruptcy law, as I understand matters, in China outside Hong Kong and Shenzen (Baker McKenzie 2006).

¹ «The first thing we do, let's kill all the lawyers» Shakespeare Henry VI part 2 Act IV scene 2.

² United States Senator (D-MA), formerly a law professor, and heavily invested in drafting recent U.S. bankruptcy regulations.

Still less have contemporary writers on the theoretical and practical limitations of modern insolvency procedures thought to look to the past for examples, although one feels that historic business failures have been fairly well-studied and there are lessons to be learned from back in time.

2. Is bankruptcy law progressive?

Some years back I reacted (Steele 1991) against the Whig interpretation of the progressive organic development of a «rational law of bankruptcy» as advanced by Sir William Holdsworth in his magisterial *History of English law* (Holdsworth 1945). Now it has been suggested with some truth that the old maxim *aequitas sequitur legem* (equity follows the law) is only acceptable when accompanied by some such expression as «except when it does not» (Steele 1933, 16). In his course of Oxford law lectures of 1767-1773 (drafted with the able assistance of the essayist and lexicographer Dr Samuel Johnson) Sir Robert Chambers stated that «the end of all law is *suum unique tribuere*, to give to every man what he may justly claim» (Curley 1986, II, 230). Here again we might add the qualification «except when it does not». A root around the law's lumber room would certainly turn up many examples of irrational and inequitable bankruptcy regimes in past centuries. Again, in 1991 I drew attention to the perception that insolvency procedures could still, after centuries of development, be held to be inefficient. A generation on, and particularly of course in wake of the 2008 'credit crunch' and the sensationally mis-managed collapse of Lehman Brothers and its aftermath, not much has changed.³ To cite one example, a perusal of the 1996 United Kingdom *Insolvency Regulations* or later recensions up to the re-statement of 2016 indicates the multiple complexities which bedevil a «rational law of bankruptcy». As I write, I have before me my copy of the 2014 *Insolvency Practitioners Manual* in two large volumes totalling 2,652 pages, which I freely admit to not having read from cover to cover (Sealy and Milman 2014). A practitioner in the field once remarked casually to me that drawing up a set of insolvency rules is like shooting at a moving target. But then we have it on the authority of the late Justice Antonin Scalia, no less,⁴ that «a bankruptcy law has little to do with natural justice» (Scalia 1992). Here we may call as authority Dr Johnson's well-known 1775 maxim on political regulations where «good cannot be complete, it can only be predominant» (Johnson 1775, 82) – and in bankruptcy procedures, that may be as close to true justice as one can get.

Now Lord Briggs,⁵ in his Denning Law Lecture of 2012, *How English law has coped with the Lehman Brothers collapse* (Briggs 2012) takes a more sanguine view of the ceaseless march of 'law's empire' in financial matters, very favourably contrasting the British approach of time-consuming legal argument with continental processes which were more document-based and also more expeditious. Only in an English court of

³ There is now a comprehensive legal manual on the Lehman Brothers debacle and its complex cross-border insolvency issues in Faber and Vermont 2017.

⁴ United States Supreme Court, Associate Justice 1986-2016. Scalia is regarded as a textualist or at times a strict constructionist, or usually just 'conservative'.

⁵ Michael Briggs, now of the United Kingdom Supreme Court. He was the principal judge sitting on the Lehman Brothers litigation in the U.K., 2009-2013.

law, so Briggs opines, would the multiple issues of a cross-border insolvency be properly thrashed out. One expects no less from a senior English judge: Lord Briggs' lecture is an authoritative statement of the superiority of British court procedure in dealing with a complex cross-border insolvency. But the Faber/Vermont study fully demonstrates the diversity of approaches in different jurisdictions and the extent of what is known as 'forum shopping'. There is a cautionary note here when looking at historic examples of bankruptcy litigation which drag on for years: winding up Lehman Brothers was not a speedy process, and litigation in different jurisdictions took diverse forms.

3. The perils of bankruptcy statistics

The economic historian is of course very tempted by bankruptcies as a statistical datum for the analysis of economic fluctuations. A comprehensive set of bankruptcy statistics for the Amsterdam market (Oldeveldt 1962) has provided an attractive conjunctural index for the years 1636-1838, perhaps the longest annual run of such figures that exists. The index presents difficulties in interpretation. Critics pointed out that the bankruptcy level seems more elevated in the 'good' decades of the seventeenth century than in the period of «contraction and recession» from 1700 to 1720 (Van Houtte/Van Buyten 1977, 102-3). It is striking that the rate stayed low during the 'tulip mania' of 1636-7, and even in the late 1680s, regarded as difficult years for the Amsterdam stock market. The bankruptcy rate was also low in the early 1720s and 1760s, both periods commonly associated with financial distress. There are some interesting arguments to be rehearsed here, including that bankruptcies might increase during periods of boom, when inefficient operators are squeezed out of the market.

The evidence from bankruptcy statistics could be used to deny the severity of, or even the existence of, a financial crisis: and a crisis without bankruptcies would seem a little austere. More often, information about business failures will be too incomplete to let us make a firm judgement. This is clearly the case with data for the Lyon market presented by Roger Gascon in his classic study (Gascon 1971, II, 600). His figures indicate an increase in the bankruptcy rate in the 1570s, but since the highest number in any one year is 11 (the lowest is 2) it is hard to see the figures as an «indice de la conjoncture» as Gascon claims.

Like Gascon, Valentín Vázquez de Prada printed a survey of «les faillites, indices de la conjoncture» in his edition of mercantile correspondence from Antwerp preserved in the Ruiz archives (*Lettres marchandes d'Anvers* 1960, I, 167-178). Vincenzo Manzini, in a classic study of Venetian bankruptcy law, pointed to frequent bankruptcies in the fifteenth and sixteenth centuries as indicative of the effects of commercial expansion coupled with poor business organisation and shady financial dealings (Manzini 1925-6) and Gene Brucker used records of Florentine bankruptcy commissions as a guide to the city's commercial milieu in the fourteenth century:

If the incidence of bankruptcy is used as an index of business conditions, the most prosperous years were 1349-1357 and 1361-1365, while the years 1358-1360 and 1366-78 were periods of depression (Brucker 1962, 15)

Staying for a moment with Florence, a trio of eminent historians has urged caution with bankruptcy figures. «Delays and devious proceedings helped to make bankruptcies mere episodes in the history of many a great company in Florence» (Becker 1967, 17), and this is echoed by Philip Jones who said of the same period that «Bankruptcy brought few families to total ruin» (Jones 1956, 202), and there are similar strictures in the work of Brucker already cited (Brucker 1962, 17-18).

4. Seville in the late sixteenth century

Having advised caution, we should still not be in much doubt of the severity of the situation in Seville in 1566-7 as indicated by a spectacular jump in the bankruptcy rate as recorded by figures presented by Eufemio Lorenzo Sanz. His bankruptcy statistics are derived from letters in the Simón Ruiz archive, and incomplete for some years. They are nevertheless indicative of the importance that merchants writing to Medina del Campo assigned to business failures. From 1562-1601 the annual failure rate is fairly low, in the one to three range. But the pronounced hike up to 9 in 1566 and 56 1567 is striking; the situation in 1576 is not so spectacular, but with 8 bankruptcies is clearly out of the ordinary. As we shall see, two of these bankruptcies were significant indeed. The 56 business *quiebras* for 1567 represent a peak in the conjuncture, but these were likely just the tip of the iceberg (Lorenzo Sanz, 1979, 199). The true number was much higher than the records show. One of Simón Ruiz's correspondents, Gregorio de Villamazar, wrote that «today [15 November 1567] you could say that there is no-one in Seville who is not compromised» (Lorenzo Sanz 1979, 204). The position in Seville in 1566-7 is well explained by the state seizures of bullion from the Indies fleets: a powerful example of the susceptibility of the Sevillian market to the actions of the central government in its frequent attempts to resolve its persistent fiscal difficulties at the expense of business and trade.

Two major characteristics of Sevillian banks in the era of Philip II were their «debilidad y frecuente quiebra» (Lorenzo Sanz 1979, 182). The fragility of Sevillian merchants is explained by Lorenzo Sanz as their tendency to live on credit but one wonders, given the very seasonal nature of the Indies trade, whether there was any other way to proceed in business.

5. Fiscal pressure and crisis

If the commercial crisis of 1566-7 is explained by the activities of the central government in the Indies trade, then the banking crisis of the following decade was also due to a governmental intervention in financial markets, the famous *decreto* of 1575 suspending payments on the Castilian floating debt. The Habsburg financial crises, or 'state bankruptcies' as they are often misleadingly termed, are of course a regular contributor to financial pressure and business failures on the Sevillian market - as elsewhere in Spain and the Spanish empire - in the sixteenth century. Since my theme is bankruptcy, it seems necessary to add here a comment about the debt manipulations of the Spanish central government. It was a Scottish enlightenment political economist (but not Adam Smith for once) who suggested that:

The idea of a nation's becoming bankrupt to itself, I have always looked upon as a contradiction; but that it may become bankrupt to the rest of the world, is quite consistent with reason and common sense (Steuart 1767, 653).

This seems a suitable place to consider terminological discussions at the meeting in Prato arising from the overlapping terms 'bankruptcy' and 'insolvency', which are often used interchangeably and perhaps somewhat loosely. Here I rely on a definition advanced in an American Bankers Association report:

Insolvency means the inability of a firm to meet its obligations as they become due. A business in such a situation may seek the protection of the bankruptcy laws, which may provide the opportunity to work out a reorganisation that may protect creditors, or otherwise provide for an equitable distribution of the firm's wealth among its creditors (Bentson 1986, 91)

Strictly speaking a 'bankrupt' is not one whose debts outweigh his assets, but rather one who comes within the remit of the bankruptcy laws: 'bankruptcy' being a legal, rather than an economic, category. Perhaps the Castilian *Hacienda Real* (public finances, treasury or 'Exchequer') qualifies as 'insolvent' under this definition: but the government of Philip II, or his Council of Finance, certainly did not seek the protection of any sort of bankruptcy law, and there was no way for the king's creditors to bring him before a court or commission. 'State bankruptcy' is therefore a meaningless term in the context of the Castilian public finances of the Habsburg era; a rather more meaningful expression would be «sustainable debt management crises», and I here freely adapt a term from a recent authority on the subject (Drelichman and Voth 2014, 105-131).⁶ The American Bankers' Association report notes that many U.S. financial institutions «are insolvent today [1986]» (Bentson 92); this is even more true nearly four decades on. Insolvent firms and financial institutions yet continue to trade; in the same way, the technically insolvent Spanish treasury continued to function surprisingly well, at the expense of its creditors, five centuries ago.

6. Disaster in Seville, 1576-77

Although bankruptcies were no stranger to the Sevillian money market, even «endémicas» as characterised by Lorenzo Sanz (1979), the particular circumstances of the failure of the Pedro de Morga and Espinosa brothers' banks in 1576 make this an event of great moment. The fortunes of the great trading market on the Guadalquivir had for long been tied to the new continent across the Atlantic but even though, in the words of one writer «the return of the treasure fleets from America was the focal point of the commercial year» (Morales Padron 1973, 313), the city also had significant links with the older world of Mediterranean commerce and finance.

⁶ The bibliography on the Habsburg suspensions of payments is now substantial and continues to grow. Drelichman and Voth's important monograph of 2014, whilst it does not supersede all earlier work, puts all discussion on a much sounder quantitative and conceptual basis, and is now clearly the first work to consult in any serious study of the issues.

A third factor is the relationship with the fiscal activities of the Spanish crown. Researches in Sevillian notarial records demonstrated long ago the high level of Genoese participation in the trading companies and merchant banks which made economic exploitation of the New World possible (Almàgia 1935). Despite the high level of activity generated by the Indies trade, some features of the Sevillian money market made her financial position precarious, such as dependence on the annual arrival of a fleet which might not fulfil expectations, might not even arrive - or worse, whose cargoes could be seized by a government desperate for bullion. Perhaps more correctly, we should say a monarch who at times seemed to believe that unlimited quantities of specie could be extracted from his American empire. To add to these fragilities, the occupation of deposit banker was concentrated in the hands of a small number of licensed houses - often as few as two in operation at any one period.⁷ There were plentiful reasons why the Sevillian market should have been susceptible to frequent commercial fluctuations. These are evidenced by the waves of bankruptcies which affected the city from time to time - the worst occurring in 1566-8 and 1576-7.

Well before the collapse of the Lizarrazas bank in 1553, the government, and indeed the local authorities in Seville, had been keeping a watchful eye on the city's financial health. It was the responsibility of the ruler to regulate economic affairs - and in his self-interest to do so with a nod to his own requirements: the king had a vital interest in much that went on by the Guadalquivir. Whether the smooth running of the market, from the mercantile community point of view, was the chief priority of Charles V and Philip II remains a valid question. There was in the *Casa de Contratación* a permanent central government presence and this could be supplemented by other officials or *jueces de comisión* investigating bankruptcies, appropriating intestate estates, or supervising seizure of bullion from the fleet and re-imbursement of creditors in *juros*. To safeguard against bankruptcies the authorities kept a firm hand on the operation of finance. Special *cédulas* were required to license the formation of banks of deposit and these required each banker to have a number of *fiadores* (guarantors or sureties) to stand surety in the event of inability to meet obligations. As a bank gained esteem proportionate to the number of its sureties, so also to be a *fiador* to a Sevillian bank was a position of esteem, giving the impression of wealth without actually having to put money down - except when problems arose (Pike 1972, 93-6).⁸ It seems agreed that these suretyship arrangements underwrote the structure of Sevillian deposit banking, made it possible in fact, but there was the clear threat that it would aggravate a crisis if the *fiadores* were themselves unable to meet their pledges. This is exactly what happened when Pedro de Morga's bank failed in March 1576.

It may be something of a commonplace to say that Seville's money market was already troubled before the issue of Philip II's partial suspension of payments on the

⁷ Here it is important to distinguish between the licensed deposit-taking banks and the merchant-bankers who also held money, bonds (*juros*) and other assets. Merchant-bankers were much more numerous (Tinoco Rubiales 1991, 1097-1100)

⁸ A modern parallel would be the system of underwriters at Lloyds of London, with its serious consequences for those who took underwriting positions in the 1980s.

Castilian floating debt in September 1575. At the end of March Perez and Morovelly⁹ had written to Simón Ruiz at Medina del Campo of a paralysing *stretteza*:

...for every ducat [by exchange] there are 100 takers – it is not possible to obtain a *real* from these banks since they are so extended – no one is doing business for the Navidad fair, nor for the Pâques fair at Lyon – money is not available at any price.¹⁰

Now, this time of year was traditionally a ‘slack season’ in Seville when the last year’s bullion had been disbursed and merchants waited (anxiously, as one may imagine) for the next injection of working financial capital at the end of the summer period. The two Atlantic fleets arrived at Sanlúcar on 11th August bringing 30 per cent more bullion than the previous year.¹¹ This was cause for celebration, but then most of the bullion was in the Casa de Contratación when news of the decree suspending payments reached Seville. On 15th October Perez and Morovelly could report that «the innovations of the Court have put the business of this market in suspense».¹² The Espinosas had been forced to withdraw acceptance of some bills of exchange and protest the payment of certain others, including one drawn on them by the Royal Treasurer Juan Fernández de Espinosa (their brother). In behaving thus, Simón Ruiz’s correspondents considered that the Espinosa had gone outwith the boundaries of acceptable business practice

...this has caused great confusion in business matters and it seems to be because they have shown the worst frailty which is to go back on the proper procedures [*«an usado de la última flaqueza que es negar sus propias formas»*]¹³

The news of the decreto may have been shocking but as at other markets, like Antwerp, there was suspension of outright panic. There was no instant communication of business news between financial centres so that the effects of a crisis took time to develop, but the frequency of business correspondence in the Ruiz archive suggests that merchants were as well-informed as they could be: market information was, by the standards of the time, efficient. The situation at Antwerp – to which everyone looked for a lead – did not yet seem wholly disastrous. Perhaps the more important mitigating feature was that the king did not seize bullion from the Indies fleet in 1575. In 1557 Philip II had done so, and again during the payment suspension of 1596. That no such confiscation took place in 1575 is a powerful indication that the king (or his financial officials) hoped for some role for Spanish – or rather, Castilian – financiers in his plans to circumvent his Genoese bankers.

⁹ The principal correspondents of Simón Ruiz at Seville in this period.

¹⁰ *Archivo Ruiz, Museo de las Ferias*, Medina del Campo (henceforth AR) c. 26-289, Perez y Morovelly to Simón Ruiz, Seville, 31 March 1576.

¹¹ Report of safe arrival of the fleet, AR c. 26-199 Morovelly to Ruiz, Seville, 13 August 1575; Chaunu (1955, 214-5 and Lorenzo Sanz 1980, II, 252-3).

¹² AR c. 26-204, Perez y Morovelly to Ruiz, Seville 15 October 1575.

¹³ AR c. 26-204, Perez y Morovelly to Ruiz, Seville 15 October 1575.

Business still lay under a sword of Damocles: instead of the expected *larghezza* following the arrival of the fleets, *strettezza* reigned. It was impossible to find anyone to give exchange on Antwerp, itself mired in a liquidity crisis attendant on resolution of financial transfers to the market which had been held up by the 1575 decree: «muy estrecha para Flandes». By the commencement of 1576, everyone was worried that the banking house of the Espinosa brothers had been compromised.¹⁴ On 12 March the Espinosa declared themselves unable to meet their obligations, and three days later Pedro de Morga followed suit. Reporting these insolvencies, Morovelly spelled out the issues starkly:

...it will especially affect the *cargadores de Nueva España*, since at present it is time for the armada and everyone has their money in these banks – because in this city very few like to keep their money at home – and with this very few can make up their cargoes because everyone sells only for cash.¹⁵

The failure of the Morga bank has been identified by the Chaunus as a reason for the reduction in size of the 1576 armada decreed by the Prior and Consuls of Seville in response to a request from the city's merchants (Chaunu 1955, 226-7).

Of the two banks closing their doors in March 1576 the firm of 'Gregorio de Espinosa y Herederos de Alonso y Pedro de Espinosa' was the larger and better connected. They held about 2m. ducats of assets (on paper at least), most of which as they claimed was in the form of loans to the government organised through the royal treasurer Juan Fernández de Espinosa, brother to the bankers Alonso and Pedro. These last traded on their good name when disaster struck and also attempted to foreclose on their brother, making a *relación* to the authorities that the cause of their problems was that Juan Fernández had refused to pay them what he owed (which Juan Fernández denied).¹⁶ In the same month, April 1576, some attempt was made to resume dealing: «the Espinosa have opened their bank and are paying what they owe and it is understood that at the arrival of the fleet they will pay their due» wrote Luis Perez.¹⁷ Morovelly was more sceptical:

These Espinosas are taking advantage of the great favour they have here....to re-open their bank, although it will add to the confusion of everyone – they are going to pay off debts of little importance and those which amount to anything will be put off – pretending that they have new sureties as a result of the favour of certain gentlemen to whom they owe sums of about 600.000 ducats, and this shows they are going to pay some people at the expense of others.¹⁸

Perez reported that «as regards Pedro de Morga, each day things seem worse and it

¹⁴ AR c. 31-173, Joan Bonses to Ruiz, Seville 3 January 1576.

¹⁵ AR c. 31-240, Morovelly to Ruiz, Seville 15 March 1576.

¹⁶ AR c. 31-180 Luis Perez to Ruiz, Seville 18 April 1576.

¹⁷ AR c. 31-180 Perez to Ruiz, Seville 18 April 1576.

¹⁸ AR c.31-245 Morovelly to Ruiz, 16 April 1576.

is known for certain that he cannot change [that is, remit] half of what he owes». ¹⁹

Although Morga had been in clear difficulties before 1576 he had been confident enough at the start of the year to issue a bill for 9.000 escudos drawn on Martín de Isunza at Antwerp. ²⁰ But matters hardly improved and in mid-March he declared himself unable to meet his obligations – that is, ‘insolvent’ – and was accordingly taken to the public prison. Morovelly put Morga’s debts at 480.000 ducats, a substantial portion owing to «personas naturales desta ciudad». Against these debts Morga could only offer his own «muy poca hacienda» and *fianzas* (sureties) of 200.000 ducats from various merchants, not all of whom would pay up quickly. ²¹ Morga was a wealthy man and 480.000 ducats was a large enough volume of deposits for any sixteenth century banker, but it is clear that the business he conducted was considerably more down-to-earth than the Espinosa brothers. Morga did not involve himself much in international dealings, but he had a significant local role in deposit-taking and mercantile finance. He conducted business for the Casa de Contratación and held deposits from local tax-farmers. The failure of the Morga bank thus had full potential to affect many more people than the insolvency of the Espinosa. This may explain the much greater attention Pedro de Morga receives in official documents, due to his involvement with government contracts. ²²

On 26 March 1576 the Prior and Consuls of Seville wrote to the *Consejo de Hacienda* (Council of Finance) that many tax-farmers would be unable to pay the government’s share of revenues that had been collected as the funds were on deposit with Pedro de Morga or his close associate Mateo del Fano. ²³ This, coupled with the well-justified concern at the progress of business after the failure, was sufficient to cause the despatch of Alvar García de Toledo, *alcalde de la casa y corte*, to Seville to act as *juez de comisión* in the affairs of Pedro de Morga: the main part of his brief was to assess the sums owing the crown. ²⁴ By July Alvar García was proceeding against people who had done business with or formed companies with Pedro de Morga: «[T]here is some hope of agreement here that the creditors will get half of their money in two or three years and his fiadores will pay half of what they stood for». ²⁵

Francisco Morovelly believed that for Alvar García «proceeding with rigour will cause much damage» and on the evidence of the documents we have this was all too correct. ²⁶ There was 68.400 ducats owed the Casa de Contratación; 646 ducats which

¹⁹ AR c.31-180 Perez to Ruiz, Seville 18 April 1576.

²⁰ Recorded in *Lettres marchandes d’Anvers*, I, 330-1.

²¹ AR c. 31-242, Morovelly to Ruiz, Seville 18 April 1576.

²² For example *Archivo General de Simancas – Consejo y Juntas de Hacienda* (henceforth AGS-CJH), with *legajo* no. Thus: 147 (13) doc. No. 4: letter from Pedro de Morga of 10 September about providing «bastimentos... para provisión de la armada que se hizo para Flandes en Laredo».

²³ AGS-CJH l. 151 (12) «El Prior y Consules de Sevilla al Consejo de Hacienda» 26 March 1576.

²⁴ New of the *alcalde* in AR c. 246 and c. 31-248, Seville 17 May and 3 June 1576. The terms of his commission in AGS-CJH l. 164 (12), Francisco de Duarte to Council of Finance 20 November 1577, with a full history of the Pedro de Morga enquiry and eventual resolution in the matter of monies owed to the crown.

²⁵ AR c. 31-249 Morovelly to Ruiz, Seville 2 July 1576.

²⁶ AR c. 31-242 Morovelly to Ruiz, Seville 17 May 1576.

Morga owed the crown on behalf of Alvaro de Mendano for *licencias de esclavos*; and 4.351 for a bill of exchange issued by Morga on behalf of the king. This was the oldest debt of all: Morga had drawn the bill on Juan de Palma Carrillo at Antwerp, payable to the king's order. But due to Palma Carrillo's own bankruptcy, Alvar García held that de Morga should be regarded as the *de facto* debtor, which was probably correct in law.²⁷

Morga's debts to the king on this reckoning were 73.397 ducats. The bank's account books were already in the safe-keeping of the Casa de Contratación which had made the initial investigations at the end of March 1576 and reported in April of that year. The king's juez de comisión proceeded, aided by the Conde de Borrajas, to seize the *hazienda liquida*, or liquid assets, of Pedro de Morga. This was a complex process indeed: it meant sequestration of the «*escudos y reales*, gold jewellery, silver, pearls and other possessions from de Morga's home». Then there were certain sums of gold and silver held by Morga's business associate Pedro de la Torre Espinosa, together with coin minted at the Sevillian *casa de moneda* on Morga's behalf and, when it should arrive, Morga's share of treasure remitted from the Indies fleet of 1576. The aggregate of monies and goods seized totalled 49.448 ducats. The contents of Morga's house – 3.538 ducats in *escudos y reales*, 54 in *vellón*, 8.083 in pearls and 1.425 of «other jewellery» make up about one-quarter of this amount. No figures for debts to private merchants are given in the accounts but as noted Morovelly had estimated these at 480.000 ducats.²⁸ The Dean and Chapter of Seville claimed the bank held 12.266 ducats of theirs; and Agustín Hivera, receiver of the Sevillian *alcabala* (sales-tax) claimed to have had 1.800 ducats in Morga's keeping.²⁹ Alvar García de Toledo reported a shortfall in the king's claims on de Morga and whilst he was seizing the available assets he also leant on the bank's sureties. Some, like Andrés de Larrea, a citizen of Burgos who had stood surety for 16.000 ducats that he could not produce, and one Hernando de Medina (for an unrecorded sum) ended up in the public gaol.³⁰

Enquiries into the accounts of Pedro de Morga's bank dragged on now that the dead hand of the central government lay upon it. The basic principle remained that the crown claimed priority in settlement of debts and also possessed the greatest ability to enforce settlement. It was not until 25 August 1577 that the Council of Finance made an order to liquidate the royal debt. This time the matter was in the hands of Francisco de Duarte, royal factor in Seville who had previously placed provisioning contracts with Morga's bank. Duarte found that at the time his bank failed Morga owed the *Casa de Contratación* 68.400 ducats but the crown owed exactly the same amount in *libranças* on the *alcabala* of Seville. The *libranças* had been granted to de Morga as part of a provisioning contract for *galeras y fronteras*. Duarte

²⁷ AGS-CJH l. 164 (12) 20 November 1577, itemised account of debts of Pedro de Morga – the longest of several similar documents which commence with AGS-CJH l. 154 (15) 3 April 1576 (account rendered by officials of the Casa de Contratación).

²⁸ AR c.31-242, Morovelly to Ruiz, Seville 2 April 1576.

²⁹ This account is based on AGS-CJH l. 164(12) «Relación de las partidas de oro y plata---que secestramos por hazienda de Pedro de Morga». For debts to the Dean and Chapter of Seville: AGS-CJH l. 164 (12), relation of Francisco de Duarte. For the sum owed the receiver of the *alcabala*, AGS-CJH l. 154(15), April 1576, Agustín de Hivera to Council of Finance.

³⁰ Letters from both, asking to be freed, in AGS-CJH l. 154 (15).

recommended the crown cancel the first part of the debt, leaving 4.997 to be disbursed from the sequestered funds. The king agreed this on 9 November 1577, also ordering the remaining money «to be distributed amongst the creditors».³¹ This characteristically took some time. The tortured history of Morga's bankruptcy settlement shows that a situation already difficult might be extremely aggravated by the involvement of royal officials who in the end were chasing a net debt of less than 5.000 ducats, most of which had been incurred through the failure of a third party. It is not possible to say whether the non-payment of the *libranças* on the *alcabala* was the critical factor in the failure of the Morga bank: precise reasons cannot be assigned from the documents. But the non-performance of a royal obligation, apparently hypothesized on a stable revenue source (the sales-tax) cannot have been helpful, just as the subsequent enquiries ensured that guarantors and creditors would be drawn into the tangled web of the Sevillian financial crisis of 1576-7.

An informative document in this case is the letter, or supplication perhaps, to the Council of Finance from Andrés de Larrea of 30 October 1576. As noted earlier, de Larrea had been imprisoned by Alvar García de Toledo for non-performance of sureties to the de Morga bank in the sum of 16.000 ducats. De Larrea pleads that he is himself owed money by two Genoese financiers, Niccolo and Honorato Grimaldi, who were major *asiento* contractors with Philip II:

....because the Prince of Salerno (Niccolo de Grimaldi) and his brother owe me 25.000 ducats which I advanced them at the last fair and they have lent that to Your Majesty I find it impossible to give the said *fianzas*...it is not just that I am imprisoned and my debtors are free, and although I have tried to enforce payment from them the high officials of the court do not wish to give me any order of execution against them.³²

The Sevillian malaise had clear international dimensions. From Lisbon in December 1576 Fernando de Morales wrote with perhaps some hyperbole that there did not seem to be a *real* in the whole city: «no-one gives or takes exchange here because no-one takes or gives on Flanders and for Seville very little [exchange] is conducted».³³ The concerns of this Lisbon merchant emphasise the international character of the financial crisis of 1576, not solely a Sevillian affair although the episodes we have described were one of its most spectacular manifestations. The safe arrival of the Indies fleets in 1576, and despite the welcome news that there were no confiscations of bullion, failed to bring out the usual larghezza. «The failure of these banks and the fact that no others have started up has severely affected commerce» writes Morovelly in September 1576, sentiments he repeated the following month.³⁴ Shortly afterwards, Francisco de Palma Carrillo and García Xerez, merchant financiers of Seville, were insolvent. In the case of Palma Carrillo it was the failure of his son Juan in

³¹ AGS-CJH 164 (12) Francisco de Duarte to Council of Finance, referring to a royal warrant of 20 November 1577.

³² AGS-CJH I. 154(15) Andrés de Larrea to Council of Finance, 30 October 1576.

³³ Lettres de Lisbonne 96, Fernando de Morales to Simón Ruiz, Lisbon 24 December 1576.

³⁴ AR c. 31-356 Morovelly to Ruiz, Seville 17 September 1576 and c.31-259, Morovelly to Ruiz, Seville 16 October 1576.

Flanders which caused creditors in Seville to force him to liquidate. García Xerez had a number of reasons for going under, amongst these the sureties he owed for Pedro de Morga, and by 2 November 1576 he had taken sanctuary in a church.³⁵ Two other Sevillian merchants, Luis Pinto de Florencia and Benito Vaaz also failed about the same time.³⁶ This renewed crisis in Seville was also noted in Lisbon. Manuel Gomes wrote that he fortunately was not compromised: indeed, had García Xerez taken Gomes' advice «it would have affected him less and the damage could have been controlled». Fernando de Morales, however, was worried about a cargo of salt which was in the care of Xerez in Seville and wondered if it should be written off as lost.³⁷ We have been using the voluminous Ruiz correspondence to illustrate the workings of finance in the 1570s: this last should remind us that the main topic of the letters to and from Medina del Campo concerned trade in goods, not high finance.

7. Aftermath

Documents from the Sevillian municipal archives show the importance of the *fiador* system in the case of Pedro de Morga's bank: in its articles of 1570 124 merchants or merchant-bankers pledged guarantees totalling 295.000 ducats (Tinoco Rubiales 1991, 1097-1100). Most of these were sureties in small sums of one or two thousand ducats. They included one of Simón Ruiz's principal correspondents, Luis Perez, in the amount of 3.000 ducats: although this was a tidy sum, Perez shows no sign in his correspondence of being harassed by Morga's failure in 1576. Andrés de Larrea is written down for 1.000 ducats rather than the 16.000 given in his 1576 *pleito* to the Council of Finance, so either he was exaggerating his financial straits or his sureties had increased since 1570. Pedro de Morga's guarantors are mostly identified as *mercader* or *mercader banquero*, with a much smaller number of *jurados* and *escribanos públicos*. The large number of guarantors is an indication of the lengths to which the municipal authorities were prepared to go to ensure the stability of the Sevillian deposit banks. But, faced with the suspension of debt repayments of 1575, the *fiadores* themselves (or some of them at least) quickly also became part of the problem. Sureties of 295.000 ducats might seem enough to underwrite the bank's losses and prevent failure: but when the guarantors were themselves compromised by the 1575 *decreto* and the subsequent manipulation of the sales-tax and the bond (*juro*) market, it is easy to see how Pedro de Morga failed. We have rather less information about the other deposit bank, the Espinosa brothers; but from the details of the Morga bank we can infer a similar malaise.

A more detailed quantitative and analytical study of the banking crisis of 1575-7 in a wider Castilian context (Álvarez Nogal 2017) fleshes out greater detail about Pedro de Morga's entanglements with the central government finances and confirms

³⁵ AR 31-260 Morovelly to Ruiz, Seville 2 November 1576.

³⁶ *Lettres marchandes d'Anvers*, II no. 342 Luis Alvares Caldeira to Simón Ruiz, Antwerp 7 December 1576 reporting «avizan aver faltado García de Xerez, Benito Vaaz, Luis Pinto de Florencia y Francisco de Palma Carrillo».

³⁷ *Lettres de Lisbonne*, II, 232, Luis Gomes to Ruiz, Lisbon 6 November 1576 ; and *Lettres de Lisbonne*, III, 91, Fernando de Morales to Ruiz, Lisbon 7 November 1576.

that Morga's heavy involvement with government loans, contracts, payment transfers and *libranzas* on revenues amply explains his failure in 1576 (and indeed the whole of the Sevillian financial crisis of the 1570s), with its wider repercussions for other Castilian public and merchant banks.³⁸ Local opinion was very much energised by the attempts of the monarch to establish in 1581 a deposit-banking monopoly for Juan Ortega de la Torre in Seville. Juan Ortega was himself compromised by the events of 1576-7, but was clearly able to re-establish himself successfully. Representations by local stakeholders secured the licensing of a second deposit-taking bank, Cristóbal Centurión, to commence trading in 1583. This was hardly the end of the story of developing a stable banking sector in Seville after the 1570s, as described in standard treatments of the subject (Lorenzo Sanz, 1975, 105-207). Perhaps this was a hopeless task, where «good cannot be complete, it can only be predominant».

Inevitably any study of business failure in the past is likely to be coloured by the experience of the unpredicted financial crisis or 'credit crunch' of the first decade of this century. Between 2007 and 2009, the Spanish business bankruptcy rate³⁹ increased by 550 per cent, prompting concerns about the ability of the *Juzgados de lo mercantil* to handle the volume of cases before them (Celentani et al. 2010). But for this period, the business bankruptcy rate was never above 5 per 10,000 firms: the comparable French rate for the same period was never below 35 per 10,000, and mostly in the range 40-50. In 2010 Spain had the world's lowest business bankruptcy rate. Corporate financial distress is dealt with very differently in different jurisdictions and no doubt the diversity of bankruptcy and insolvency regimes would provide a solid foundation for an enquiry in comparative economic history. Bankruptcy law in the United Kingdom has developed in such a manner as to put resolution mainly in the hands of commissioners; in the United States by contrast, mainly in the hands of lawyers. The U.K. has a fairly creditor-friendly insolvency law, whilst France has pretty much the opposite and the Italian codes have at times a bewildering array of categories although the most commonly used is *fallimento*. It has been suggested that the Spanish bankruptcy codes in the forms in force since 2004 facilitate workouts that give debtors scope to attempt the continuity of a firm, although this is not necessarily an efficient outcome (Celentani et al. 2010). This raises the issue of whether low usage rates of formal bankruptcy are an indication of low risk-taking in business as a whole and therefore tend to promote low returns. We find ourselves returning to a wider question in the management of risk: economic growth increases the opportunities for business, it also increases the risks of failure. How failure is resolved seriously conditions future economic progress.

³⁸ Álvarez Nogal's thorough analysis of the important documents in AGS-CJH 164, which I had discussed only superficially in my earlier paper (Steele 1991) is enhanced by his use of other series from Simancas which I did not look at during my researches for a general survey of the Spanish public finances back in the 1980s (Steele 1987). I draw attention also to the « riquísima bibliografía » which accompanies Professor Álvarez Nogal's important publication.

³⁹ Number of formal business bankruptcies divided by number of firms.

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From risk management to resilience management.

*Strategies and instruments of Upper German merchant bankers
in the 'long' sixteenth century to avoid insolvency and bankruptcy*

1. Introduction

Risks of all kinds could (and can) have such different effects on merchant-bankers and their companies that – in extreme cases – some benefited from them, while others became insolvent or even bankrupt. Why this was (and is) so, can be answered in an innovative way from the perspective of the research paradigm of resilience, which describes the ability to master risks and cope with crises. All entrepreneurial activities to strengthen, preserve and utilise the resilience potential of a particular business can be described as resilience management.

By concentrating on case studies of merchant-bankers or trading companies organised in the form of family businesses from the Upper German region during the sixteenth century, the study examines which strategies and instruments merchant-bankers used to minimise the risks to their trading ventures, i.e. to make them as resilient as possible. Situated geographically in the centre of Europe, these Upper German family businesses were particularly exposed to the economic upheaval of the sixteenth century, the commercialisation process that intensified in the wake of European expansion,¹ but also to numerous other political and economic risks. My research is focussed on the following case studies from Upper Germany, which turned out to be particularly suitable for this purpose due to the available sources:

- the trading and banking house and mining company of the Fuggers from Augsburg (Denzel 2023a: 163-231; Isenmann 2019; Denzel and Isenmann 2026);
- the various commercial and banking companies of the Welser family of Augsburg (Denzel 2023a, 233-56);
- the Paumgartner trading company from Augsburg (Lehm 2024);
- the trading company of Ambrosius I Höchstetter from Augsburg (Denzel 2023a, 258-67);
- the trading company of Melchior Manlich from Augsburg (Denzel 2023a, 274-81);
- the Hirschvogel trading company from Nuremberg (Denzel 2023a, 267-73);
- the trading company of Bartholomäus Viatis and Martin Peller from Nuremberg (Denzel 2023a, 287-300); and

¹ The innovative developments of the commercialisation process, which from a business history perspective can be compared in some respects to the industrialisation process of the eighteenth and nineteenth centuries or to the digitalisation of the present day, represented an enormous logistical, financial and legal challenge for commercial entrepreneurs (Denzel 2023, 32-44).

- the sole traders David Gauger from Augsburg and David Wagner from Bolzano (Baumgartl 2023).

The aim of this article is to work out which strategies and instruments they used to succeed or fail in their risk and resilience management. Therefore, the following questions will be answered:

- What distinguishes risk management from resilience management? How can resilience management be characterised?
- How did Upper German merchant-bankers in the long sixteenth century deal with risks in their everyday business, especially with the challenges of the commercialisation process in this time?
- What strategies and tools did they use for their risk and resilience management?
- Was the resilience management of the Upper German merchant-bankers successful and, if so, why? In those cases where it was not successful, what were the reasons for the entrepreneurial failure?

The aim is to show how the interplay of various resilience strategies and resilience instruments or tools, i.e. conscious and sophisticated resilience management, ensured that commercial enterprises were able to operate successfully over generations and also cope with extremely risky business situations. But it can be seen as well, that inadequate resilience management or resiliencing resulted in the sometimes abrupt and sometimes long-delayed failure of a company, ending in insolvency or bankruptcy.

2. From risk management to resilience management

First of all, it should be noted that both risk and resilience management are concepts of contemporary business administration that may seem anachronistic in the context of a study of pre-modernity. However, previous application to questions of business history (e.g. Denzel 2023a) has shown that they can certainly contribute to a better and deeper understanding of entrepreneurial decisions or systemic developments of (commercial) enterprises.

The term ‘risk’ was very familiar to long-distance merchants in the high and late Middle Ages: Adopted from the Arabic *rizq*, *risicum maris* from around 1180 onwards, it expressed the uncertainty of the future and a possible loss event in Mediterranean overseas trade (Scheller 2017, 309-10; cf. Kedar 1969; Bencheikh 2002). From this, the understanding of a calculable *risk* developed – very roughly speaking – in distinction to an incalculable *danger*, which together are referred to as *hazard* (Voss 2008, 50). According to Niklas Luhmann, the fundamental difference between the two terms lies in the fact that ‘danger’ is used when a damaging event is perceived as externally induced and is therefore attributable to the environment, while ‘risk’ is understood as a damaging event that is attributable to a decision (Luhmann 1991, 30-31; Luhmann 2009, 140-41). Understood in this way, risk *management* comprises risk assessment (identification, analysis and evaluation), the management in its classical meaning and risk communication (Schmitt and Pfeifer 2015, 363; cf. Albrecht and Maurer. 2016) and, in the sense of decision-oriented risk management, can also

include the consideration of risks in management decisions (Gleißner 2019). However, a company's risk management can only begin when a risk is perceived as such, although different risk carriers may perceive the same risk differently or not at all (Raupp 2012, 27).

In sharp contrast to traditional, short-term corporate risk management, resilience management allows a company to develop a rapid and flexible, yet long-term and sustainable defensive and offensive strategy against new, unexpected dangers and risks that arise as by-products (in the broadest sense: a 'collateral damage') of interdependent business operations (Starr et al. 2003, 6-7). In addition to danger and risk, resilience management also includes crises and disaster as well as systemic vulnerabilities of enterprises and individual vulnerabilities of entrepreneurs and their families, i.e. all possible uncertainties, in its holistic view. Danger, risk, crisis, and disaster are viewed as disruptions with increasing impact, all of which can increase the operational, strategic and financial vulnerability of a system (Denzel 2023a, 29-30). The key focus here is on the link between the resilience that develops day by day to safeguard corporate functions and the ability to successfully and consistently defend against exceptional situations that jeopardize these functions. Resilience management understood in this way results from a planned series of safeguards against discontinuities: the selection of organizational components, the self-assessment of vulnerability, the identification and prioritization of fundamental vulnerabilities and the enhancement of adaptive capacity (McManus et al. 2008, 88). As a result, a resilient company is «sensing, agile, networked, and prepared» (Starr et al. 2003, 6-7).

Resilience or resilience management of an enterprise respectively can essentially be analysed from three perspectives:

1. (Corporate) resilience is understood dynamically as crisis robustness (proactive robustness), i.e. as a «microeconomic version of the analysis of economic selection processes». Proactive, dynamic risk management, the proactive formation of resilience resources (capacities), and adaptive crisis management are the decisive, mutually reinforcing components (Köhler and Schulze 2016, 460-63).

2. From the perspective of management and organisational research, the crisis response (reactive agility) of companies and the use of resilience resources (capabilities) in situations of transformation are emphasised situationally: The analysis of coping mechanisms and strategies under the influence of great uncertainty shows how a company or an institution could successfully negotiate challenges through resilience management. It is necessary to adopt the specific perspective of the entrepreneurial actors and to emphasise the importance of the intrinsic connection between organisational, individual and familial resilience, which goes beyond economic crisis prevention (Urban 2018, 189-93) and focuses on the social and political capacity or agency of the entrepreneurial actors. A purely systemic, holistic view of the organisational resilience of a chosen company is also possible, although this can vary greatly from company to company (Mohr 2016, 419). This ranges from inelastic or «rigid», which means a very low or non-existent degree of resilience, to extensively resilient. When it comes to the value or degree of resilience to be determined, organisations or companies are also differentiated according to particular types of resilience: they can be more inward-looking («fixed mindset») and thus possess anchored resilience, or they can be oriented towards development and growth («growth mindset») and

are characterised by adaptive resilience (Ishak and Williams 2017, 186-87). Both organisations and companies are therefore resilient, but not in the same way. An organisation with adaptive resilience is inherently more focused on resilience as a primary identity anchor than one with stabilised resilience. For organisations with stabilised resilience, it is sufficient to restore the normal state as quickly as possible in the event of disruptive situations. In contrast, enterprises with adaptive resilience see resiliencing as a normal standard process of integrating disruptions into their everyday (business) life, to such an extent that they no longer see disruptions as a break in their usual routine. The latter therefore perceive disruptions as such to a lesser extent and therefore also have less need for discussions about the reshaping of their organisation after a disruption than the former. Although companies with anchored resilience are prepared to work with alternative concepts in exceptional situations – i.e. during and immediately after disruptions – because they seem absolutely necessary in this particular case, they are otherwise taboo. In contrast, companies with adaptive resilience are much stronger and more willing to plan with alternative concepts in advance of a potential disruption and to tolerate and even (pro)actively use them during a disruption. From this perspective, there are essentially two different types of resilient enterprises: Companies with adaptive resilience consider changes in perspective to be normal and always act with foresight regarding the available options for adaptation. If, on the other hand, an enterprise is ‘only’ anchored resilient, its goal is to bounce back from a disruption to the respective ‘normal’ situation; it is initially surprised by a disruption, but is at least prepared, and it aims to preserve its identity and return to normality as quickly as possible (Ishak and Williams 2017, 190-92). This model is important because it can provide an explanation why some companies failed even though they practised resiliencing, or at least why they were not as successful with their resiliencing as others. It is precisely these kinds of empirical findings that can be recovered in historical case studies.

3. The third approach focuses more on disruption management through resiliencing, i.e. how crises evoked by vulnerabilities, risks and dangers, including shocks of all kinds within a company, can be anticipated, cushioned, minimised and overcome, and even turned into an opportunity for the company in such a way that it emerges from this situation strengthened (‘competitive’) in the long term as the result of a transformation process (Denzel 2018; Denzel 2020a). In this context, the management of key vulnerabilities, the ability to adapt, a transformation potential capable of development, and a pronounced resilience ethos (‘resilience affinity’) appear to be fundamental components (Denzel 2018, 534-37).

Research into corporate developments in the face of disruption requires a specific analytical framework, as, despite existing approaches (Starr et al. 2003; Günther et al. 2007), there is currently no applicable and commonly accepted model for investigating resilience management, especially not from a historical perspective. However, an analytical grid can be derived from previous theoretical considerations, which refer to the complex interactions of four research-guiding parameters, as shown in some previous studies (Denzel 2018, 534-35; Denzel 2020, 166-67):

1. the active entrepreneurial affinity for resilience in the form of the entrepreneur’s or company’s creative willingness to resilience, which, based on the diagnosis of changing conditions and the resulting external and internal risk factors, implies the

will to change, but also the ability to implement changes, i.e. the ‘power’ of the entrepreneur (cf. Plumpe 2007);

2. the application of specific resilience strategies, which currently and historically have included the use of capital, the intensification of networking with shareholders and interest groups that pursue joint management goals, and the strengthening of (internal) knowledge management (Weick 2010; Perkams and Sørensen 2015). The most important manifestations of these resilience strategies in practical business activities are diversification and networking, the professionalisation of those responsible, the institutionalisation and legalisation of business activities, capitalisation or – in the case of failure – liquidation (Lukesch 2016, 299–300) and, if necessary, the transformation of the company. These strategies are just as constitutive for resilience management as

3. capital, networks, knowledge, information, and values as well as skills and attitudes at the management and employee level as the underlying material and immaterial resources of resilience, whose availability and differentiated combination options and deployment techniques can develop different mechanisms of action;

4. the implementation of resilience instruments or tools (e.g. accounting, association contracts, information management, environment monitoring) as well as resilience media for external communication and internal knowledge management by means of price currents or merchants’ manuals, for example.

It should be emphasised that the parameters of resilience management, understood in this way, cannot be precisely separated from each other, but often occur side by side or in close interdependence (Denzel 2018, 535), as it will be seen in the following section.

3. Strategies and tools of resilience management

When examining strategies and tools of resilience management, a distinction must be made between strategies for adapting to changing conditions and overcoming short-term crises within the commercial core business and long-term organizational resilience strategies. The latter can be seen as crucial for changing the form of the company and for avoiding insolvency or bankruptcy, while the former primarily, although not exclusively, served to minimize entrepreneurial risks. Outlining the resilience strategies of the core commercial business is as simple as it is complex: almost all business strategies can also be resilience strategies, but they do not necessarily have to be. Whether a strategic decision made by an entrepreneur has *also* contributed to the resilience of their company can usually only be determined indirectly in hindsight. A clever, innovative business strategy can strengthen the resilience of a company, while a reckless, risky one can weaken it. However, the correlation is not regular and certainly not always to be expected. Rather, the impact of a decision or a bundle of decisions on company’s resilience to crises or its adaptation to changing business conditions. Conscious business decisions to strengthen the resilience of a company are rather rare and, if at all, are usually identified in the event of an acute crisis. In contrast to the long-term strategies that occasionally appear in articles of association, wills or cross-generational planning, this type of *resiliencing*, which is geared towards

short-term crisis management, usually focuses on the injection of ‘fresh’ capital in order to maintain the company’s liquidity.

In the family businesses analysed so far – i.e. commercial and industrial companies (e.g. Urban 2023), in the pre-modern era and today (cf. Seibold, Lantelme and Kormann 2019) – internal challenges played a central role; in many disruptive situations these internal factors weighed even more heavily than external risks or crises. On the one hand, they regularly concerned issues of succession, the discipline of family members, shareholders and employees, as well as the efficiency of business activities, because family interests often did not coincide with business interests, as internal conflicts and their solutions in various Upper German trading companies of the sixteenth century clearly illustrate (Isenmann 2020). On the other hand, the way in which decisions were made in the pre-modern era was much more crucial than in the highly developed communication infrastructure of the present day or even since the end of the nineteenth century. Whenever possible, strategic decisions are supposed to be made in the head office and should not give business partners, employees (‘trading servants’) and agents too much freedom. In practice, however, they were often inhibited by lengthy and uncertain communication flows. Finally – and perhaps most importantly – the ratio of equity to borrowed capital was an enormous challenge, as too much indebtedness or outsized borrowing, as well as exaggerated speculation, could lead to a loss of capital. Excessive borrowing and hazardous speculation – often linked to each other – reduced the resilience of a family business both by limiting the possibilities for obtaining credit in the future and by the growing influence of outside lenders on the family business. To put it the other way round: ‘The ability to draw capital from an extended family and to move it among its various branches becomes a central aspect of premodern resilience’ (Safley 2020, 218; cf. *ibid.*, 203, 206).

It can be assumed that all the trading companies examined here were making conscious efforts to adapt to changing conditions, to withstand and overcome crises and, if necessary, to transform internal company structures and thus achieve organisational resilience, even if this cannot be explicitly proven in the sources. However, the entrepreneurs’ willingness to engage in such resiliencing, the so-called resilience affinity or entrepreneurial resilience, varied greatly among the responsible managers of the individual companies, and the available sources allow few definitive statements. Jakob or Anton Fugger, Bartholomäus Welser or Bartholomäus Viatis, so-called *Regierer* in the language of their time, apparently harboured a much stronger sense of responsibility for the long-term stabilisation of their trading company than, for example, Ambrosius Höchstetter or the last Welser shareholders, who tended to prolong the life of their companies with risky transactions and sometimes questionable business practices. The sole traders Gauger and Wagner demonstrably endeavoured to make or maintain their comparatively small companies resilient (Baumgartl 2023). For a more precise and improved assessment of entrepreneurial resilience, however, further studies have to be carried out, especially from a more psychological perspective, on the individual and familial resilience of the entrepreneurial personalities (Urban 2023). But this presupposes that the available sources allow this at all.

The case studies referenced here are of varying significance due to the nature of the sources and the respective state of research. In the case of the Fugger trading

company, resilience management can be demonstrated both from a long-term perspective in close combination with the strategic reorganisation of business activities and in the course of short-term crisis management. The process of winding up the Fuggers' Hungarian trade dragged on for more than two decades and was delayed by numerous setbacks, but as an overall idea was pursued almost constantly. The withdrawal from the politically and economically risky Hungarian mining and metallurgy industry and the increasingly intensive focus on the Iberian Peninsula during this period offer a prime example of large-scale disruption management, an adaptation to changing international economic conditions during the upheaval of the sixteenth century. This involved organisational transformations within the company and an enormous concentration of business activities. In other words, the broad-based, 'medieval' commercial super-company of the Fuggers was transformed in the course of this process into a much leaner, more efficient financial services company that was able to cope with large financial losses due to the radical reduction in overall transaction costs. This is particularly evident in the abandonment of factor locations. Short-term crisis and resilience management in the case of the Fuggers became tangible during the disruption of the Schmalkaldic War (1546–1547), the most significant case of warfare in Upper Germany and especially in the area around Augsburg in the sixteenth century. Anton Fugger knew how to turn this disruptive situation, which for many reasons was potentially highly dangerous for the Fugger business, to his advantage through his personal diplomatic skills and high capital investment. As a result, his company ultimately emerged from this crisis even stronger and his politically and economically crucial connection to the Habsburg dynasty could be intensified in the long term. The close interdependence between crisis and resilience management becomes clear, as the need to prevent the military conflict from becoming an existential crisis for his company led to the development, revitalisation and intensification of strategies that strengthened the resilience of the Fugger company in the medium and long term. For although the amount of capital invested in loans to the Emperor and the Roman King may have been extraordinarily high, Anton Fugger was able to secure his loans in the best possible way (Denzel 2023a; Isenmann 2019, Denzel and Isenmann 2026).

The classic model of the adaptive transformation cycle, which is frequently used in resilience research (Pendall et al. 2010, 76; Lukesch 2016, 299–300), can be applied and tested using the case study of the various Welser companies of the sixteenth century. So far, this model appears to be less suitable for numerous corporate developments, as these usually tend to follow a linear course and cyclical processes can only be proven to a limited extent. Yet the successive Welser companies in the sixteenth century, which were relaunched in each generation, can be viewed and interpreted in such a cyclical sense, even if their development – almost naturally – does not fully correspond to the model. It is noteworthy that from the end of the second company, that of Bartholomäus V Welser, in the 1550s the capital stock was reduced at the end of each cycle, i.e. when the respective head manager retired and someone from the next generation took over responsibility. These capital reductions served to finance the retirement of the previous 'ruler' on the one hand and to satisfy the inheritance claims of family members on the other. As a result, the company shrank financially in the second half of the sixteenth century and had to reduce its business

activities or, as happened in the fourth and last generation, try to compensate for the financial bloodletting with risky transactions. Although the company's creditworthiness, i.e. its good faith, and thus its resilience remained largely intact for decades – not least due to its owners' high social prestige – this was gradually 'used up' in the last company from the 1580s and was no longer sufficient to provide the company with sufficient resilience against the threat of bankruptcy in the final crisis of the 1610s. Nevertheless, the successive Welser companies of the long sixteenth century can be seen as a prime example of a possible application of the adaptive transformation cycle. Interpreting their history in this way can contribute to a better understanding of the gradual decline of the trading house from the later sixteenth century onwards, which was barely recognised in the business world for decades (Denzel 2023a).

Despite their radically different history, these two major Upper German trading companies of the sixteenth century are almost paradigmatic of long-term corporate development in the pre-modern era. One company – that of the Fuggers – was sustainably successful for generations due to ongoing adaptations to changing conditions, structural changes, the abandonment of traditional business areas and investments in continuously profitable sectors despite all the crises and internal and external disruptions that occurred; it remained resilient and still exists today, albeit in a significantly different form. The fact that «through cautious and diversified investment decisions [...] the Fuggers [succeeded] in preserving a large part of the wealth generated in the sixteenth century to the present day» is part of the marketing concept of the *Fürst Fugger Privatbank* to the present day. In contrast, the Welser enterprise, which was on a par with the Fuggers in terms of wealth, reputation and political influence until the later sixteenth century, lost capital over the course of several generations and failed in 1614 after one of its shareholders, Matthäus Welser the Younger, had occupied the high-ranking, but also labour-intensive, time-consuming and costly office of the Imperial Penny Master (*Reichspfennigmeister*, 1603–1608). The family survived in the following centuries as a comparatively insignificant landed gentry, not exactly characterised by great wealth.

The contrasting nature of these two case studies raises important questions about resilience strategies and their chances of success in the trading companies examined. First of all, the possibilities of adapting to the changing framework conditions – whether more gradual developments as part of the commercialisation process or surprising, shock-like disruptions – probably play the most important role. The liquidity or capital issue, i.e. a company's capability to overcome a crisis situation by injecting capital and thus maintaining liquidity and creditworthiness, is of paramount importance. In the case of the Augsburg trading companies, most capital investments generally came from within the family network. The most important exceptions were the Höchstetters and the Fuggers. Although the two companies differed significantly in terms of the amount of deposit capital raised, which made up the majority of the Höchstetters' capital at the time of their bankruptcy (approx. 84%), the Fuggers only had a comparatively small percentage in the same years, albeit it was increasing over the years (1527: 12.7%; 1533: 24.7%). In the case of the Höchstetters, less than half of the invested capital came from the family circle, while the major part was supplied by merchants and bankers, patrician rentiers, wealthy widows, foundations, state and

church institutions (Safley 2020, 117, 183). It is evident that the undercapitalisation of a company like that of the Höchstetters made it particularly vulnerable and therefore more susceptible to crises – up to and including bankruptcy. It has been observed that «in the course of the sixteenth century, the use of borrowed capital [...] increasingly developed into a structural feature of the Augsburg trading houses, which were thus able to beat their competitors from Nuremberg and other Upper German cities out of the field – but also became susceptible to economic and financial crises» (Häberlein 1998b, 23). In this sense Safley (2000, 60) stated that «[f]oreign investment was a benchmark of Upper German, especially Augsburger, finance, [...] – as well as its underlying weakness – the tendency of one bankruptcy to trigger others». So, the often emphasised propensity of Augsburg merchants to take risks (cf. Safley 2000, 61) thus came at a high price, namely the increased vulnerability and reduced resilience of numerous trading companies, as the Höchstetters prove. In contrast, a high level of equity financing strengthened the resilience of a commercial house, not least by promoting its creditworthiness. Even more than the Fuggers, the Nuremberg-based Viatis & Peller are a significant case in point.

Other, more generally recognisable resilience strategies for adapting to changing conditions were the diversification or concentration of business activities. In addition, most trading companies provided banking services, while some also acted as marine insurers and were involved in mining or manufacturing. Particularly when companies were active in the latter two sectors, this involvement was often coupled with endeavours to achieve a quasi-monopoly, i.e. the greatest possible influence on the relevant European markets – at least where this was possible or appeared to make economic sense. The first two sectors were mainly regarded as services for other companies, which they were pleased to utilise themselves in return if their business relationships allowed them to do so. For example, the offer to insure transport by sea was not yet widespread within the Upper German cities in the sixteenth century – Ambrosius Höchstetter is said to have undertaken such transactions (Häberlein 2018), making it necessary to resort to business partners in Mediterranean ports or in the Netherlands. In contrast, exchange transactions were already commonplace in the commercial portfolio in Upper German merchant houses, but the various companies had different networks of exchange partners in various European cities. So, it was necessary to fall back on the network of a ‘friendly’ trading house.

Crown financing, which entailed loans to European rulers, German princes (e.g. Fouquet 2022), high-ranking clerics, landlords or nobles, generally paid high interest rates, but were also associated with significant risks due to their unreliable repayments; yet such loans were particularly important for the risk-taking Augsburgers. While the combination of different lines of business could contribute significantly to the resilience of a company, as a crisis in one line of business could be offset or at least mitigated by good results in another, involvement in crown financing generally increased the vulnerability of a trading company. The extent of this vulnerability depended on the volume of the loans granted and, above all, on the collateral provided. The Fuggers, for example, managed to maintain a high degree of resilience despite their extraordinarily high level of lending to the Spanish crown, which in the second half of the sixteenth century even became their company’s most important line of business, as their loans were physically secured by the best possible security of their

time: the opportunity to exploit mines (initially silver and copper in Tyrol and Hungary, later mercury in Almadén) and the transfer of landed estates. Yet other companies, which had not been able to safeguard their investments in this way, were hit much harder than the Fuggers with their considerable losses stemming from various suspensions of payments by the Spanish crown from the later 1550s onwards. However, the Fuggers' overall business and their creditworthiness were never seriously jeopardised. In contrast, the sustained withdrawal of the Welser family from this line of business from the 1550s onwards contributed to the resilience of their company in the following decades, as the accompanying risk was deliberately avoided. The same applies to the Viatis & Peller company from Nuremberg, which was involved in limited lending to princes and clerics – mostly to secure their trading interests in Saxony by courting princely favour. In this case, the granting of loans to the Saxon elector can be seen as an explicit resilience strategy (Denzel 2023a, *passim*).

Strategies employed by some trading houses to invest their accumulated assets on a long-term basis with good returns but low risk, thus preserving them for future generations, played a special role but were also company-specific. These included investments in real estate and manorial rights, which the Fugger and Paumgartner families undertook and secured at considerable legal expense in some cases. At least in the case of the Fuggers, this long-term strategy was extremely successful. The fact, that Raymund Fugger, the brother of the *Regierer* Anton, took care of the landed estates as a 'full-time job', shows the overall strategic importance of this branch of business within the company even at a comparatively early stage, when the expansion of the commercial and financial business was by no means complete. Nonetheless, this resilience strategy must be seen as exceptional, as the vast majority of Upper German family businesses tended to carry out landed property transactions – and sales in particular – only on the periphery of their business activities and primarily used them to reinvest capital which could be liquidated at short notice in the event of disruptions. Another unique feature is the Welser's long-standing involvement in Venezuela – Anton Fugger shied away from similar activities in Chile (Großhaupt 1990, 15–17) – which is very difficult to categorise from the perspective of resiliencing. But despite its ultimate failure, the Venezuela deal did not have a lasting impact on the company's resilience. This assessment is based on the finding that this 'adventure' did not develop into a financial disaster, even if the exaggerated profit expectations of the Welser headquarters in Augsburg could not be fulfilled. Anton Fugger's brother-in-law, Hans II Paumgartner (c. 1487/91–1549), pursued a similar strategy of acquiring real estate and feudal rights, which were to be secured across generations through a family charter and a legal code, although this strategy failed due to disruptions within the family (Lehm 2024).

These and other minor resilience strategies, which cannot be described here, were supported by a wide range of resilience tools or instruments, several of which can be identified on a fairly regular basis in the trading companies analysed. These include the use of bills of exchange for payment transactions and marine insurance for sea transport, as these promoted endeavours to reduce risks in an inherently risky business field. These two instruments were initially geared towards the short term, i.e. to individual transactions, although their overall effect was also understood in terms of longer-term, forward-looking protection against potential dangers and risks. Legal

instruments, by contrast, were generally designed for the long term from the outset, be it the organisational structure of a trading company, fixed in a partnership agreement (*Gesellschaftsvertrag*; Lutz 1976; Isenmann 2020, 341-54), or the transfer of the company to the next generation of entrepreneurs in a will or family statute (Simmacher 1994; Lehm 2024).

Among the major instruments of resilience management, accounting played a key role that can hardly be overestimated. More than any other economic, social or legal safeguards, it constitutes the decisive anchor of business activity and the central hinge between upstream information and knowledge management (Denzel 2020b) on the one hand and the strategic planning of future business activities on the other. It is not without reason that Werner Plumpe (2018, 8) emphasises this aspect as constitutive for entrepreneurial activity in general. It is precisely from this perspective that the Upper German trading companies of the long sixteenth century – as well as those of the fourteenth and fifteenth centuries – represented companies in the full sense of the word (Plumpe 2018, 1, 4), as they were regularly at the forefront of the arithmetic and accounting techniques of their time. The sixteenth century in particular was characterised by the spread of dual and double-entry bookkeeping techniques, which had been transferred from Italy to Upper Germany and adapted to the requirements of individual companies (Denzel 2023b; Isenmann 2019). This comprehensive adaptation process was perhaps the most important contribution to resilience in one of the most economically advanced regions of Europe during this period. The resilience of a trading company tended to increase with the elaboration of its bookkeeping which could largely avert the danger of a sudden and unexpected collapse. The recourse to exact accounting results, the valuation of assets by the respective head manager (*Regierer*), the increasing consolidation of individual financial statements in a balance sheet, which was also checked mathematically and for conclusiveness in a test (*Proba*; Isenmann 2019), enabled a company's management to arrive at strategic considerations – from small corrections to current business practices to a comprehensive reorientation of the entire company. In particular, the extensive accounting records of the Fugger family allow such conclusions, which can be exemplified by their management of the Hungarian trade and the shift in the company's activities towards Spanish crown finances under Anton Fugger (Denzel 2023a, 163-231). It also becomes clear that the idea of the long-term protection and stabilisation of the trading company played a decisive role for the head manager. In other words: the entrepreneur's affinity for resilience can be seen as a decisive factor in such a process.

Compared to the central factor of accounting, which can be interpreted as both a medium and an instrument of resilience management (the latter interpretation has been favoured here), the other factors are not subordinate, but sometimes tend to take a back seat, especially as their contribution to resiliencing is often not directly apparent. On the one hand, this concerns the information media and knowledge management, whose use in companies is regularly documented. A common medium of information management are business letters containing current prices and handwritten newspapers (*Zeytungen*), but it often remains unclear how and to what extent these were used in decision-making processes (Denzel 2020b). The information that they conveyed contributed to strategic decisions and thus played a role in resilience

management; however, the process behind them is virtually incomprehensible for present-day researchers. This applies to an even greater extent to the verbal communication of information, which can be recovered only rarely – for example in the case of court records or protocols of shareholders' meetings. In the process of resilience management, the use of these media must therefore always be taken into account, but its direct influence on business decisions within companies in particular can hardly be weighted. As a result, the media used in resilience management do not play a prominent role in the case studies discussed here, but should always be considered as a source of information.

Social capital, which is attributed to an entrepreneur or a company by the outside world, is particularly difficult to grasp and must therefore be assessed indirectly. This makes its weighting as a factor in resilience management much more difficult than for the other instruments. What significance does prestige or the name have for a particular trading company? It is true that social networks between merchant families, but also between merchants and political rulers, could be decisive for the success or failure of a company, especially in existential crisis situations. Moreover, the influence of social networks could extend beyond regular business partnerships or even business friendships. However, the competitive relationship between numerous Upper German trading companies, which were often based on pursuing similar business interests, muted the importance of forming and maintaining networks. Despite five marriages between the Augsburg Welser and Imhoff families in the sixteenth century, for example, the two families maintained competing trading companies throughout the sixteenth century (Häberlein 2002, 404). Thomas M. Safley (2020, 192-93) thus emphasises that – especially from the perspective of the research paradigm of resilience – the pursuit of creditworthiness through social networks was of «relative importance» and that previous research should be at least partially modified for the Upper German family companies of the sixteenth century: «The relative importance of social networks in shaping credit-debt relations appears to have been overdrawn in relationship both to financial markets and to family firms. Networks play a substantial role to be sure, but that role has less predictive and less explanatory value than has been recently argued, especially over distance or across society, where personal connections might be attenuated”. This becomes particularly clear in the case of the Welser company, which was already in decline and whose glorious past seems to have helped secure its creditworthiness until the final years of its existence. However, the social capital that had been used up in the meantime did not save it from final bankruptcy. This finding can be seen *cum grano salis* in the numerous other cases of bankruptcy in Augsburg in the second half of the sixteenth and early seventeenth centuries (cf. Häberlein 2008). As a whole, the functional significance of social networks and, ultimately, social capital for resiliencing – in terms of creditworthiness alone – can be regarded as rather limited.

Last, but not least a secular phenomenon has to be mentioned, which can be interpreted as a resilience strategy *sui generis* concerning the structural development of trading companies in the sixteenth century's commercialisation process as a whole. As Michael North points out, «in the course of the sixteenth century, a process of concentration set in, in the course of which the circle of shareholders was reduced and increasingly limited to the nuclear family”. In the long term, «the trend was

towards sole proprietorships, which had always dominated in the north, but also in Nuremberg [actually in the whole of Upper Germany; M.D.] in the early seventeenth century – possibly under the influence of immigrating foreign merchants» (North 2014, 25). From the perspective of economic vulnerability and resilience research, this empirical finding, which has not yet been scrutinised conceptually, can be linked to the so-called ‘Singapore paradox’, which emphasises the higher resilience of smaller entities compared to larger ones. In other words, it explains how smaller states – the city-state of Singapore is a prime example – can be more resilient than larger ones despite their inherent higher vulnerability (Briguglio et. al. 2006, 266-69). This could also be the case for companies, as «small size was compensated for by risk-reducing understandings» (de Vries 2011, 17). Consequently, the structural change of companies engaged in intra-European trade can be interpreted as a consequence of entrepreneurial efforts to achieve resilience in the course of the commercialisation process of the sixteenth century, which provides a conclusive explanation for this phenomenon that has been observed, but not sufficiently penetrated to date.

Although such evolutionary tendencies can be observed in numerous Upper German trading companies of the sixteenth century – North sees the Fuggers as a prime example of this (North 2014, 25) – the enterprise of the Viatis & Peller of Nuremberg, which only emerged in the final decades of the sixteenth century, appears to have anticipated and realised these structural transformations in an almost ‘ideal-typical’ manner. For although Viatis & Peller can still be regarded as a trading company in legal terms, they differed significantly in organisational terms from their predecessors, let alone the late medieval super-companies (Hunt 1994). Learning from his negative experiences in earlier trading companies, Bartholomäus Viatis initially chose to run his enterprise all by himself, later on with his son-in-law Martin Peller. Together, these two sole entrepreneurs built up what was perhaps the most important and financially strongest trading house in the Holy Roman Empire and made it so resilient that it not only emerged from the ‘Thirty Years’ War economically successful, but was able to survive for several decades during the post-war period with comparatively weak management personalities. The most remarkable feature of this company was its lean, highly efficient organisational form, which avoided personnel and transaction costs wherever possible and was able to invest all available capital in trading, putting-out and, if necessary, financial transactions. In this way, a much faster turnover of capital was achieved than in traditional trading companies, so that higher profits could be realised in a shorter period of time. Of course, Viatis & Peller were not the only entrepreneurs who successfully carried out such an organisational transformation of their corporate structure. In fact, the downsizing or streamlining of organisational structures had been widespread in Upper Germany since the last decades of the sixteenth century; such developments can also be observed among the Fuggers and the Welsers, to name just two further examples.

In addition to reducing costs, possible reasons for structural changes within the companies were the avoidance of internal conflicts and the concentration on a few selected business areas that were deemed particularly profitable. However, it also makes sense to consider the aspect of resilience, especially if we look again at the Viatis & Peller: Smaller organisational entities are simply easier to make or keep resilient – «[they] offered the most reliable form of risk management» (Safley 2000, 73)

– and this was probably in the interest of commercial entrepreneurs, especially in the decades of crisis since the late 1550s and during the disruption of the ‘Thirty Years’ War. Of course, this does not mean that sole traders – including their presumptive successors – were immune from failure; the Augsburg bankruptcies of this period also include numerous cases of small and medium-sized companies or sole traders (Häberlein 2013, 22; Häberlein 2008, 21, 30). Nonetheless, the likelihood of overcoming a disruption or crisis appears to have been greater if business was conducted within the framework of a lean, efficient organization, usually within the nuclear family, than if this was done within the framework of a traditional trading company with a large workforce. This makes the structural development of trading companies in the sixteenth century – from large trading companies towards individual owners, possibly with (only) one additional manager from the nuclear family (Hildebrandt 2002, 272) – understandable from the perspective of the resilience paradigm.²

4. Insolvency and bankruptcy in spite of resilience management

Various scenarios of failure show why merchant-banking companies went bankrupt despite their presumed resilience management, even if it can hardly be proven from the sources, as exemplified by the Höchstetter and Manlich companies from Augsburg³ and the Hirschvogel from Nuremberg. In the case of all three companies, a certain degree of resilience management must have been achieved before the decisive corporate crisis. This is clear from the fact that they all operated successfully for years or even decades and enjoyed a high level of prestige and creditworthiness in the business world. Ambrosius Höchstetter’s company was among the most respected and financially strongest of its time. Yet at some point, all three reached the tipping point, which caused negative reversal of their fortunes and ultimately ended in bankruptcy. The main reasons for this – in line with previous research (Häberlein 2008, 17–20; Safley 2000, 61–62) – were a reduction of the capital stock and therefore a decline of liquidity; speculative and hence highly risky exchange transactions; losses due to privateers, rumours and bad news about payment difficulties (however unjustified they may have been); bankruptcies of close business partners; and embezzlement by employees or commission agents. At least in the case of Höchstetter and Hirschvogel, however, there is additional evidence of inaccurate, improper bookkeeping, faulty accounts and balance sheets, and therefore an insufficient basis for strategic business and resilience planning. Even if resilience efforts may have existed in the past, it can be assumed that they had been neglected or even abandoned at a certain point in time; at the very least, these companies lacked an accurate accounting basis. It is precisely in cases of business failure that the outstanding

² That this transformation towards a more resilient corporate structure may also have been one of the foundations of Augsburg’s rapid recovery after the disruption of the ‘Thirty Years’ War, with its enormous losses of population and capital (Safley 2000, 74–75), seems plausible; however, this conclusion cannot be drawn in the same way for Nuremberg, where commercial companies also underwent structural change; Viatis & Peller are only the most prominent example.

³ For bankruptcies in Augsburg as a whole in the late sixteenth and early seventeenth centuries see Häberlein (2008, 31–32), who used Reinhard (1996) as main source.

importance of elaborate bookkeeping – ideally with some kind of regular accounting or balance sheet – becomes apparent as a prerequisite and instrument for strategic resilience and general business planning. The fact that accounting records were inaccurate or even completely missing was regarded by knowledgeable contemporaries as a major reason for business failure or bankruptcy. Ambrosius Höchstetter, despite all his shrewdness in his earlier business dealings, did not pursue any hedging or transformation strategies for his company in his last years as head manager and eventually tried to save it with manipulated accounting documents (Safley 2020, 114–17). The Hirschvogel lost sight of which assets they actually owned or might have been entitled to due to negligent bookkeeping by their representative in India, Jörg Pock (Kömmerling-Fitzler 1967/68). And for the Zangmeister company – to cite another example – it was only during the bankruptcy proceedings that a reasonably complete list of receivables and liabilities was compiled (Westermann 1908). The important, indeed central, role of bookkeeping and accounting as the basis for sustainable resilience management thus becomes clear *ex negativo*.

Of course, there were various other internal and external factors that contributed to business failure and might even have caused the collapse; however, inadequate bookkeeping and accounting must be given particular weight in a company's path to bankruptcy. Furthermore, at least in the case of the Manlich and Hirschvogel companies, it is reasonable to assume that their earlier resilience mainly served to stabilise them rather than adapt them to new challenges, which they were then unable to cope with. The type of resilience pursued within the broad field of organisational resilience is therefore of no small importance. Overall, however, this also means that failure can ultimately be attributed to a lack of resilience management or insufficient focus on adaptive resilience, as the company in question was no longer able to hold its own in an impending crisis situation – whether it was caused internally or externally.

What conclusions can be drawn from the three case studies listed above, which are well documented by extensive research? What were the main causes of the business failure of formerly highly respected, successful trading companies? Were they difficulties in adapting to the changing conditions during the secular commercialization process? Was it bad speculation, bad decisions by managers, internal organizational problems, family conflicts or all of the above?

On the one hand, the fallout in Upper Germany, as well as in Italy, Spain and France, are regularly cited as causing the economic slowdown in the second half of the sixteenth century and the high-risk transactions with crowns and governments, not least due to the long-term capital commitment, as well as the years following the first two Spanish (so-called) 'state bankruptcies' and suspension of payments in 1560 and 1575, as government bonds often had to be sold by the borrowing merchants due to their rapid loss in value in order to become liquid again. On the other hand, it is pointed out that the insufficient equity capital not only exacerbated this liquidity problem, but must also be regarded as a general weakness of commercial enterprises in the sixteenth century (cf. Seibold 1995, 131, 146).

This fundamental problem of almost all trading houses in the sixteenth century, the interplay of a too thin equity base and a too long-term capital commitment, was also one of the decisive factors for the decline of the respective companies, if not for their bankruptcies, in all three case studies. Raising outside capital in the form of

deposits, as Höchstetter in particular, but also Manlich, did on a large scale, did not generally provide any relief, as on the one hand high annual interest payments were required, which placed an additional burden on the budget; on the other hand such deposits were generally only short-term and could therefore be terminated comparatively quickly. Even if this 'quickly' normally meant a six-month or annual period, a wave of terminations could have a devastating effect if the capital was lent to a ruler for a longer period, tied up in a mine that was becoming unprofitable or in an overseas trading voyage lasting several years. It was precisely the withdrawal of capital by depositors - in modern terms: a run - that could be the final decisive factor in the insolvency of a company. The risk of such a run was probably all the greater the less the company in question was networked with other local merchant families, as can be seen in the Höchstetter bankruptcy. Conversely, a high degree of integration with other families from the local economic, political and social elites created confidence in one's own trading activities and made it possible to generate new capital from this broad network. If there was no such intensive networking, the creditors' lack of patience could be exacerbated at the first signs of payment difficulties (or corresponding rumors) if either - as in Höchstetter's case - individual creditors were given preferential treatment or the confidence of the (local) creditors was permanently shaken by a succession of collapses and they therefore reacted ever more sensitively to the slightest signs of payment weakness. This seems to have been the case in Augsburg in 1574 when, following the bankruptcies of Manlich and Schorer in the summer, the Haug, Langnauer and Linck company was also forced to go bankrupt in October (Seibold 1995, 132; von Ciriacy-Wantrup 2007, 290-300). Rumors and bad news about payment difficulties or even the collapse of a close business partner or a relative bearing the same name - as in the case of the bankruptcy of Franz Tucher from Nuremberg in 1561 (Bauernfeind 2011, 26) - could be responsible for the onset of payment difficulties. The Augsburg Herwarth company, for example, is said to have become insolvent in 1576 because it had deposited 120,000 francs in the Manlich company shortly before its collapse and thus at least largely lost money (Seibold 1995, 151). If speculative exchange transactions or losses from privateers were added to this, the capital base could be so quickly eroded that bankruptcy became inevitable. According to Mark Häberlein (2008, 17-20), these were the main reasons for bankruptcies in the sixteenth century.

While the amount and type of capitalisation of a company may ultimately have been a decisive factor in its collapse, other causes should also be highlighted. Firstly, there was the underestimation or misjudgement of the risks of individual lines of business, which was generally based on a lack of information - whether on the part of the respective company management or on the part of the creditors. Such a lack of information played just as fatal a role in Höchstetter's mercury business as it did in Hirschvogel's India trade and mining business or in Manlich's Levant trade. 'Lack of information' can mean both a lack of relevant knowledge about the specifics of a particular branch of trade - about production, quality of the goods, trade and payment opportunities, etc. - as well as insufficient information about developments on the individual markets, about the risks of transportation or something else, or a lack of experience with the relevant trading practices. It seems that it was not primarily 'book knowledge' about production methods that was decisive here, but rather up-

to-date market information about prices, supply, demand and transportation options, which Ambrosius Höchstetter lacked in the mercury business, for example, as well as the empirical knowledge about established branches of trade that ‘newcomers’ such as the Höchstetter, Hirschvogel or Manlich lacked in the India or Levant trade, so that they took very high, perhaps avoidable risks relatively naively. The lack of information also meant that the essential basis for appropriate stabilization or adaptation management to changing circumstances and, in the worst case, for crisis management, i.e. ultimately for the necessary resiliencing, was missing.

The lack of information had a particularly negative effect when it came to bookkeeping and accounting. The increasingly efficient organization of all bookkeeping processes since the early fourteenth century in Italy and – perhaps about a century later – also in Upper Germany had led to an enormous increase in information about the state of a commercial enterprise at a particular point in time. The lack of this internal company information could lead to a complete misjudgment of the financial situation of a trading company. In fact, inadequate or incorrect bookkeeping, whether in one or more factories or in the head office, played a decisive role in two of the bankruptcies examined here (and in very many others in the late Middle Ages and early modern period): in the case of the Hirschvogel, it was specifically a lack of accounts from India and from their Lisbon branch (*Faktorei*), while in the case of Ambrosius Höchstetter it was probably inadequate (or even missing?) annual accounts and embellished information on receivables and liabilities in favor of his company, which did not cause the decline, but accelerated it. During the bankruptcy of Hans the Younger and David Weyer from Augsburg in 1557, caused by their inability to pay after a run by their creditors on their cash register in Lyons, it was established during the audit by Matthäus Manlich and Joachim Jenisch that nothing had been «inscribed» in the books – especially in the Lyons journal – which was already regarded by contemporaries not only as considerable negligence, but also as a lack of information, even as an attempt at fraud (Häberlein 1998a, 255-56). The bookkeeping did not have to be poorly kept or fraudulently falsified – as with the question of solvency, a rumor alone could be enough to drive a trading company into bankruptcy. In the case of the suspension of payments by the Zangmeister from Memmingen in 1560, false rumors and missing main accounts also accelerated the bankruptcy (Westermann 1908, 477, 481).

A final important factor in a company collapse, which can be observed in all the case studies examined here (and beyond), was the internal constitution of the trading company, i.e. its internal organization: the branches (*Faktoreien*), which were common in the sixteenth century, not only caused high costs, but could also cause risks by filling management positions with unsuitable trading servants (*Handelsdiener*) – whether from their own family or through employees. A lack of communication and problems with the flow of information, embezzlement or transactions by the factors on their own account, or a lack of loyalty of the trading servants to the corporate policy of the head office were just some of the sources of risks that could drastically increase the vulnerability of the company in a short space of time. Such internal organizational weaknesses could be considerably exacerbated by misconduct on the part of fellow shareholders or family members, as had been the case in the last years of the Höchstetter company, when the younger generation of shareholders attracted

more public attention through a lifestyle not befitting the code of behaviour of the merchant class, in particular through extravagance and immoral life, than through incompetence and missing drive in the trade itself, thus permanently damaging the previously good reputation of the trading house. However, the internal organizational weaknesses of a trading company could also include a lack of leadership and assertiveness or will to assert oneself on the part of the managers or the director towards fellow shareholders or employees – even if this represents a contradiction – as was probably the case with the old Höchstetter as well as with Endres I Hirschvogel, who was in poor health. A far-reaching abandonment of the claim to leadership by the ‘manager(s)’ within a trading company may have contributed significantly to its increasing vulnerability.

These parameters, which played a significant role in the various decline and collapse scenarios over and above the individual company factors, can be summarized as the result of a lack of or inadequate resilience: The information deficits meant that in many cases the crucial foundation on which successful resilience management could have been built was missing. And even if this was the case, the way in which resilience management was structured by those responsible in a company still played a key role – in the direction of more stabilized or more adaptive resilience. In the former case, the company organization was largely stable and crisis-resistant, but it lacked the necessary adaptations to the changing framework conditions, such as to the commercialization process. This is shown particularly clearly by the example of the bankruptcy of Manlich, which was also a consequence of a lack of experience with the specific conditions of the Levant trade. Although this trading company may have been largely stable or even resistant to crises, i.e. it had a relatively high level of stabilized resilience, it lacked the ability to adapt to the high risks of trade with the eastern Mediterranean. Similarly, the Hirschvogel were probably not up to the challenges of the Indian business, despite their stability over several generations. Ultimately, the specific type of resilience was also decisive for the success of the resiliencing in question – although not solely so.

Furthermore, none of the three trading companies examined provided sufficient evidence of comprehensive resilience management for the purpose of long-term stabilization and consolidation in the months or years of decline. Even if the more or less targeted focus on new business areas can be understood as an adaptation to changing business conditions, this was more of a short to medium-term adjustment of business strategies than the implementation of long-term resilience strategies, especially as the risk and vulnerability to which the individual company was exposed was increased rather than reduced. There is also little evidence of stabilization management in the phase of the emerging or incipient crisis; Ambrosius I Höchstetter’s attempt to win Anton Fugger’s support for his company shortly before bankruptcy could be interpreted in this sense, but due to his specific approach – the transmission of easily transparent, embellished information – it could be classified as somewhere between amateurish and naive and tricky (Safley 2020); his approach may be seen more as an attempt of a short-term crisis management. After a few initial successes, Lienhard III Hirschvogel’s diversion into the real estate business quickly led to increased and no longer manageable risks (Schaper 1973), so that successful stabilization cannot be assumed here either. *Ex negativo*, it can therefore be stated that timely

resiliencing, consistently enforced with the authority and will of the director, for the long-term stabilization or adaptation of the company in the approaching crisis situation was largely omitted or at best remained stuck in half-hearted approaches (and was also not part of any kind of corporate philosophy). As a result, the crisis was not permanently pushed back or even overcome, but from this perspective it is not possible to determine with certainty whether and to what extent this lack of resilience, inadequate resilience or misdirected resilience promoted or exacerbated the respective corporate crisis.

5. Conclusion

The above case studies on Upper German merchant houses of the long sixteenth century clearly reveal various resilience strategies that helped them to avoid insolvency or bankruptcy over long periods of time. The most important factor was their ability to adapt to changing conditions – whether gradual developments as part of the commercialization process or shock-like. Also of paramount importance was their liquidity, i.e. whether a company was able to master a crisis situation by injecting capital and thus maintaining creditworthiness. The diversification or concentration of business activities or investments was also a generally observed business and resilience strategy. In contrast, involvement in the banking or insurance business, mining, manufacturing or putting-out systems, crown financing, bond transactions or the purchase or sale of real estate or estates were more company-specific strategies that were applied as required in certain situations as part of their resilience management. However, with the exception of bank services, these specific strategies were hardly suitable for overcoming short-term crises as their use generally had to be of a long-term nature and only brought corresponding success in the *longue durée*, although the rapid sale of real estate or estates may be regarded as an exception to this.

The most important tools for implementing these strategies as part of corporate resilience management appear to be accounting, followed by information and the acquisition and management of knowledge, although there is regular evidence of their use in the companies, but not *how* and to what extent they were used in decision-making.⁴ The short-term economic instruments of resilience (bill of exchange, marine insurance) were regularly used, although their overall effect was also understood in terms of longer-term, forward-looking protection against potential dangers and risks. Legal instruments (wills, association contracts), on the other hand, were generally designed for the long term from the outset. The unmeasurable social capital that was attributed to an entrepreneur or a company by the outside world is difficult to grasp and therefore also difficult to weigh and must in turn be derived rather indirectly. Overall, the functional significance of social networks and, ultimately, social

⁴ This applies to an even greater extent to the oral communication of information, which is also included and can only be followed to a certain extent in rare cases – for example in the case of available minutes of court proceedings or shareholders' meetings. In the process of resilience management, the use of the media discussed must therefore always be taken into account, but its direct influence on events in companies in particular can hardly be weighted.

capital for resiliencing – in terms of creditworthiness alone – appears to be rather limited.

Tab. 1. **Resilience Strategies used by Upper-German Companies, 16th to early 17th Centuries**

Strategies	Adaptation to changing framework conditions	Overcoming short-term crises
General strategies:		
Diversification or concentration of business activities or investments	✓	✓
Injection of capital	✓	✓
Specific strategies in selection:		
Purchase or sale of real estate, estates, manorial rights	✓	✓
Banking services	✓	✓
(Marine) insurance business	✓	---
Mining, manufacturing, putting-out-systems	✓	---
Crown financing, bond transactions	✓	---

The above (and numerous other) case studies also make it clear that the application of resilience strategies and tools could not always prevent a company from becoming insolvent or going bankrupt. The background may have been specific and individual in each case, but even many years of resilience management did not guarantee that every crisis could be overcome. The tipping point could come when the previous resilience management was no longer sufficient to overcome the crisis, resulting in insolvency or even bankruptcy.⁵ This was particularly the case if a company relied on anchored rather than adaptive resilience in its organizational resilience. This is because if a company is ‘only’ anchored resilient, its (primary) goal is to bounce back from a disruption to the respective everyday or initial situation, but not to adapt to changing conditions or decision variables (Ishak and Williams 2018, 190). And such anchored resilience may not be sufficient to cope with a massive disruptive situation. This would explain the above-mentioned examples of insolvencies and bankruptcies despite prior efforts at resilience management.

Finally, it may be asked what fundamentally new insights this research paradigm of resilience can provide. If a company was able to overcome the numerous challenges and disruptions described above – from shipwrecks and the bankrupt of business partners to financial crises, wars and natural disasters – i.e. if it appears to be resilient, then such a company had also been successful in business, often for generations. Resilient business is always based on sustainability and forward-looking management, not necessarily focused on quick profits, but striving at secure earnings over

⁵ This can be well demonstrated by a case study from the Hanseatic region, the Loitz company group in Stettin, Danzig, and Lüneburg in the late 1560s and early 1570s (Denzel 2024).

long periods of time. In this sense, resilience management means the entrepreneurial orientation towards a long-term economic approach and sustainable business practice, the skillful combination of appropriate strategies and instruments by the company's management, including necessary short-term crisis management and forward-looking planning for the distant future. The sheer size of a company, the number of employees, the level of turnover or other indicators are not decisive; from the perspective of resilience, smaller units are often, if not usually, more crisis-resistant and durable than (too) large ones.

The case studies presented above suggest that, over the course of the sixteenth century, many large Upper German trading companies were transformed into smaller units that were managed by members of a nuclear family, who were ideally able to contain internal conflicts; new companies like the Viatis & Peller were regularly founded in the decades around 1600 in the form of individual companies. The medieval super-companies with their Europe-wide networks of employees were a thing of the past now; they were simply no longer resilient enough to cope with the challenges of the fundamental commercialization process of the early modern period and its inherent disruptions. This is a remarkable finding that can plausibly explain the structural changes in the business world of the long sixteenth century.

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Ad imperium et ultra:

*A comparative assessment of risk-mitigating strategies
in early modern transimperial exploitation**

1. Introduction

In this paper, we provide a comparative assessment of risk-mitigating strategies in early modern transimperial exploitation. We analyze the commonalities and differences in Dutch entrepreneurs' approach to risk and uncertainty in exploiting Spanish colonial resources in the seventeenth century and French colonial resources in the eighteenth century.

Maritime trade, and by extension long-distance (colonial) trade, is commonly identified as an economic activity that entails greater uncertainty and elevated risk compared to land-based activity (Fusaro 2023; Daudin 2004; Go 2009). It is argued that the length and scale of a typical long-distance, ocean-borne enterprise increased its chance of encountering adverse weather, that it toughened the actor's ability to obtain and synchronize information, and that it involved extensive reliance on credit. Long-distance colonial circuits in particular were characterized by high values per unit juxtaposed with high uncertainty (Levy 2012).

Relevantly, recent assessments have implicitly or explicitly stressed the role of political-economic frameworks in simultaneously posing and mitigating uncertainty and risk for business entities (Benton 2014; Negrón 2025; De Boer 2025). These political-economic frameworks were forcefully advanced by several expansionist European states to demarcate and protect the profits – or more broadly put, gains – of colonial commerce for the state and its subjects. Consequently, access to colonial resources was often regulated by regimes of exclusion based on subjecthood. It follows that transimperial exploitation – here defined as non-subjects ("foreigners") seeking to exploit the resources of another empire – was situated in a restrictive, if not outright hostile institutional environment. Yet it was also an environment that created opportunities: exclusionist institutions tend to spawn a shadow economy, giving informal activities (such as smuggling) a *raison d'être* and creating a market for all manner of privileges or exceptions to the formal regulations (Ogilvie 2007).

In this paper, we therefore analyze exploitation in a transimperial context, wherein the normative uncertainty and risk were heightened compared to the

* This chapter is a synthesis of our PhD dissertations, which were funded by NWO (VI.C.191.027) (Negrón, 2025; De Boer, 2025).

conventional ‘intra-empire’ setting from which much of the current scholarship departs. We observe that despite these heightened challenges, implicated business entities were still able to develop resilient strategies to confront this risk, both from inside and beyond the prescribed political, economic, and legal framework that encapsulated their activities. Subsequently, they capitalized on the peculiar formal and informal opportunities offered in this environment. The case of Dutch entrepreneurial strategies in the seventeenth-century Spanish empire on the one hand, and the eighteenth-century French empire on the other, provides comparative insight on two intersecting levels, each engaging with historiographical points of contention or assumptions in the current literature on risk and uncertainty.

First, chronology: we apply our findings to debates surrounding the neo-institutionalist assertion that nascent long-distance, colonial trade was (still) fraught with uncertainty at the beginning of the seventeenth century but tamed into a ‘mere’ risky activity by the end of the eighteenth, with business entities having learned from experience, and the institutional environment having adapted to more adequately support these ventures (Harris 2023; Baskes 2013; Wade, Dreijer and Hope 2023). We will ascertain whether the long-term development of Dutch entrepreneurial strategies in the transimperial context supports the claim that business entities’ economic behavior evolved from responding from uncertainty to risk.

Second, geopolitics: instead of noting business strategies vis-à-vis restrictive political economic environments on a general level, we compare Dutch strategies employed in the institutional environments of Spain and France. These were comparable in their commitment to exclude non-subjects, but the institutional and organizational mechanisms of accomplishing this differed. We assess how and to what extent Dutch business entities in pursuit of the same goal (mitigate the risk in exploiting ‘protected’ resources) tailored their strategies towards the geopolitical framework to confront. We subsequently analyze what this infers on their interpretation of that environment, specifically focusing on the perceived transferability of knowledge and experience in mitigating risk in one constellation of transimperial exploitation, to the other.

After providing an overview of the institutional uncertainties and risks facing non-subject business entities in the Spanish and French political economies of empire, this paper discusses three factors employed by business entities to confront risk: subjecthood itself, marine insurance, and agents. Discussing the practical strategizing of these factors, we argue that in spite of differing temporal and geopolitical settings, the foundational elements of risk management strategies in transimperial exploitation remained consistent. This repertoire indicates the existence of a resilient basin of knowledge and experience in navigating the complexities of transimperial exploitation. This, in turn, ultimately contributes to understanding the resilience of these activities in the restricted empire of another.

2. Uncertainty and risk in transimperial exploitation

Whereas the conjunctive ‘European expansion’ is a staple in historiographic discourses on the colonizing efforts emanating from Europe from the late Medieval period onwards, the ensuing empires have traditionally been studied as national

instead of integrated European enterprises. In recent decades, scholarship has turned to studying and indeed emphasizing the transnational and subsequent transimperial nature of empire-building (Antunes and Polónia 2016; Klooster 2011; Murphy 2022). Premodern states generally lacked the resources to consolidate or expand power, necessitating public-private partnerships to coopt privately-held resources in exchange for a carefully delineated share of power (Tilly 1992; Tilly and Blockmans 1994). As the overseas expansion of these states demanded even larger amounts of such resources, the 'national' basin to draw from could appear (or indeed be) shallow. The resources undergirding the exploitation of empire – commercial, financial, natural – were therefore drawn or offered across national borders. In turn, colonial resources (cash crops constituting a typical example) and the adjacent gains proliferated beyond the boundaries of the empire that produced them. Given its intrinsic relation to power, this transnational character of the resources of empire in both directions was uncomfortable to colonial sovereigns, hence the emergence of political-economic ideologies and legal frameworks striving to strictly regulate it. The most comprehensive examinations of the practicalities of this predicament are found in works discussing the engagement of Dutch business entities with the empires of other European states (Antunes, Münch Miranda and Salvado 2018; Negrón 2025; De Boer 2025).

In these transimperial ventures, Dutch business entities regularly encountered a complex interplay of risk and uncertainty. As Frank Knight (1921) explains, risk entails hazards that can be quantified, predicted, and at least partially mitigated, whereas uncertainty concerns events and circumstances that elude precise calculation. In modern parlance, these concepts have been reinterpreted as known unknowns and unknown unknowns (Kay and King 2020). For Dutch traders in the early Modern period, known unknowns included challenges such as adverse weather conditions or human threats (piracy/privateering). These were perils that, while serious, were at least somewhat familiar. Merchants could manage these through established tools like marine insurance. By contrast, unknown unknowns covered issues that emerged suddenly and unpredictably, typically derived from shifts in political and/or military circumstances. Volatile interstate relationships could result in sweeping embargoes; abrupt shifts in imperial policy; heightened market risk; or a severe compromise of the security of seaborne properties during episodes of maritime warfare. Crucially, no existing financial or organizational mechanism could fully shield merchants from these shocks, since neither the probability nor the scale of such state interventions could be reliably inferred from past experience or indeed current information: with rapid developments taking place across a vast space, synchronizing and operationalizing information was a challenging endeavor.

The obstacles associated with political-economic policies – which we will refer to as institutional risk, or the risk emanating from institutions themselves – occupy a conspicuous position in this framework. Most of the risk associated with the Dutch transimperial exploitation of Spanish and French colonial resources indeed originated in the political economies of these empires, which severely limited foreign participation in their colonial domains. This baseline political-economic regulation of the foreign empire would certainly be known, particularly to business entities consciously seeking out this information *vis-à-vis* their own positioning. Hence,

institutional risk existed but could nominally be accounted for as one reasonably knew what to encounter upon attempting to exploit this empire. However, these political-economic regulations were not set in stone: states adapted them to new discoveries, knowledge, experience, or indeed shifts in interpolity relations. Changes in such regulations – especially when occurring in comparatively rapid succession – infused these commercial and maritime spaces with uncertainty and unknowns. In such circumstances, it was increasingly challenging to ascertain the precise nature and extent of institutional risk associated with a foreign empire, and (re-)calibrate strategies to confront it accordingly.

The seventeenth-century Spanish context presents a case of the latter circumstances: a foundation of institutional risk yet overshadowed by all-encompassing institutional uncertainty. The Crown of Castile centralized colonial governance, granting exclusive trading rights to Spanish subjects through monopolistic institutions such as the *Casa de la Contratación* in Seville and the powerful *consulados* (merchant guilds) in Seville, Mexico City, and Lima (Antunes, Grafe, and Lamikiz 2024; Gasch-Tomás and Miranda 2020; Oliva 2004). Foreigners who wished to participate in the *Carrera de Indias* had to undergo a lengthy naturalization process that demanded proof of residency, marital ties, and property under the Spanish Crown. Understandably, few Dutch merchants pursued this path (Crespo 2010; Domínguez 1959; Herzog 2003; 2013). Consequently, most remained outsiders in the eyes of Spanish law – a status that sometimes proved advantageous, as it enabled them to exploit regulatory loopholes and secure diplomatic backing (Nogués 2010; Stein and Stein 2003) – yet also exposed them to unique perils.

Dutch merchants faced structurally high risks in the Spanish American trade, where their participation was severely limited by these institutional guidelines. This was especially pronounced in the sixteenth and seventeenth centuries. The Eighty Years' War (1568-1648), a successful Dutch revolt against Spanish rule in the Low Countries, ushered in profound uncertainty. Dutch merchants were exposed to sudden embargoes, punitive seizures, and volatile maritime warfare. At the end of the sixteenth century, for example, Spanish officials launched several mass confiscations of Dutch ships. In 1585, around one hundred vessels were seized in Lisbon and Se-túbal; in 1595, a large-scale operation affected four to five hundred ships, and similar measures recurred in 1598 when roughly five hundred Dutch vessels were targeted (Sluiter 1948; Israel 1998). These abrupt interventions provided little warning and few opportunities for recourse, representing unknown unknowns that were immeasurable and uninsurable because they stemmed from political, rather than purely maritime, contingencies.

Following the Peace of Münster in 1648, many of these challenges persisted, yet the reduced intensity of open warfare allowed for more systematic risk management. Although seizures and embargoes remained a threat, their relative predictability improved, enabling Dutch business entities to allocate greater resources toward mitigating potential losses and planning strategically. Spain's monopolistic policies continued to constrain trade, and new regulations still emerged sporadically, but this environment permitted a degree of long-term planning that was scarcely imaginable during the peak of hostilities. In this way, while hazardous conditions endured, the

shift in the balance of uncertainty enabled Dutch commercial ventures to stabilize and adapt, paving the way for the continued exploitation of high-value colonial markets despite persistent institutional risks. Over time, the unknown unknowns gradually became more known.

The case of the French empire in the eighteenth century presents the opposite dynamic: considerable and clearly articulated institutional risk, with comparatively few uncertainties save for those derived from external developments, such as multipolar global warfare. As with Spain, France's political and military relationship with the Dutch Republic was highly volatile in the (later) seventeenth century when warfare, embargoes, and expulsions were commonplace. However, the Peace of Utrecht (1713) was durable, with the two states upholding a fairly stable diplomatic and commercial relationship for most of the eighteenth century. France's political-economic designs for its (Atlantic) empire were similarly rather consistent. Successive ordinances, *règlements*, letters patent, and edicts articulated and affirmed that the exploitation of French colonies was reserved for French subjects, literally and figuratively outlawing the transacting of non-subject actors and resources in colonial ports. Letters Patent issued in 1717 and 1727 summarized these institutional guidelines and reified the rule of law for the French Atlantic: the *Exclusif colonial* (Tarrade 1972; Petit 1911). Widely attested to in French colonial archives, French institutional representatives consistently framed their enforcement of exclusionary policies in terms of these Letters Patent, which outlawed commercial activity by those who were not «subjects born in our kingdom and in the colonies submitted to our obedience».¹ Those affronting these institutional guidelines risked confiscation of their properties, paying fines, and prison sentences.

The terms of the eighteenth-century *Exclusif* were as clear as they were consistent with the seventeenth-century institutional guidelines that had preceded them. Transimperial exploitation of French colonial resources, therefore, was an activity where institutional risks were decidedly high, but also stable and predictable. Nevertheless, a few unknowns persisted, which paradoxically worked to *lessen* the risk emanating from French institutions and instead created formal and informal opportunities. For example, the enforcement of political-economic regulations by French colonial administrations was haphazard: plagued by permanent shortages of vital supplies, French officials were reputed to covertly permit non-subjects to trade. Political-economic regulations were also subject to temporary or permanent changes. To buttress threatened supply lines during wartime, the French state temporarily suspended the *Exclusif* and permitted non-subjects to trade under the guise of neutrality. The relief offered by foreign trade in times of peace and (especially) war was subsequently institutionalized by the latter half of the eighteenth century, with non-subjects being permitted to trade in select free ports and select products on a permanent basis (Tarrade 1972; Covo 2022; Røge 2019). In short, these informal, temporary, or permanent adjustments to institutional guidelines normally worked in a Dutch business

¹ *Lettres Patentes du Roy, en forme d'édit, concernant le commerce étranger aux isles and colonies de l'Amerique. Données à Fontainebleau au mois d'Octobre 1727. Titre I, article I. «Tous nos Sujets nez dans nostre Royaume and dans les Colonies souûmises à notre obéissance».*

entity's favor, with increased uncertainty not necessarily translating to even higher risk.

Despite the volatile mixture of risk and uncertainty they encountered, Dutch business entities managed to sustain and even expand their ventures in Spanish- and French-controlled colonial spheres. The following discussion explores how these business entities relied on three interlocking strategies – subjecthood, insurance, and agents – to mitigate the burdens imposed by exclusionary political systems and ever-changing economic conditions. By strategically leveraging these tools, merchants preserved a surprising degree of operational flexibility, circumventing legal constraints and capitalizing on profitable opportunities. This discussion is by no means meant to provide an exhaustive overview of risk management strategies in transimperial trade. Rather, they present cases of both ‘classic’, historiographically prominent tools in the context of risk (marine insurance), as well as tools not commonly explored in focused discussions on maritime and commercial risk (subjecthood). We ultimately gauge how they were leveraged in a transimperial setting, and what this infers on their historic and historiographic nature.

3. Subjecthood

Subjecthood lay at the core of the exclusionary barriers that Dutch business entities had to overcome in transimperial trade. It therefore assumes an equally critical position in confronting the adjacent institutional risks and uncertainties. Paradoxically, it is challenging to provide an exact definition of subjecthood. Whilst commonly and problematically imagined as the early Modern equivalent of citizenship or nationality, what was understood by ‘being a subject’ of a sovereign differed per setting (temporal/territorial) and conceptualization (legal/social/cultural). However, two commonalities can be distilled from the literature. First, subjecthood was intrinsically tied to property rights per the sovereign’s law – «the right to use, derive income from the use of, exclude, or exchange» resources (North 1990). Here, subjects and sovereigns extracted mutual benefits. While it bound the sovereign to protect subjects’ privately held resources, it also allowed sovereigns to count – in extreme cases appropriate – these private resources among those of the realm (Krstić 2013; Cooper 2022). Second, studies show that the opacity of subjecthood made it a flexible construct. Individuals were able to change, manipulate, or ‘perform’ their subjecthood identity. This was commonly done for opportunistic purposes: to access and integrate themselves in the aforementioned regimes of (property) rights (Selwood 2022; Muller 2014; Herzog 2003).

Despite this well-demonstrated link between subjecthood and property rights, it is not often translated and applied to explicit discourses on risk management. Transimperial exploitation, however, brings these dynamics as they relate to risk to the fore. The early modern period is marked by a development where individuals increasingly articulated their political and judicial persona in terms of subjecthood instead of a localized legal identity; simultaneously, (the) sovereign(s) law increasingly won out to local customs and courts. It has been argued that a colonial setting intensified these processes of favoring a national instead of a local identification (Herzog 2007).

Whereas in domestic or even intra-European trade, non-sovereign amities or animosities mattered (for example, between cities), this was less so overseas. Operating on behalf of the same sovereign – and confrontation with non-European peoples to juxtapose oneself against – promoted political and mercantile identities as a ‘national’ (meaning subjecthood) unit. One was Spanish instead of Madrilene, and one’s property rights in the colonial sphere as well as the courts to enforce them were calibrated as such.

In protectionist and (in the French case) mercantilist political economies of empire, this was indeed a highly topical dynamic. The regimes of property rights as set by the Spanish and French states protected and operationalized the resources of their respective subjects. Non-subjects were largely denied such rights, with their resources instead requiring protection by their own respective sovereigns against the risk of possible confiscation and appropriation by Spanish or French institutions. However, the flexibilities of early modern subjecthood opened up a grey area in this regard. Not only was it challenging in many cases to define who was a subject and who was not; determining the ‘subjecthood’ of a complex transimperial transaction – often involving a large variety of resources drawn from different origins – was equally taxing. In rough terms, the classification of resources followed the subjecthood of the individuals handling them. Practically, this meant that in most cases, vessels and cargoes in transimperial trade were classified based on the identities of the involved business entities (shipowner/freighter) and/or the crew. By operationalizing their own subjecthood and that of their maritime laborers, Dutch business entities were able to effectively rebrand their ventures to bypass embargoes, reduce the risk of their properties being confiscated, and expand their operational reach with the Spanish and French empires. Numerous examples attest to this strategy and its efficacy in transimperial trade.

Dutch business entities frequently manipulated the perceived subjecthood of their crews as a tactical measure to navigate the hostile regulatory environments of imperial trade. A compelling early example of this practice is found in the case of the *Christelijke Ridder* (1605).² Responding to the embargoes issued by the Spanish King in the 1590s, instead of sailing directly to Spanish ports, the *Christelijke Ridder* was redirected to the neutral port of Arkhangelsk, Russia, where its entire crew was systematically replaced by sailors of another subjecthood, such as English or French. In instances where Arkhangelsk could not supply a sufficient number of seamen, the skipper was even authorized to sail to Plymouth to recruit a new crew. This deliberate crew substitution allowed the vessel to effectively rebrand its identity, thereby assuming the subjecthood of a nation that was viewed more favorably by Spanish authorities. The composition of crews of ‘Dutch’ ships engaged in direct trade with the French West Indies in the eighteenth century betrays a similar preoccupation with the pervasive role of subjecthood. In contemporary French legislation, ships were considered French if two-thirds of the crewmembers and/or the senior officers were French (Covo 2022). As such, crewmembers from France were deployed in different capacities. French consuls in Amsterdam closely monitored the presence of French sailors in the port, noting Dutch shipmaster’s efforts to recruit them for the French

² Amsterdam City Archives (NL-SAA), 5075, 99, f.226v, 230; 100, f.222v, f.223v.

West Indies. French business entities, who were often involved in the organization of such voyages (albeit as a front), were in addition known to insist on having a supercargo or translator from France accompany the voyage – presumably in a direct attempt to minimize not only commercial, but also legal and in a sense cultural risk. Although it was rare for a Dutch-dispatched ship to meet the legal conditions of being considered French, reports by French officials do frequently betray a greater inclination towards openly or covertly allowing the ship to trade by virtue of the clear involvement of French subjects in the endeavor (De Boer 2025).

Such changes in crew composition not only minimized the risk of seizure or punitive action, but also enhanced the ship's credibility as a non-Dutch entity – or in the best case, a subject(s) resource. By carefully assembling crews based on subjecthood, Dutch business entities were able to adapt their operational identity beforehand or in real time to evade restrictive imperial policies, thereby maintaining their access to lucrative transimperial trade networks despite the prevailing institutional obstacles. While administrators at times expressed awareness or even skepticism towards this strategy, their judgments were often still favorable to the Dutch for reasons of opportunism (obtaining vital resources) or simply confusion.

In addition to altering crew composition, Dutch business entities indeed employed a variety of other strategies to obscure the national identity of their ships and cargoes. Exploiting the composite nature of long-distance, transimperial trade was also a known strategy, essentially turning the uncertainties of political-economic regulations against the very institutions seeking to enforce them. For example, the authorities in Martinique could not come to a verdict on the case of a vessel that had come into the port in 1717. It had sailed from Amsterdam and was flying Dutch colors. The shipowner was a French subject residing in Havana; the cargo was partially owned by Spanish subjects. Due to its convoluted character, the French colonial authorities were unable to conclusively establish the 'subjecthood' of the endeavor, forcing an acquittal. Although the vessel was ultimately denied permission to trade, it successfully evaded the risk of confiscation.³ Another strategy involved shipowners or freighters claiming Spanish or French subjecthood, if their own ancestry or (past) place of residence credibly permitted it. In particular, these claims were advanced by respectively the Sephardic and Huguenot-descended mercantile groups in the Dutch Republic (Antunes 2014; De Boer 2023; De Boer 2025).

Through these multifaceted approaches to subjecthood – across the business entity, crew, and ship and cargo – Dutch business not only circumvented legal obstacles but also transformed them into strategic advantages. By rebranding their operational identities, they shirked or accessed more favorable regimes of property rights, and penetrated markets that were ostensibly closed to outsiders. These strategies, while not eliminating risk or uncertainty, allowed Dutch business entities to mitigate them and ultimately extract significant profits from transimperial ventures in different temporal and geographical contexts. The importance of subjecthood, and therewith its efficacy as a tool to manage risk, is therefore underlined specifically in transimperial settings. We now turn to a discussion of a more conventional tool to manage risk –

³ Archives Nationales d'Outre Mer (ANOM), COL C8A, 22, f.128.

insurance – to assess its deployment and efficacy in the less conventional transimperial context.

4. Insurance

The institution of marine insurance features prominently in arguments that long-distance, colonial trade transformed from uncertain to risky over the course of the early modern period. The development and maturation of integrated insurance markets is stated to have resulted from as well as accelerated the accumulation of information, to improving the predictability of colonial trades (Go 2009; Spooner 1983; Denzel 2022). The seventeenth and eighteenth centuries witnessed significant changes in the constitutions of insurance markets, although the basis remained an adequate capital market, adequate institutions, and adequate state support (Wade 2023). Whereas in the seventeenth century underwriting was a mostly private and non-specialized endeavor, the eighteenth century saw the emergence of sophisticated joint-stock insurance companies. In all, marine insurance procured at such markets «enabled risk-averse merchants to pursue high-risk, high-return trading opportunities that they otherwise might have foregone» (Denzel 2022).

Transimperial ventures, however, were characterized by even higher risk, alongside uncertainties that – per most conceptual discussions – were uninsurable. Lengthy and extended routes, substantial capital requirements, and this high degree of uncertainty due to unpredictable geopolitical shifts complicated the accessibility or availability of traditional marine insurance instruments. The flexible financing strategies adopted by Dutch business entities in the seventeenth-century Spanish and eighteenth-century French colonial trades provide insight on two levels. First, they provide data on the comparative risk for these ventures compared to ‘conventional’ intra-European or intra-empire trade. By comparing premiums, we extract insight into business entities’ perceptions of these trades. Second, they reveal to what extent the Amsterdam insurance market was able to service these ventures. We assess if, when and how this leading insurance market was used, and what this infers on its developing function(s).

In seventeenth-century Spanish colonial trade, bottomry loans were a standard instrument to finance risk. Dutch sailings to Spanish American ports were illegal by definition: the *Carrera de Indias* was closed to foreigners, and only royal licenses and the *asiento de negros* offered narrow legal channels. The *asentistas* subcontracted deliveries of enslaved Africans to the third parties, including the Dutch West India Company between the 1660s to 1680s, which in turn chartered private ships. Notarial records seldom specify whether a voyage sailed under a license or served the *asiento*, so systematic premium data for these authorized slave voyages are scarce; instead, most surviving bottomry loans relate to illicit voyages.

Bottomry loans not only provided immediate capital but also transferred a substantial portion of a voyage’s risk onto the lender, resulting in significantly higher interest rates than safer routes typically required. While interest on Baltic voyages hovered between 5-13% and loans to Spain averaged around 30%, loans to the Spanish Americas frequently reached 63% (with a median of 70%) and could climb to 80–100% for especially hazardous journeys such as slave trading (Israel 1989; Van

Tielhof 2002; Negrón 2024). For instance, in 1649 two skippers secured nearly *f*.50,000 in bottomry loans from nineteen lenders for a slave-trading expedition to the Canary Islands, West Africa, Margarita, and Caracas, paying monthly premiums that could reach 6%.⁴ Despite these exorbitant rates, many merchants deemed the arrangement worthwhile to capitalize on goods that commanded premium prices, particularly when they arrived at European markets ahead of competing fleets (Negrón 2024).

By tailoring repayment periods to the duration and hazards of each route, such as calculating rates monthly for longer or seasonally sensitive journeys, these arrangements enabled merchants to share risks in ways regular marine insurance could not. For particularly hazardous ventures, investors in Amsterdam found that shouldering initially high interest could still yield substantial returns, exceeding more moderate options like government bonds or life annuities, which rarely surpassed 8% after 1606 (Dormans 1991; De Vries and Van der Woude 1997; Gelderblom 2009). Consequently, bottomry loans emerged as a cornerstone of early modern maritime finance. They allowed traders to diversify their portfolios and capitalize on transimperial markets, despite the looming threat of confiscation, monopolistic Spanish trade policies, or seasonal price drops (Negrón 2024).

Surveying notarial and judicial records on the organization of Dutch shipping to the French West Indies, bottomry is but rarely mentioned, indicating that business entities did not consider it a suitable tool to securitize this specific constellation of transimperial trade. Instead, general average and regular marine insurance emerge as preferred and available instruments in eighteenth-century French colonial enterprise. Although London is typically cited as the leading insurance market of the eighteenth century, Amsterdam managed to retain its seventeenth-century prominence in this regard, partially owing to its substantial capital market. Crucially, Amsterdam and its underwriters were internationally famed for being willing and able to insure every risk, route, asset or merchandise (Go 2009; Wade 2023).

To illustrate (and, as will be seen, scrutinize) the extent of this premise, we surveyed notarial contracts related to the insurance of cargoes aboard Dutch vessels engaged in ‘neutral’ trade with the French West Indies during the Seven Years’ War (1756–1763). Struggling to maintain Atlantic supply lines because of British attacks, France temporarily suspended the *Exclusif* and invited neutral non-subjects – including the Dutch – to trade with her West Indian colonies instead (Marzagalli 2016; De Boer 2025). Although this meant that the institutional risks associated with French political-economic regulations were temporarily mitigated, it was instead British law that now divulged institutional risks and uncertainties. Considering neutral shipping in service of the French in an act of war, British fleets and courts now sought to obstruct Dutch transimperial trade and confiscate the properties therein. A clear shift in Dutch business entities’ perception of ‘neutral’ French colonial trade – from one of acceptable uncertainty to unacceptably high risk – is observable during the Seven Years’ War. Up until approximately 1759, neutral transimperial trade activity was high, undoubtedly encouraged by the sudden and publicly lowered institutional risk as forthcoming from the French. However, business entities severely underestimated

⁴ NL-SAA, 5075, 1300, *f*.181v; 1819, *f*.800; 2106, *f*.423.

the effective and hostile response of British institutions. This constituted an uncertain new element in this trade, which by 1759 had proven itself to be a fairly lethal risk: systematically gathered statistics related to the numerous captures of vessels and cargoes had at that point become a public good. This translated into significantly lower levels of neutral transimperial trade, with business entities instead demonstrably choosing safer intra-imperial routes for the remainder of the war (De Boer 2025).

Dutch business entities turned to regular marine insurance alongside GA to secure their cargoes from and to the French West Indies during the war years. The median estimated combined value of a return cargo and vessel from the French West Indies stood at *f*.150.000. Notarial records provide insight into the markets where they sourced to insure this, as well as on the premiums that were negotiated. In most cases, insurances for a single freight were internationally procured: business entities contracted them on multiple markets in different countries, ranging from a handful to dozens of underwriters.⁵ Risks were therefore shared on an international scale, more resilient to local, regional, or statewide shocks in a multipolar war. The Amsterdam insurance market was certainly used, though often alongside Rotterdam and Vlissingen. Alongside the Dutch Republic, Southern Europe emerges as a prominent source of insurance. Dutch business entities sought to insure voyages in Lisbon, Livorno, and Ancona; Spain – specifically Cádiz – was also a prominent source, perhaps connected to the sizable French merchant nation in the port. This raises questions on the position of French insurance markets. As detailed by Wade (2023), the French and specifically the Parisian insurance market was never particularly competitive compared to those in Northern and Southern Europe, in spite of efforts by the French state to develop this sector (particularly as pertaining to shipping from and to France and her colonies).

A few instances are recorded of Dutch business entities insuring their cargoes in France, among others in Paris and Nantes. However, the uncompetitive nature of French insurance is evident in the case of *De St. Fernando*, which was captured by the British in 1759 en route from Saint-Domingue to Amsterdam. Jouaneaulx and Parelle, the freighters, had insured the sugar cargo as follows: *f*.15.500 at a 25% premium in Amsterdam; *f*.11.600 at 30% in Zeeland; *f*.16.000 at 50% in ‘Amsterdam and Rotterdam’; 11.400 piastres at 23,25% and 2000 piastres at 30,25% in Cádiz; *fl*.36.900 at 65% in Paris, and *fl*.3.500 at 60% in Nantes.⁶ When Jouaneaulx and Parelle received word that less sugar than expected could be loaded on their account onto *De St. Fernando* (meaning the cargo was now over-insured), they chose to annul their policies in Paris and Nantes. The French premiums were indeed uncompetitive, even among the heightened rates for this route in these circumstances. Other identified premiums in the notarial documentation hover between 20% and 30%, reflective of significantly higher (perceived) risk compared to respectively intra-European, and intra-empire voyages during the Seven Years’ War. Voyages between the Dutch Republic and Bordeaux (the leading French metropolitan port for colonial trade) could be insured on the Amsterdam market at 1-2.5%.⁷ For voyages between the Dutch

⁵ See, for example, NL-SAA, 5075, 11378A, deed 73; 13431, deed 210.

⁶ NL-SAA, 5075, 11379A, deed 89.

⁷ Risky Business database, data gathered by Sabine Go.

Republic and St. Eustatius, a Dutch West Indian entrepôt for French cash crops, premiums between 2.5-5.5% are recorded.⁸ This underlines the comparative perceived risk of (neutral) transimperial trade, at approximately tenfold of the alternative European or Caribbean markets to source colonial cash crops.

Although these instances demonstrate that eighteenth-century insurance markets in Northern and Southern Europe were willing and able to cater to these high-risk enterprises, there is anecdotal evidence that this was not universally the case. A notarial witness deposition, dated April 1758, details why the Amsterdam ship owner Johannes Turner refused to allow his vessel *De Meermin* to be freighted for Saint-Domingue: « [Turner] did not want to employ his ship for illicit trade, and that it was impossible to get insurances for Hispaniola». ⁹ The lack of documentation related to insurances brokered during the latter half of the Seven Years' War indicates that this reputed impossibility to insure transimperial trade – even on the famed Amsterdam market – became more widespread. This likely contributed to the decrease of neutral transimperial trade during the latter half of the Seven Years' War and the concurrent uptick of the cash crop trade in metropolitan French ports as well as Dutch Caribbean entrepôts.

On the whole however, the willingness to pay elevated rates in both the Spanish and the French case illuminates not only the volatility of transimperial commerce but also the transformative appeal of lucrative returns. By balancing the promise of high returns against potential total loss, these risk-transfer mechanisms played a pivotal role in sustaining transimperial trading networks in an era defined by geopolitical uncertainties and fluctuating economic opportunities. The precise mechanisms – bottomry, marine insurance – nevertheless differed per constellation of transimperial trade. Furthermore, an assessment of the insurance rates offered to Spanish or French subject policy holders on the Amsterdam market would add additional insight into the specific premiums associated with the institutional risk of transimperial trade.

5. Agents

Agents played a crucial role in enabling Dutch business entities to penetrate the restrictive colonial markets of the Spanish and French empires. In an environment where formal participation was tightly controlled by imperial authorities, these intermediaries served as essential conduits, facilitating the registration of goods, negotiation of trade deals, and execution of transactions in a manner that conformed to – or cleverly circumvented – the stringent legal frameworks. By operating under local identities or as native subjects, agents allowed Dutch traders to rebrand their operations and transform their outsider status into a competitive advantage. However, this reliance on agents also introduced the classic principal-agent problem: the risk that an intermediary might prioritize personal gain over the objectives of the principal, thereby undermining the efficiency and integrity of transimperial trade.

⁸ Ibid.

⁹ NL-SAA, 5075, 10490, deed 599.

In the context of transimperial trade in the Spanish and French colonies, the principal-agent problem was exacerbated by information asymmetry and the inherent delays in communication across vast distances. Dutch business entities, as principals, often had limited oversight of their agents, leaving them vulnerable to opportunistic behavior. This risk was not merely theoretical; historical records indicate that agents sometimes acted in their own self-interest – diverting funds, delaying transactions, or engaging in private trade – thus compromising the merchants’ broader strategic goals. The challenge, therefore, was to devise mechanisms that aligned the incentives of agents with those of the principals, ensuring that the intermediaries would act as faithful representatives of Dutch commercial interests.

For instance, in 1716, Philippe Couturier and several other merchants testified before a notary that, to avoid confiscation, merchandise from Cádiz destined for the Spanish West Indies was always registered under the name of a native Spaniard (Crespo 2017).¹⁰ Such a practice illustrates how agents were used to navigate legal restrictions, while simultaneously highlighting the potential for conflicts of interest when agents exploited their informational advantage.

To address these challenges, Dutch business entities employed a range of strategies designed to secure the compliance and reliability of their agents. One of the primary mechanisms was commission trade, in which agents were compensated directly in proportion to the successful execution of transactions. Under this arrangement, the agents’ earnings were tied to performance, which helped to mitigate the risk of self-interested behavior. Consignment agreements also played a significant role: by retaining ownership of the goods until they were sold, merchants minimized the opportunity for agents to misappropriate assets. These contractual arrangements provided a degree of oversight and control despite the distance between the Dutch trading centers and their local representatives (Negrón 2025).

Furthermore, such measures to encourage behavior in accordance with the principals’ interests were not only targeted at fellow business entities. Contractual and logistical arrangements of transimperial trade in the French case betray a keen sense that the shipmaster was a key agent as well. The importance of shipmasters in long-distance trade is well-established in the literature (Covo 2022; Butel 1974), though with comparatively little reflection on the mechanisms that bound their behavior. Overall, the terms on which shipmasters on the high-risk routes to the French West Indies were contracted were aimed at cultivating a literal and figurative investment in the success of the voyage at hand – i.e., encouraging the mitigation of risks en route and on-site. For example, shipmasters could be shareholders in the vessel or the cargo (private adventure/pacotille). *De Smirnse Galley*, used to transport French cash crops during the Seven Years’ War, was owned for 1/16th part by its master Jeronimus Geebel. The recorded values of permitted pacotilles around the same time reached as high as *f*.13.600. *Caplakens* – or gratuities paid by business entities upon the successful completion of voyages – were also awarded. While unimpressive in monetary terms compared to pacotilles, their rates do provide additional insight into the comparative risk associated with voyages. *Caplakens* for routes from and to the French West Indies in the mid-eighteenth century reached up to *f*.600, which was

¹⁰ NL-SAA, 5075, 5821A, f.556.

five to tenfold compared to voyages to the Dutch Atlantic colonies, and ten to twentyfold compared to intra-European voyages. These rates roughly coincide with the aforementioned insurance premiums, allowing the tentative conclusion that the risks associated with transimperial trade were roughly tenfold that of routine alternative avenues of obtaining colonial resources. In all, by putting the shipmaster's own (current or future) properties at stake, business entities strived to ensure the compliance of the agent ultimately responsible for the physical transfer of colonial resources across imperial lines (De Boer 2025).

Combined with business entities' aforementioned engineering of the subjecthood of crews, this indicates that risk management tools in these complex commercial environments transcended elite commercial, financial and institutional spheres. Business entities had to devise specific contractual arrangements with specific (types of) agents. In all cases however, the measured sharing of risk remained the cornerstone.

6. Conclusion

In their attempts at exploiting Spanish and French colonial resources, Dutch business entities were confronted with a plethora of risks and uncertainties. While the institutional frameworks of the Spanish and French empires were alike in their regimes of exclusion, their temporal and geopolitical contexts differed. The Spanish case in the seventeenth century was defined by a mix of institutional risk and deep uncertainty, exacerbated by war, embargoes, and fluctuating policies. In contrast, the eighteenth-century French empire was marked by a more stable institutional context, with consistent high risk yet incidental uncertainties. While ostensibly underlining the assertion that over the course of the early modern period colonial trade became more predictable and less uncertain, our findings present a more complex picture.

Three interrelated strategies – subjecthood, insurance, and agency – demonstrate how business entities developed a repertoire of practical, creative and resilient approaches enabling them to operate in the restrictive political-economic frameworks of foreign empires, which explicitly aimed at excluding non-subjects' access to colonial resources. By examining the details of these strategies, three conclusions can be drawn which complicate a linear view of risk management strategies and tools in the early modern period. First – certain strategies and tools were employable in different contexts across space and time. This implies the existence of a pool of information, experience and knowledge that spills beyond specific national or imperial contexts. Second – business entities in the (early) seventeenth century disposed of tools and strategies to successfully trade in uncertain environments, which were nevertheless not utilized in later periods. Third – business entities in the (later) eighteenth century still occasionally encountered risky environments for which there were no tools and strategies to allow successful trading.

While assessments of risk and uncertainty in long-distance, colonial trade often depart from an 'intra-empire' setting, we argue that the case of transimperial commerce presents a more complex picture. Institutional risk, or more concretely the enforcement of protectionist policies, is a strong element that is (mostly) absent from

the intra-empire contexts commonly taken in these analyses. Juxtaposed with a growing conceptualization of early modern empires as fundamentally transnational enterprises, more comprehension of the strategies and tools to realize this is a welcome addition to the scholarship.

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*La crisis de la banca pública sevillana a mediados del siglo XVI.
La quiebra de Domingo de Lizarraras en 1553**

1. Introducción

La quiebra de un banco, ya sea en el pasado o en la actualidad, ocurre cuando carece de suficiente liquidez para atender el pago de sus obligaciones a corto plazo. Si carece de reservas primarias, no podrá atender la solicitud de sus clientes y convertir pasivos bancarios en dinero efectivo. Los problemas de un banco para conseguir liquidez en un momento determinado dependen en gran medida de las decisiones previas tomadas por sus gestores. En busca de obtener la máxima rentabilidad de los fondos que gestionan, ellos son los que deciden el tipo de activos en los que deben invertir y también la cuantía de las reservas del banco.

Mientras la entidad no se vea obligada a ajustar sus activos al valor de mercado o a venderlos apresuradamente para obtener liquidez, se puede mantener solvente. Incluso si, en un momento dado, sus activos pierden valor, un banco con suficientes ganancias operativas y capital es capaz de absorber pérdidas y continuar operando. El problema surge cuando las entidades financieras se enfrentan a retiradas masivas de depósitos, lo que suele ocurrir cuando, repentinamente, sus clientes pierden su confianza en la entidad o se vuelven más precavidos. Ante esta situación, un banco con una cartera de activos de ‘buena calidad’ puede convertirlos fácilmente en dinero efectivo o puede usarlos como garantía para obtener nuevos préstamos, pero un banco con una cartera de ‘mala calidad’ tendrá dificultades para lograrlo y es probable que termine quebrando (Esbitt 1986).

El éxito bancario depende casi por completo de la honestidad, la buena fe de sus gerentes y su capacidad para elegir inversiones capaces de mantener su valor incluso en tiempos difíciles. En cierta medida, las crisis resaltan la diferencia entre los activos sólidos y los más arriesgados, algo que suele pasar desapercibido en los períodos de prosperidad (Thomas 1935, 315-16). A estos retos se enfrentan hoy las entidades bancarias, pero también lo hacían en el pasado, dado que el contexto en el que solían operar estaba sometido a grandes riesgos e incertidumbres.

Aunque es cierto que un banco puede fracasar incluso poseyendo activos sólidos cuando no logra convertirlos en liquidez inmediata, lo más común es que las quiebras

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se produzcan a raíz de pérdidas o inversiones arriesgadas. Estudios recientes sobre bancos en los Estados Unidos ofrecen ya suficiente evidencia empírica para mostrar la relación entre las quiebras bancarias y las recesiones económicas con elevadas ratios de préstamos frente a depósitos y retiradas masivas de efectivo en determinados momentos (Friedman and Schwartz 1963; Bernanke 1983; Gorton 1985). Cualquier shock externo pone así a prueba la gestión interna del banco y su supervivencia, poniendo en valor la acertada elección de activos llevada a cabo por sus gestores. Por ejemplo, al estudiar las inversiones de muchos de los bancos que quebraron en la Gran Depresión se pone de manifiesto una excesiva exposición a bienes raíces, una estrategia que ha sido interpretada como un claro signo de gestión arriesgada.¹

La economía y la sociedad en su conjunto no son inmunes a las quiebras bancarias, cuya reacción puede desembocar en una recesión (Thomas 1935). El cierre de un banco genera desconfianza en todo el sistema financiero, extendiendo la sospecha de insolvencia no sólo a otras entidades financieras, sino también a todo tipo de compañías y negocios. Si un banco quiebra, los depositantes pierden sus ahorros, los accionistas su inversión y, en general, los clientes pierden también sus vínculos financieros con otros clientes y empresas (Aharony and Swary 1983, 305). Paralelamente se produce una escasez de crédito, paralizando todo tipo de transacciones.² Esta cascada de consecuencias supone no sólo un freno para la actividad comercial de los directamente afectados por la quiebra bancaria, sino también para quienes ni siquiera tenían una relación directa con ella. El temor a ese 'efecto contagio' y a sus consecuencias explica la necesidad de regular la actividad bancaria (Meltzer 1967; Burns 1974), y para ello es imprescindible entender por qué se producen las quiebras.

En estas páginas analizaremos la quiebra de uno de los bancos públicos que operó en la Sevilla del siglo XVI. Los datos nos permiten ofrecer información sobre sus negocios, sus socios y principales clientes, así como del riesgo que asumía la entidad. Trataremos de entender en qué medida la quiebra se explica por motivos internos, relacionados con decisiones arriesgadas de sus gestores, por factores exógenos en un contexto de debilidad financiera generalizada, o bien por una combinación de ambos, impidiendo que el banco lograra el respaldo y confianza en el momento que más lo necesitaba.

Lograr este objetivo no es tarea fácil. Uno de los mayores retos a la hora de estudiar las quiebras bancarias de la Edad Moderna es explicar los motivos que provocaron el cierre de una entidad (Carande Thovar 1965-1969, I, 319). Es difícil entender por qué desaparecieron repentinamente empresas que fueron solventes durante años, provocando no sólo la ruina de sus dueños, sino también la de sus socios, gestores y algunos clientes. Es cierto que existía un marco legal que regulaba

¹ En Chicago, muchas quiebras bancarias durante la Gran Depresión estuvieron estrechamente relacionadas con la estructura del mercado bancario (muchas veces vinculado con cadenas o grupos bancarios) y con el destacado papel de las inversiones inmobiliarias en las operaciones de muchos bancos (Esbit 1986).

² Las quiebras bancarias reducen al menos un 30% las inversiones de sus clientes (Minamihashi 2011).

la actividad bancaria, pero muchas veces resultó ineficaz a la hora de evitar este tipo de incidentes (Steele 1991). La legislación bancaria castellana, al igual que ocurría entonces en el resto de Europa, reflejaba la preocupación de las autoridades por dar estabilidad al sector, pero no servía para reducir los riesgos de sus gestores.³ Aunque dictar normas era relativamente sencillo, hacerlas cumplir se enfrentaba a obstáculos insalvables. No existían instituciones de supervisión que vigilasen la salud de las entidades financieras, ni tampoco mecanismos de rescate en caso de dificultades. Tampoco existía la figura del banco central o prestamista de último recurso que pudiera ofrecer estabilidad al sistema financiero en momentos de zozobra. El éxito de la entidad residía en la destreza de sus gestores para tomar decisiones acertadas, ganarse la confianza de sus clientes y disponer de una cartera con activos de 'buena calidad', tal y como explicábamos con anterioridad.

Este trabajo estudia la quiebra bancaria de Domingo de Lizarraras en 1553, uno de los bancos públicos de Sevilla cuando la ciudad era el centro internacional del comercio con América y una de las ciudades más ricas de Castilla. El banco y su quiebra son conocidos gracias a las investigaciones realizadas hace años por Carande. Lo que se propone esta investigación es profundizar en este caso, ofreciendo detalles inéditos sobre el gestor del banco, sus clientes, los fiadores y los principales deudores de la entidad, así como analizar algunas de sus debilidades con el objetivo de entender mejor su quiebra.

El estudio de este banco público muestra la relevancia, no sólo de las decisiones tomadas por los gestores, sino también de la coyuntura económica a la hora de explicar la trayectoria de muchas entidades bancarias en el pasado. El fracaso de Lizarraras permite entender mejor las redes locales de crédito que daban soporte a este tipo de compañías. En los bancos públicos de Sevilla confluyeron los intereses de grandes mercaderes con los de muchos financieros extranjeros, interesados en extender sus inversiones más allá de la península Ibérica, especialmente en América.

La investigación analiza dos aspectos. Primero explica el difícil contexto crediticio de la década de 1550 provocado por la intervención de la Corona en los mercados de crédito castellanos. La legislación que prohibió el uso de letras de cambio en la península Ibérica acrecentó una falta de liquidez generalizada, afectando a todo tipo de negocios, especialmente a los comerciales. Algunos bancos públicos, como el de Domingo de Lizarraras, no fueron inmunes a este shock exógeno. El segundo aspecto que analizamos tiene un carácter endógeno al tratarse de los activos en los que había invertido la entidad antes de la quiebra. Algunos préstamos que concedió el banco no se caracterizaban precisamente por su liquidez inmediata. Cuando llegó la crisis y se produjo una contracción crediticia, la entidad quedó aún más expuesta, impidiéndole lograr el crédito que necesitaba para evitar su quiebra.

2. Las dificultades crediticias en Castilla a partir de 1551

Castilla experimentó una notable expansión económica en la primera mitad del siglo XVI a medida que creció su población y sus ciudades (Álvarez Nogal and Prados

³ Una revisión de la legislación más importante en (Basas Fernández 1964, 315-20).

de la Escosura 2013). El auge de la agricultura permitió una extensión de la tierra cultivada coincidiendo con un auge del comercio, tanto con América como con otras zonas de Europa (Casado Alonso 2013; Carvajal de la Vega 2015; Casado Alonso 2015).

Este creciente dinamismo impulsó la creación y desarrollo del sector bancario de forma paralela. Las entidades aceptaban depósitos y ofrecían crédito en un contexto cultural y religioso contrario al cobro de intereses. Las leyes prohibían la usura al considerar que el interés era ilícito. Para evitar problemas los mercaderes recurrieron al giro o transferencia de dinero de unas plazas a otras, especialmente hacia ferias o mercados, utilizando letras de cambio. El giro, muchas veces ficticio, no pretendía pagar la compra de una mercancía, sino ‘entretener’ durante un tiempo el préstamo de dinero. Esas letras no se pagaban con dinero al llegar a su destino, sino que servían para emitir otra que devolvía la obligación del pago a la plaza original (Rodríguez González 2000). Entre la ida y la vuelta de la letra, su tomador disfrutaba de un crédito a corto plazo cuyo interés nunca se declaraba en el documento al estar camuflado en el cambio de moneda. Este recurso fue utilizado de forma masiva, tanto por particulares como por la propia Corona, cada vez que necesitaban dinero a corto plazo.

Las crecientes necesidades de la política imperial de Carlos V convirtieron a la monarquía en una de las principales demandantes de crédito en Castilla. No se trataba tanto de cubrir grandes déficits estructurales, sino de atender necesidades a corto plazo. El cobro de impuestos se efectuaba en momentos puntuales del año y, además, la recaudación era costosa y llevaba su tiempo, pero los gastos exigían liquidez inmediata, pagos constantes, especialmente aquellos vinculados con la guerra y el mantenimiento de la propia administración real. La Corona recurrió a mercaderes y banqueros en busca del crédito que esas obligaciones le exigían.

Lógicamente, cualquier préstamo a corto plazo tenía siempre un coste elevado. Los giros realizados de feria en feria podían alcanzar fácilmente el 20% de interés anual. Para los comerciantes habituados a obtener márgenes mucho más elevados en sus transacciones, ese importe no era difícil de asumir, pero para los burócratas y ministros del rey que siempre trabajaban con presupuestos ajustados, esos tipos resultaban abusivos. Sus argumentos en contra estaban además amparados por la legislación vigente y la mentalidad de la época. La tensión aumentaba cuando crecían las necesidades urgentes de la monarquía. Lo más sencillo en esos casos era echarle la culpa a los prestamistas, ignorando que unos elevados tipos de interés no eran tanto el capricho de unos pocos, como la consecuencia lógica de una intensa demanda de crédito en el contexto de una economía en plena expansión.

La Corona no era la única afectada. Las oligarquías urbanas culpaban a esos elevados tipos de interés del alza generalizada de los precios en las ciudades. En lugar de relacionar ese incremento con la creciente llegada de plata desde América, muchos pensaban que era producto de la especulación promovida por los banqueros, especialmente por los extranjeros, que trataban de enriquecerse a costa de Castilla.

La monarquía aprovechó las quejas de las ciudades en las Cortes para tasar el tipo de interés imponiendo por ley un máximo del 10% en 1534 (Espejo and Paz 1908, 89). Aunque este tipo de regulación no logró su propósito, la reducción del tipo de interés se convirtió en una obsesión a partir de entonces. Una prioridad compartida

por las ciudades y la Corona en su agenda política. La monarquía sabía que cualquier reducción en el coste del dinero le beneficiaría, al reducir la factura que debía abonar cada vez que solicitaba crédito.

La presión ejercida por las Cortes aumentó hasta que el 6 de noviembre de 1551, nada más regresar el príncipe Felipe de su viaje a los Países Bajos, se aprobó una pragmática prohibiendo el giro de letras con interés dentro de Castilla. Según Carande: «Pocas disposiciones perjudicaron más a la contratación, ni contribuyeron tanto a que se restringiese la circulación de metales preciosos en el reino» (Carande Thovar 1965-1969, I, 345). Una orden que fue repetida más adelante, el 6 de octubre de 1552. No hubo que esperar mucho para ver sus consecuencias, aunque estas fueron justo las contrarias a las que se buscaban. En lugar de descender, el interés del dinero se cuadruplicó, reduciéndose al mismo tiempo la oferta de crédito. Lógicamente, muchos decidieron no arriesgarse a ser castigados y optaron por atesorar su dinero o enviarlo a Italia, donde no había este tipo de restricciones.

Posteriormente, los préstamos forzosos que la Corona solicitó a partir de diciembre de 1553, incautando repetidamente las remesas privadas del Nuevo Mundo, se convirtieron en otro elemento de desestabilización financiera a corto plazo.⁴ Estas operaciones también redujeron el dinero en circulación a corto plazo, tensionando aún más la demanda de crédito y la liquidez de los banqueros.

Los más perjudicados por esta legislación restrictiva fueron los mercaderes castellanos que, al no poder pedir prestado en Castilla, no tuvieron más remedio que solicitar crédito girando letras sobre otras plazas extranjeras, en condiciones mucho más exigentes que antes de la pragmática. El impacto de este tipo de legislación sobre el comercio fue inmediato. En el norte se produjo una caída de las exportaciones de lana (Casado Alonso 2003b), pero también fue una década especialmente compleja para los cargadores de Indias que operaban en Sevilla (Lorenzo Sanz 1980, II, 418).

La contracción crediticia impactó directamente sobre la Carrera de Indias (Gráfico 1). El volumen de tráfico entre Castilla y América colapsó entre 1551 y 1556 y sólo se recuperó con la abolición parcial de la legislación restrictiva y con el tratado de paz de Cateau-Cambrésis. Además de la prohibición de girar letras, la caída del tráfico se acentuó por otros factores: el comienzo de un nuevo ciclo bélico; la sucesión de varios naufragios ocurridos en los viajes de regreso a España; y la detracción de recursos y navíos en Sevilla para poder aprestar la armada que debía transportar al príncipe Felipe y su corte a Inglaterra, con una flota de más de cien navíos, 31 de ellos requisados en Andalucía (Sardone 2019b, 51 y 127; Chaunu 1957, II, 508-10).

⁴ Sobre esta práctica durante el siglo XVI: (Lorenzo Sanz 1980; Sardone 2019a; 2019b).

Gráfico 1. Tonelaje de salida y llegada en la Carrera de Indias 1503-1585 (valores en *toneles*)



Fuente: Chaunu (1957).

La Real Hacienda también se vio afectada durante esta década al resentirse la recaudación de los impuestos vinculados directamente con la actividad comercial. La quiebra de muchos mercaderes terminó afectando también a los bancos a partir de 1552 (Carande Thovar 1965-1969, I, 319). Las dificultades de estas instituciones se notaron de forma especialmente intensa en Sevilla.⁵ Juan Pedro Leardo cerró sus puertas en 1552, Domingo de Lizarrazas lo hizo en marzo de 1553 y Juan Íñiguez y Octaviano Negrón (Negrone) en 1554 (Carande Thovar 1965-1969, I, 306-13 y 15; Sardone 2015, 268).

⁵ (Carande Thovar 1965-1969, I, 299-319) describió las principales características de estas instituciones en la Sevilla de principios del siglo XVI. Ruiz Martín (1970) ofreció una primera panorámica de los bancos castellanos a partir del siglo XV. Más adelante, (Lapeyre 2008 (1ª edic. 1955), 234-35) publicó un listado de entidades activas entre 1531 y 1575, con algunas referencias posteriores. Otros trabajos han seguido ofreciendo valiosa información sobre la banca pública de Sevilla: (Basas Fernández 1964; Lorenzo Sanz 1980; Tinoco Rubiales 1981; Cuartas Rivero 1982; Hernández Esteve 1988; Tedde de Lorca 1998; Bernal Rodríguez 2000; Tinoco Rubiales 2000).

Lo mismo ocurrió en las ferias de Medina del Campo. Sus reuniones se prorrogaron varias veces, dada la imposibilidad que tenían muchos deudores a la hora de atender sus obligaciones. No tardaron en producirse protestos de letras y bancarrotas. En 1552 quebró Juan de Villafranca; en 1553 lo hicieron Cristóbal de Arbieta, Gaspar Enríquez, Luis Alonso y Francisco Lomelín; los Arteaga cerraron sus puertas en 1554 y Delgadillo y Arbieta en 1555 (Abed Al-Hussein 1986, II, 228 y ss.). La quiebra de Gaspar Enríquez el 31 de octubre de 1553, nada más terminar la feria, afectó a algunos bancos, como el de Delgadillo y Arbieta, el de Aragón y el de Juan de Medina (Carvajal de la Vega 2023, 118-20).

Los mercaderes no tardaron en acudir a la Corona para explicar el grave perjuicio que las pragmáticas de 1551 y 1552 estaban causando. Juan de Delgadillo pidió su derogación inmediata porque, en su opinión, eran la causa de que el dinero hubiese desaparecido de las ferias (Carande Thovar 1965-1969, I, 347). Como los deudores no tenían más remedio que pedir prestado fuera del reino, lo que antes costaba un 9 o 10% al año, ahora superaba el 20%. El Consejo de Hacienda tenía otra opinión, muy distinta al planteamiento de los grandes mercaderes. En lugar de abolir la legislación, redoblaron sus esfuerzos para controlar los mercados crediticios. Entre diciembre de 1555 y marzo de 1556 se aprobaron dos nuevos decretos extendiendo la prohibición de los giros de letras a toda la península Ibérica, estableciendo además máximos legales a los tipos de cambio de la moneda castellana con otras plazas europeas (Carlos Morales 2003, 297). Estas medidas buscaban obstaculizar a toda costa la salida del metal precioso pensando que era lo correcto para acabar con la escasez de dinero y lograr una reducción de los tipos de interés. Una vez más, se impuso la realidad y las nuevas prohibiciones tampoco lograron su objetivo, sólo generaron una nueva ola de protestas, a la que, en esta ocasión, se sumaron también los financieros extranjeros que trabajaban para la Corona.

La llegada al trono de Felipe II en 1556 y su decisión de designar como Factor General del rey al mercader Fernán López del Campo, propició una solución. Este puesto fue creado en aquel momento para poder financiar la guerra en Francia desde Castilla, desplazando así a quienes hasta ese momento dirigían el Consejo de Hacienda y su política financiera. En marzo de 1557 se corrigieron parcialmente algunas disposiciones aprobadas en 1551, 1552 y 1555, permitiendo de nuevo el giro entre Castilla y Valencia, así como entre Sevilla y las ferias castellanas (Carlos Morales 2003, 303).

Después de visitar personalmente la feria de Medina del Campo en 1557, López del Campo le describía a Felipe II los efectos causados por las pragmáticas:

lo que vi en esta feria de octubre no se puede escribir ni creer, si no se ve (...) porque donde en una feria como esta se solían negociar 4 o 5 millones de ducados, verdaderamente no se negoció en ella medio millón, ni aún con mucho; y donde solían venir 200 personas de hacienda y crédito y de gran trato, no vinieron 20; y donde se solían venir grandísima cantidad de negocios

remitidos de esos estados y Italia y de otras partes para esta feria, no an venido de 100 partes una⁶

López del Campo tenía muy claro cuál era el origen de esa desolación y sus consecuencias sobre la ciudad de Sevilla:

la causa principal de aver venido el comercio a estos términos a sido las pragmatikas que se an hecho de seis años a esta parte. La primera fue quitar el cambio de aquí a Sevilla y de allí aquí, y la finança que solía aver de feria a feria (...). Esta pragmatika fue también causa que los negocios de Sevilla viniesen al estado que a V. Magd. an informado muchas veces y como se ve y agora con efecto en las rentas de V. Magd. Porque como el principal trato de aquella ciudad sea el de Yndias y la navegación sea algunas veces más larga que los mercaderes piensan, viniese a hallar con necesidad de dinero y por cumplir lo que an prometido vienen a parar en esto de las moatras y cambios fingidos donde los intereses son muy crecidos y paran de aquí en quebrar y romper, donde antes con la comodidad que tenían de los cambios, acomodaban sus negocios con más facilidad y menos daño y cierto sola esta pragmatika ha sido la principal causa porque se an sacado los dineros y negocios deste reyno⁷

Por desgracia para algunos bancos, como ocurrió en el caso de Domingo de Lizarraras, la corrección de las normas que regulaban los mercados crediticios llegó demasiado tarde.

3. El banco público de Domingo de Lizarraras en Sevilla

El establecimiento en 1503 de la Casa de la Contratación en Sevilla convirtió a la ciudad en el único puerto legal de entrada y salida entre Castilla y América. La posterior llegada de oro y plata resultó ser un poderoso reclamo para que muchos mercaderes decidiesen establecerse en la capital hispalense. Emprendedores de Burgos y Bilbao, las ciudades de España con mayor proyección comercial en el norte de Europa, no dudaron en intensificar sus negocios también a orillas del Guadalquivir (Casado Alonso 2003a; Priotti 2005). Desde el comienzo de la Carrera de Indias ya es posible identificar un nutrido grupo de empresarios vascos muy activos en el ámbito comercial y financiero de la ciudad.

Domingo de Lizarraras era natural de la villa de Cestona (Guipúzcoa) (García Fuentes 1991, 34). Su padre y su primo Martín invirtieron muy pronto en el comercio con América. Ambos participaron en la financiación de la primera expedición de Diego de Nicuesa en 1509, y también en la de Pedrarias Dávila a Castilla de Oro en

⁶ Archivo General de Simancas (AGS), *Consejo y Juntas de Hacienda (CJH)*, 121, n° 62. Carta, 1 Febrero 1557.

⁷ AGS, *CJH*, 121, n° 62. Carta, 1 Febrero 1557.

1513.⁸ El interés de esta familia por abrirse un hueco en el comercio americano llevó a sus integrantes a utilizar los lazos de parentesco como un pilar esencial de su estrategia. Esta forma de organizar las empresas fortalecía la confianza cuando se hacían negocios a ambos lados del Atlántico. Si esa red no era lo suficientemente extensa, se complementaba con el ‘apoyo mutuo’ entre paisanos, siendo otra de las fórmulas frecuentemente utilizadas por los emprendedores vascos a la hora de extender sus negocios. A partir de mediados de 1520, Domingo «el mozo», el futuro banquero, empezó a realizar visitas a la ciudad en compañía de su primo, llegando también a expedir mercancías a América junto con Martín Martínez de Mallea y Francisco Chorruga.⁹

Domingo se casó en primeras nupcias con María Pérez de Aldamar, con quien tuvo dos hijos, Isabel y Pedro (Otte 2008, 264). Su mujer era natural de Guetaria, donde su familia poseía varios molinos y comerciaba con hierro.¹⁰ Allí residió la pareja durante un tiempo antes de trasladarse a Andalucía. Una vez en Sevilla, la familia se instaló en la parroquia de Santa María, donde el joven vasco entró en contacto con poderosos mercaderes de la ciudad. En 1542 decidió dar un salto en sus negocios y solicitó al cabildo de la ciudad una licencia para abrir un banco público. Ese mismo año Lizarraras abrió sus puertas. Su licencia sería renovada tres veces: a finales de 1544, 1548 y 1552. La entidad se puso en marcha con un capital social de 10.000 ducados. 7.000 fueron aportados por el propio Domingo y su esposa, dejando el resto en manos de tres genoveses: Jerónimo Cataño de Acelín (Gerolamo Cattaneo Accelino) y sus hermanos Gregorio y Juan Bautista. Domingo se hizo cargo de la gestión diaria, ayudado por sus colegas Martín de Mendiola y Pedro de Durango.¹¹

La renovación de la licencia el 20 de diciembre de 1544 implicó una pequeña reestructuración del negocio. Lizarraras redujo su inversión a 4.000 ducados, dejando que la compañía «Gregorio y Jerónimo Cataño» continuase aportando los 3.000 iniciales. Juan Bautista abandonó temporalmente el negocio, hasta su reincorporación en enero de 1549.¹² De esta forma, los genoveses pasaron del 30% a controlar casi el 43% de la entidad.¹³ No se volvió a producir ningún otro cambio hasta que Gregorio Cataño fue sustituido por Juan Jacome Spínola en septiembre de 1551. Estos genoveses no sólo formaron parte del capital social de la entidad, sino que también intervinieron en algunos negocios financiados por el banco, como el arrendamiento del Almojarifazgo Mayor de Sevilla realizado por Alonso de Illescas en 1549 (Otte 2008, 265-66).

⁸ Junto a Nicolás Sánchez de Aramburu, Martín invirtió 2.250 ducados en la primera expedición de Nicuesa. Por su parte, Domingo aprovisionó de clavo y hierro la armada del gobernador de Tierra Firme. (Mena García 1998, 320-336; 2012, 628-31).

⁹ Archivo General de Indias (AGI), *Indiferente*, 1203, N.39, fols. 9-10 (Sardone 2015, 271).

¹⁰ En enero de 1527 los socios apelaron al Consejo de Indias y la Casa de la Contratación para cobrar sus créditos. Catálogo del Fondo Americano del Instituto Hispano-Cubano para la historia de América (CFA), V, a. 1272, fol. 393.

¹¹ (Carande Thovar 1965-1969, I, 307-08; Otte 2008, 263-64; Ortiz Arza 2023).

¹² AGI, *Indiferente*, 424, L.21, fol. 290v. Real Cédula, Valladolid, 7 Febrero 1549.

¹³ Copia del testamento de María Pérez de Aldamar. Archivo Histórico de Euskadi (AHE), Archivo de la Familia de Ramery, Sección B, Libro 1, Exp. 1. Ortiz Arza (2023).

Cuando falleció su mujer en el verano de 1546, Domingo volvió a casarse, en esta ocasión con doña Isabel de Sandoval, con quien tuvo otros cuatro hijos: Ana, Catalina, María y Juan. Su segunda mujer pertenecía al poderoso clan Farfán-Varela de Salamanca, siendo hija del escribano Pedro Farfán, ya fallecido, y nieta del gran impresor Juan Varela de Salamanca (Gil 2001, IV, 40-41; 327), uno de los principales fiadores del banco (apéndice).¹⁴

La escasa legislación bancaria con que contaba Castilla a mediados del siglo XV buscaba fomentar la competencia y la creación de este tipo de negocios,¹⁵ pero también pretendía que fuesen estables y seguros. Por esa razón las entidades debían presentar obligatoriamente fianzas (Lapeyre 2008 (1ª edic. 1955), 224).¹⁶ En 1549 Domingo de Lizarraras fue avalado por 44 fiadores por un importe de 105.000 ducados, y en noviembre de 1552 ese número creció hasta los 86, con un respaldo de 200.000 ducados (apéndice).¹⁷ Las fianzas debían servir para compensar a los acreedores en caso de quiebra.

Aunque el 10% de ese respaldo procedía de cinco genoveses (Constantino, Juan Jácome y Luis Spínola, Juan Bautista Vivaldi y Jerónimo Cataño de Acelín), su principal fiador siguió siendo Juan Varela de Salamanca, capaz de aportar 10.000 ducados en solitario. Entre los fiadores había un nutrido grupo de destacados mercaderes, como Juan Núñez de Jerez, Francisco de Melgar, Cebrián de Caritate, Diego Alemán de Flandes, Alonso de Illescas, Pedro de Arbieto, los vascos Nicolás de Aramburo, Andrés de Areiza, Gabriel de Valmaseda y Antonio de Isasi, además de Diego Martínez y Alonso de Espinosa.¹⁸ Cabe destacar también la presencia de doce jurados de Sevilla, entre ellos Alonso Ruiz, Juan de la Barrera, Alonso Hernández de Jerez y Hernán Núñez de Toledo, todos muy asiduos del comercio transatlántico, así como los dos fieles ejecutores, Rodrigo Bazo y Francisco de Escobar, también cargadores, con Escobar que, pocos años después, estaría al frente del Consulado de Sevilla.¹⁹

¹⁴ Varela de Salamanca afianzó el banco con las licencias de 1549 y 1552 con 10.000 ducados en ambas circunstancias. AGI, *Justicia*, 1155, N.3, R.8, fols. 53-54, 236-238, 409-410.

¹⁵ CECA, IX, pp. 182 y 185 (libro IX, título III, leyes I y V). Por ejemplo, una pragmática promulgada por Juan II en 1435, ratificada veinte años más tarde por Enrique IV, prohibía a las ciudades limitar el número de cambistas (Ruiz Martín 1970, 13-14).

¹⁶ A lo largo del siglo XVI las autoridades incrementaron el importe de las fianzas, pasando de 50.000 ducados en 1519 a 200.000 entre 1540 y 1553 (Ruiz Martín 1970, 24).

¹⁷ (Otte 2008, 223) indica dos fianzas, una de 105.000 ducados dada en 1545 por 45 fiadores, con un posible fallo de datación (debe de ser el 1549), y otra de 204.000 ducados, dadas 1552. Los traslados de las fianzas de 1549 y de noviembre de 1552 están en AGI, *Justicia*, 1155, N.3, R.8, fols. 53-54v, 236-238, 409-410. En un primer tiempo, Carande, basándose en los datos ofrecido por Otte, indicó el valor de 204.000 ducados para la fianza de 1549. (Carande Thovar 1965-1969, I, 309-10), mientras que los documentos consultados nos indican el valor de 200.000 ducados. De los 86 fiadores, los genoveses aportaron 22.000 ducados. AGI, *Justicia*, 1155, N.3, R.8, fols. 53-54. (Carande Thovar 1965-1969, I, 310).

¹⁸ En la fuente están indicados explícitamente como mercaderes los siguientes: Alonso de Medina, Alonso de Madrid, Juan de los Reyes, Baltasar González, Pedro Zarfate, Francisco Chorruga, Miguel de Córdoba, Jerónimo León, Gonzalo Sánchez, Rodrigo de Baeza, Diego Núñez y Pedro de Baeza. AGI, *Justicia*, 1155, N.3, R.8, fols. 236-238. Sin embargo, el listado de comerciantes profesionales es mucho más extenso.

¹⁹ (Heredia Herrera 1985, 497).

Entre los principales negocios de los bancos públicos de Sevilla estaba el respaldar las compras de metales preciosos en la Casa de la Contratación que hacían los compradores de oro y plata para gestionar su acuñación. El banco de Lizarraras intervino en varias operaciones de este tipo a lo largo de sus diez años de actividad. Una de ellas, muy pocos meses antes de su quiebra, supuso intervenir en la gestión de los 638.247 ducados que llegaron en la flota de Francisco de Mendoza, subastados entre noviembre de 1552 y marzo de 1553. Casi la totalidad fue depositada en bancos públicos de Sevilla. Lizarraras se hizo cargo de casi la mitad (48,5%) (Tab. 1).²⁰ Los compradores de oro y plata con quienes trabajó fueron Martín Hernández de Mendoza, Francisco de Dueñas, Álvaro de Armenta y Pedro Luis de Torregrosa,²¹ aunque más adelante, el propio banco también adquirió 21.287 ducados directamente de la Casa de la Contratación (Donoso Anes 1992, 295).

Tab. 1. Compraventa de oro y plata realizada por el banco de Domingo de Lizarraras y sus intermediarios con los fondos llegados en la flota del capitán general Francisco de Mendoza en 1552

Fechas	Ducados	Compradores de oro y plata/banqueros
24 Noviembre 1552	22.783	Martín Hernández de Mendoza
24 Noviembre 1552	22.783	Martín Hernández de Mendoza
1 Diciembre 1552	17.586	Andrés Sánchez
2 Diciembre 1552	38.256	Francisco de Dueñas y Álvaro de Armenta
24 Diciembre 1552	54.207	Pedro Luis de Torregrosa (*)
24 Diciembre 1552	4.710	Pedro Luis de Torregrosa (*)
12 Enero 1553	36.721	Álvaro de Armenta
3 Enero 1553	20.891	Pedro Luis de Torregrosa
3 Enero 1553	25.305	Francisco de Dueñas y Álvaro de Armenta
5 Enero 1553	16167	Pedro Luis de Torregrosa
19 Enero 1553	40.780	Pedro Luis de Torregrosa
6 Febrero 1553	21.287	Domingo de Lizarraras
7 Febrero 1553	3.990	Pedro Luis de Torregrosa (**)
	309.683	Total entregado al banco Lizarraras

Fuente: AGI, *Justicia*, 1155, N. 3, R. 8, folios 14-20. Notas: (*) Partida depositada en el banco Lizarraras y en Cristóbal Raizer, por el tesorero Francisco Tello; (**) de una partida de 1.778.909 maravedís.

²⁰ Lizarraras recibió del tesorero Francisco Tello 94.037.286 maravedís a su nombre, más otros 22.093.784 junto al mercader alemán Cristóbal Raizer.

²¹ Torregrosa se convirtió en oficial en 1554 y trabajó en la comisión, presidida por el alcalde Salazar, encargada de despachar las certificaciones de los metales preciosos requisados (Sardone 2019b, 57 y 140). Ocupó el cargo de factor de la Casa entre 1559 y 1560, gestionó las minas de Guadalcanal y en 1598 se puso al frente del recién creado libro de caja de la Hacienda de Felipe II (Hernández Esteve 1985).

4. La quiebra del banco en 1553

La quiebra de Lizarraras se produjo el sábado 11 de marzo de 1553, muy poco después de renovar su licencia como banquero público por tercera vez. Nada hacía presagiar un desenlace tan amargo a los pocos meses de iniciar esta nueva etapa.

Carande describe la causa inmediata de la quiebra. Al parecer, el mercader Pedro de Arbieto, actuando en nombre de Andrés de Sanjulián, factor de los Affaitadi, reclamó al florentín Jácome Boti (Jacopo Botti) unas libranzas por valor de 17.424,5 ducados.²² Boti no disponía entonces de efectivo porque era uno de los fiadores del banco de Leardo, quebrado el verano anterior. Los acreedores de esta entidad no dejaban de hostigarle para que cumpliera sus compromisos.²³ En un intento por ganar tiempo, el 7 de marzo de 1553 Boti le aseguró a Arbieto que recibiría su dinero en el banco de Lizarraras, donde ya lo tenía depositado, pero cuando reclamó su dinero, no logró que Lizarraras le atendiera. A los tres días consecutivos de reclamar infructuosamente el pago, Domingo de Lizarraras se declaró en quiebra (Carande Thovar 1965-1969, I, 311). Boti había sido uno de sus fiadores hasta la licencia otorgada en 1549 y fenecida en 1552, pero no aparece en el listado de los fiadores de 1552 (apéndice). Más adelante el mercader florentín, también sería uno de los cinco diputados designados por los acreedores del banco para representarles.

El cierre del negocio se anunció en las gradas de la catedral, mientras se registraba su casa y se confiscaban sus bienes y libros de cuentas. Desde la cárcel, Domingo intentó aplacar a sus acreedores cediéndoles casi 15.000 ducados del valor de unas mercancías que Juan de Hipólito había enviado a Indias.²⁴ También les transfirió los aproximadamente 2.500 ducados obtenidos al vender su participación en el casco y aparejos del navío «Santa María».²⁵ Nada de ello fue suficiente para recuperar su libertad y Domingo falleció en prisión en mayo de 1554. El banco debía importantes sumas de dinero a la Real Hacienda y a un nutrido grupo de acreedores. La primera inspección estimó que la deuda del banco podría estimarse en unos 570.000 ducados.²⁶

Cuesta creer que un banco con un sólido bloque de fiadores y demostrada capacidad no sólo para adquirir metales preciosos en la Casa de la Contratación, sino también para respaldar la compra de otros por valor de cientos de miles de ducados apenas unos meses antes, no fuese capaz de atender, aunque fuese pidiendo prestado, el pago de poco más de los 17.000 ducados reclamados por Arbieto. Lo más probable es que el banco no lograra la liquidez que necesitaba en un momento dado por la desconfianza generalizada que entonces existía en los mercados de crédito castellanos. A las condiciones impuestas por las pragmáticas de 1551 y 1552, se

²² AGI, *Justicia*, 1155, N.3, R.8, fols. 409-410 y 505. Las libranzas eran por cuenta de la armada de Su Majestad.

²³ Sobre la vinculación de Boti con el banco Leardo: (Tínoco Rubiales 1991, 1075).

²⁴ Archivo Histórico Provincial de Sevilla (AHPS), Protocolos Notariales de Sevilla (PNS), 9170, fol. 729, Alonso de Cazalla, Oficio XV, 21 Marzo 1553.

²⁵ Domingo compartía su propiedad con el maestro Andrés de Ormachea. Su comprador, el mercader Andrés de Areilza, abonó 909.375 maravedís. AGI, *Justicia*, 1155, N.3, R.8, fols. 505v, 507. AHPS, PNS, 9170, fols. 968-970v, Alonso de Cazalla, Oficio XV, 7 Abril 1553.

²⁶ AGI, *Justicia*, 1155, N.3, R.8, fols. 11-12, 508v.

sumaban los problemas que ya estaba dando otro banco de la ciudad, el de Íñiguez-Negrón, y el de Pedro Juan Leardo, que había cerrado sus puertas en agosto de 1552 (Carande Thovar 1965-1969, 315-16). Por si todo esto no fuese suficiente, la captura en el Atlántico del barco del maestre Domingo de Anchueta por corsarios franceses, con un gran cargamento de metales preciosos a bordo, agravó entonces la crisis de crédito de la ciudad (Sardone 2015, 271).

Al quebrar Lizarraras todos sus activos se pusieron en manos de la Real Audiencia de Sevilla. Sus jueces fueron los primeros en practicar diligencias y atender a los atemorizados clientes. Como no existía ninguna capitulación entre Lizarraras y sus socios genoveses para establecer el nivel de responsabilidad de cada uno de ellos, fueron los jueces y los oficiales reales de la Casa de la Contratación quienes se encargaron de decidirla.

Los acreedores nombraron y otorgaron poderes notariales a cinco diputados para que les representasen: Jácome Boti,²⁷ Andrea Lomelín (Lomellino), Jerónimo de Aresti, el jurado Alonso Ruiz y Luis Sánchez Dalvo.²⁸ Posteriormente, en 1562, los fiadores también nombraron su propia comisión (diputados), formada en este caso por Alonso Martínez de Robleda, Francisco de Escobar, Andres de Areiza, Manuel Ramírez, Gabriel de Valmaseda y el veinticuatro Antonio de Vergara, habiendo relevado de Bartolomé de Fonseca el conjunto de los créditos y de las deudas del banco para su liquidación.²⁹

Se liquidó por completo el patrimonio de Lizarraras, subastando incluso el caserío que poseía a las afueras de Cestona, con sus huertos, árboles frutales y demás pertenencias de la casa. A pesar de que su hermano, Antonio de Lizarraras, canónigo de la catedral de Sevilla, intentó preservar esas propiedades, acabaron todas en manos de Juan de Arregui a cambio de 600 ducados.³⁰ Sin embargo, la Corona tuvo que esperar el 30 de enero de 1566 para cobrar de los procuradores de Martín de Mendiola, antiguo cajero del banco, los 57.501 ducados que quedaban de la deuda del banco.³¹

5. Factores de riesgo: deudores del banco e inversiones comerciales

Cuando las pragmáticas de 1551 y 1552 empezaron a generar turbulencias en los mercados crediticios de Castilla, no todos los mercaderes estaban preparados. Analizar los deudores de Domingo de Lizarraras puede ser útil para entender por qué el banco no logró encontrar la liquidez que precisaba en un contexto de gran desconfianza.

²⁷ Quizá el nombre en Castilla de Jacopo Botti. Sus negocios en Sevilla y Cádiz: (Orlandi 2024, 81-99).

²⁸ CFA, XIII, pp. 215-216. (Carande Thovar 1965-1969, I, 312-13). Entre julio y agosto de 1554 los acreedores dan poderes a cinco diputados para que les representen, con escritura que se extiende el escribano Alonso de Cazalla. AHSP, *PNS*, 9188, fols.653-654.

²⁹ AHPS, *PNS*, 9192, libros 2 y 3.

³⁰ Arregui sería más adelante socio de Pedro de Morga. (Ortiz Arza 2023); (Gil 2001, IV, 327).

³¹ El pago registrado por el tesorero de la Casa de la Contratación, Francisco Tello, asumió a 21.562.934 maravedís y fue realizado con la mediación de Nicolao Cataño, en nombre de Lucían Centurión. AGI, *Contaduría*, 294, N.1, pliego 196.

Después de su quiebra se descubrió que el banco de Pedro Juan Leardo, cuyas puertas habían cerrado varios meses antes, le debía 5.985 ducados, pero la lista de deudores era mucho más amplia. El 44% del valor del pasivo del banco (de un total de 556.781 ducados) dependía de 18 deudores, y si excluimos al propio Domingo de Lizarraras que estaba entre ellos, los principales deudores acumulaban el 40% del total de la deuda (Tab. 2). El comprador de oro y plata Francisco Hernández le debía 11.435 ducados y también acabó en la cárcel por orden de los jueces de Grados al no pagarlos. Ni siquiera pudo afrontar el pago de los 2.000 ducados de fianza que le hubieran permitido salir en libertad condicional.³²

Tab. 2. Principales deudores del banco de Domingo de Lizarraras

Deudor	Deudor	Ducados
1	Martín de Mendiola (cajero)	34.032
2	Duquesa de Béjar	23.093
3	Juan de Hipólito	21.098
4	Lizarraras (cuenta personal ³³)	19.459
5	Pedro Durango (cajero)	17.261
6	Rodrigo Álvarez de Arce	13.836
7	Deudas de varias personas con Domingo de Lizarraras	11.776
8	Francisco Hernández (comprador de oro), preso en la cárcel	11.435
9	Domingo de Lasao	10.934
10	Andrés de Medina (cambio)	10.915
11	Antonio de Isasi	10.356
12	Ricardo Donel	9.976
13	Casas nuevas en la parroquia de San Andrés	9.543
14	Nicolás de Aramburu	9.541
15	Juan de Vergara	9.097
16	Juan Francisco de Vivaldo y Jorge de Negro	8.553
17	Pedro Juan Leardo	5.985
18	Andrés de Areiza	5.333
	Total	242.223

Fuente: AGI, *Justicia*, 1155, N.3, R.8, fols.479-499v

Entre los principales deudores del banco estaba la duquesa de Bejar, con algo más de 23.000 ducados, y el importante mercader vasco Nicolás de Aramburu. En una primera cuenta, en solitario y con un saldo negativo de 9.541 ducados, por letras pendientes de pago, y en otra junto a Francisco de Churruca, con otro saldo negativo de 3.639 ducados.³⁴ También es destacable la deuda del cambio Andrés de Medina, de casi 11 mil ducados, ligada a operaciones con letras de cambios y con el mercader

³² AGI, *Justicia*, 1155, N.3, R.8, fol. 485.

³³ Con intereses de giros de dinero, su casa y otros conceptos.

³⁴ AGI, *Justicia*, 1155, N.3, R.8, fols.483v-484.

vasco Pedro de Mollinedo.³⁵ Andrés de Areiza debía al banco más de cinco mil ducados, por una «cédula» que se iba a cobrar en Nombre de Dios, a Diego de Torres.³⁶

Fue habitual que los bancos públicos fuesen duramente criticados por la forma de ser gestionados. Se les acusaba con frecuencia de dedicarse más a la especulación que al negocio bancario con el que estaban comprometidos. Muchos sospechaban que invertían sus depósitos en comprar mercancías para controlar su oferta y provocar su encarecimiento en los mercados (Morales Padrón 1989, 172-75).³⁷ La liquidación de cuentas puso de manifiesto las inversiones del banco y del propio Lizarraras. Casi un total de 60.000 ducados estaban dedicados a negocios suyos y de otras personas que actuaban en su nombre, tanto en giros de dinero como en negocios de distinto tipo vinculados con la Carrera de Indias (Tab. 3).

Tab. 3. Inversiones del banco de Domingo de Lizarraras

Deudor	Deudor	Ducados
1	Cuenta personal de Lizarraras relacionada con giros de dinero	19.459
2	Deudas de varias personas con Domingo de Lizarraras	11.776
3	Dos tercios del galeón Santa María de Guadalupe que fue a Nueva España	4.993
4	Compras de perlas e intereses	4.731
5	Carga de vino de la nao “San Juan” que se quemó en el Golfo	4.617
6	Cuenta de esclavos negros (deuda de Antonio de Isasi)	4.212
7	Mitad de la nao que se quemó	3.363
8	Otros	2.204
9	Dos terceras partes de la nao nombrada “Santa Catalina”	1.424
10	Mercancías enviadas a Nombre de Dios en la nao de Domingo de Archeta	997
11	Deuda de la almoneda del marqués del Valle	707
12	Cinco esclavos de Sicilia	573
13	Ganado de cabras en Dos Hermanas	441
14	Seguro de la nao del maestro Sebastián de Igurola	280
15	Deuda de Miguel de Córdoba	173
16	Seguro de la nao de Domingo de Archeta	148
17	Seguros de 1550	79
	Total	60.177

Fuente: AGI, *Justicia*, 1155, N.3, R.8, fols.479-499v

En 1553 Lizarraras era copropietario de dos tercios de una nao denominada «Santa Catalina», cuyo valor estimado era de 1.424 ducados. El resto era de Domingo

³⁵ AGI, *Justicia*, 1155, N.3, R.8, fol. 493.

³⁶ Areiza contaba también con un crédito de 1.006 ducados (377.252 maravedís) hacia el mismo banco ligado a su depósito en cuenta corriente. AGI, *Justicia*, 1155, N.3, R.8, fol. 493 y 502v.

³⁷ (Julian 2023, 34): «[...] los vecinos y tratantes de ella que tienen sus dineros en poder de los dichos banqueros no les pueden sacar en mucha ni poca cantidad para lo que han menester proveer y no solamente les hacen daño en no darles sus haciendas, sino con ellas comprar mercaderías para encarecerlas, y poner estanco en ellas por vía de regatería.”

de Igurrola. Su maestre era Sebastián de Igurrola. Ambos hermanos también eran deudores del banco con 526 y 584 ducados respectivamente.³⁸ El navío había salido a finales de 1551 hacia Nombre de Dios cargado con mercancías de Lizarraras y de otros vascos,³⁹ entre ellos Pedro de Virués. El valor de su inversión, estimada en 997 ducados, también formaba parte de lo que se le debía al banco.⁴⁰

Además, poseía partes de otros dos navíos. En concreto, dos tercios del galeón «Santa María de Guadalupe», que viajó a la Nueva España dejando una deuda al banco de 4.993 ducados.⁴¹ Y la mitad del «San Juan», compartiendo propiedad con su maestre, Lope Ortiz. Este navío se perdió en un incendio cuando transportaba una carga de vino. Su importe, 4.617 ducados, fue cargada al banco.⁴² Al igual que los 3.363 ducados de la embarcación, aunque en este caso su valor estaba asegurado.

Las cuentas también muestran otras inversiones comerciales, como la inversión en un rebaño de cabras en el pueblo de Dos Hermanas, cuyos responsables eran Diego Prieto y Catalina Hernández. El crédito concedido por el banco para adquirir y mantener este ganado ascendía a 441 ducados.⁴³

6. Conclusión

Una quiebra bancaria puede deberse a una desacertada gestión por parte de sus responsables, quizá por su incapacidad para advertir los riesgos de sus decisiones, o bien desencadenarse a partir de una desconfianza generada en el mercado, un factor exógeno que los intermediarios financieros no pueden controlar. En la mayoría de los casos, el fracaso de una entidad responde a una multiplicidad de causas, tanto endógenas como exógenas. Son precisamente los momentos de crisis los que afloran las debilidades de una entidad financiera, poniendo a prueba las decisiones tomadas previamente por sus gestores. Esta combinación de factores internos y externos es lo que se puede observar cuando se analizan los principales rasgos de la quiebra de Domingo de Lizarraras.

Castilla experimentó en la primera mitad del siglo XVI un importante dinamismo comercial y auge económico. El crecimiento demográfico, la expansión agrícola y el florecimiento del comercio – tanto con Europa como con los nuevos territorios descubiertos en América – contribuyeron al desarrollo de un importante sector bancario a nivel local. Las protestas de las ciudades por el incremento que experimentaron los precios y los tipos de interés durante esa etapa de expansión económica propiciaron que la Corona promulgase normas muy restrictivas con respecto al giro de letras de cambio (las pragmáticas de 1551 y 1552). Esas medidas produjeron justo el efecto contrario de lo que pretendían: incrementaron la escasez de crédito, el coste del dinero y la contracción del comercio, afectando directamente

³⁸ AGI, *Justicia*, 1155, N.3, R.8, fols.485 y 492.

³⁹ CFA, XIII, asiento 417.

⁴⁰ AGI, *Justicia*, 1155, N.3, R.8, fol.492.

⁴¹ AGI, *Justicia*, 1155, N.3, R.8, fol. 492. La propiedad del tercio restante era de Martín de Anano. Su maestre era San Juan de Etorra.

⁴² AGI, *Justicia*, 1155, N.3, R.8, fol. 492v.

⁴³ AGI, *Justicia*, 1155, N.3, R.8, fol. 492v.

tanto a la Carrera de Indias como a la recaudación fiscal en una coyuntura que, además, se estaba caracterizando por la contracción de los flujos marítimos con América (Gráfico 1) y por el drenaje financiero relacionado con las guerras de los Habsburgos. Los préstamos forzosos y la incautación de metales preciosos decretados a partir de 1553 en Sevilla agravaron esta situación.

El caso del banquero Domingo de Lizarraras ilustra muy bien las consecuencias más dramáticas de ese periodo convulso. Su banco público en Sevilla, inicialmente robusto y bien respaldado, colapsó en 1553 como resultado de un entorno financiero en progresivo deterioro, una desconfianza generalizada y una creciente escasez de crédito. Aunque al banco no le faltaban activos, fue incapaz de convertirlos en dinero efectivo en ese contexto.

Al mismo tiempo, es muy probable que sus problemas de liquidez no se expliquen sólo por el endurecimiento del crédito en los mercados y una creciente desconfianza. Uno de los motivos por los que a esta entidad le resultó imposible encontrar soluciones a corto plazo quizá fuese el tipo de inversiones por las que había apostado Lizarraras, más vinculadas con el tráfico mercantil que con el negocio financiero. La entidad financiera había arriesgado parte de sus fondos en la compra de mercancías, en embarcaciones que participaban en el comercio con América y en el tráfico de esclavos.

A raíz de las quejas expresadas por muchos de los que resultaron afectados por las quiebras bancarias de esa década, el emperador impulsó una reforma en 1554 para reglamentar la actividad de los bancos que disfrutaban de licencias municipales y reducir sus riesgos. La Corona recordó la prohibición de que interviniesen en actividades mercantiles, ya fuese directamente o a través de afiliados ocultos.

La quiebra de Lizarraras, junto con otras en la misma época, es un excelente ejemplo para evidenciar las limitaciones a las que se enfrentaron las políticas de la Corona en materia de regulación bancaria, pero también de los perjudiciales efectos que causaba la intervención de los mercados financieros castellanos a mediados del siglo XVI.

Apéndice

Los fiadores del banco de Domingo de Lizarraras en 1553 (valores en ducados)

N.	Fiadores	Valor	N.	Fiadores	Valor
1	Francisco de Abrego	2.000	44	Cosme Martel	1.000
2	Gaspar de Aguilar (j.)	2.000	45	Juan Martínez Alvarazado (j.)	4.000
3	Diego de Alemán de Flandes	2.000	46	Fran. Martínez de Robleda	3.000
4	Pedro Álvarez del Águila	2.000	47	Diego Martínez	2.000
5	Nicolás de Aramburo	2.000	48	Alonso de Medina (m.)	3.000
6	Pedro de Arbieto	2.000	49	Francisco de Melgar	2.000
7	Andrés de Areiza	4.000	50	Niculoso de Monardes (d.)	2.000
8	Antonio de Ayala	2.000	51	Gonzalo Mostrenco	2.000
9	Luis de Ayora (j.)	2.000	52	Juan Núñez de Jerez	3.000

10	Pedro de Baeza (m.)	2.000	53	Hernán Núñez de Toledo (j.)	2.000
11	Rodrigo de Baeza (m.)	1.000	54	Diego Núñez (m.)	3.000
12	Juan de la Barrera (j.)	1.000	55	Diego de Padilla (j.)	2.000
13	Rodrigo Bazo (f.ej.)	2.000	56	Alonso de la Palma	2.000
14	Rodrigo de Cantillana (j.)	3.000	57	Juan de Perea	2.000
15	Cebrián de Caritate	2.000	58	Cristóbal Pérez de Ibarra	2.000
16	Agustín de Castro	2.000	59	Bartolomé Pérez Núñez	2.000
17	Jerónimo Cataño de Ancelín	8.000	60	Hernán Pérez de México	2.000
18	Gaspar de Cazalla	2.000	61	Luis de Prado (jurado)	2.000
19	Álvaro de Chillas	2.000	62	Juan Ramírez de Molina (j.)	2.000
20	Juan de Chillas	1.000	63	Manuel Ramírez	2.000
21	Francisco Chorruga (m.)	2.000	64	Juan de los Reyes (m.) (2)	1.000
22	Miguel de Córdoba (m.)	2.000	65	Juan Rodríguez Cerezo	2.000
23	Miguel Danés	2.000	66	Hern. Rodríguez de San Juan	2.000
24	Francisco de Escobar (f.ej.)	6.000	67	Baltasar de Rojas	2.000
25	Alonso de Espinosa Cervantes	3.000	68	Francisco Rucho	1.000
26	Juan Fernández Polayno	2.000	69	Alonso de las Ruelas (v.)	2.000
27	Esteban Franco	2.000	70	Alonso Ruiz (j.)	4.000
28	Juan de la Fuente (*)	2.000	71	Pedro Sánchez Palomino	2.000
29	Lope Garavito	2.000	72	Gonzalo Sánchez (m.)	4.000
30	Baltasar González (m.)	1.000	73	Hernán Sánchez (3)	2.000
31	Alonso Hernández de Jerez (j.)	1.000	74	Constantín Spíndola	2.000
32	Gaspar Hernández	1.000	75	Juan Jácome Spíndola	8.000
33	Alonso de Illescas	2.000	76	Luis Spíndola	2.000
34	Jerónimo de León (m.)	2.000	77	Diego Téllez	2.000
35	Alonso de Lorca	2.000	78	Pedro Luis de Torregrosa	1.000
36	Alonso de Madrid (m.)	2.000	79	Martín de Uriza	2.000
37	Juan Ipólito	2.000	80	Gabriel de Valmaseda	2.000
38	Antonio de Isasi	2.000	81	Juan Varela de Salamanca	10.000
39	Asencio de Izaguirre	2.000	82	Melchor Vázquez Alarcón	2.000
40	Bartolomé de Jerez (el mozo)	2.000	83	Antonio de Vergara (v.)	2.000
41	Bartolomé de Jerez (el viejo)	2.000	84	Juan Bautista de Vivaldo	2.000
42	Rodrigo de Jerez (j., c.m.)	2.000	85	Bartolomé de Vizcarra (4)	2.000
43	Domingo de Lasao	2.000	86	Pedro Zarfate (m.)	2.000
Total de las fianzas recibidas					200.000

Abreviaturas: c.m.: correo mayor; f.ej.: fiel ejecutor; j.: jurado; m.: mercader; v.: veinticuatro (corregidor)

Notas: (1) hijo de Hernando de la Fuente; (2) mercader de sedas. (3) hermano de Gonzalo Sánchez; (4) alcaide del castillo de Triana.

AGI, *Justicia*, 1155, N.3, R.8, fols.53-54 y 236-238.

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«Credo per la grazia di Dio farei bene».

Future thinking and knowledge of a risk (in)expert in late medieval Venice.

1. Introduction

In recent years, historians have used the concept of «risk society» to better understand how medieval people perceived and reacted to risks and disasters (Gerrard and Petley 2013; Hasty 2016; Gerrard, Forlin, and Brown 2020; Soens 2020; Hennig 2023). This concept has been theorised and developed by the research of the sociologists Ulrich Beck and Anthony Giddens (Beck 1992; Giddens 1999; Boudia and Jas 2007). With the term «risk society», Giddens described a society increasingly developed by reflexive of and constantly preoccupied with the future (Giddens and Pierson 1998). Beck has evidenced the strong attitudes towards risk as a characteristic of modern society, which appears intensely interested in analysing and evaluating risks. These attitudes have been considered an outcome of modernisation in the eyes of this sociologist. In the process of understanding dangers and their effects, the role of knowledge deeply affected the resilience of individuals or groups. Another key element in the research on the «risk society» is the fundamental difference in the risk attitudes between premodern and modern societies. The experience of dangers and the reaction to them in a modern society appears to be strongly influenced by the collective point of view, while we can evidence an individualisation of risks in the premodern period, characterised by more personal and introspective risk perception and resilience (Beck 1992, 20-21).

Most of the historical research that explored the concept of «risk society» for the Middle Ages did not engage with the individual perception of risks and focused on how societies and communities assessed and reacted to hazards. To do so, historians studied risk practices created and used by societies and communities to manage situations of danger, with a particular emphasis on environmental disasters (Gerrard and Petley 2013; Hasty 2016; Soens 2020; Hennig 2023). Few historical works directly dealt with personal perception of and reaction to risks, and when they had, it was mainly from a perspective grounded in the history of emotions (Spinks and Zika 2016; Schenk 2016; Marshall 2016; Dumas 2018; Ferrand 2018; Archambeau 2021). The study of individuals' attitudes towards risks in the economic history of premodern Europe has been neglected.

Economic historians have investigated how medieval commercial communities perceived and coped with risk by studying sources resulting from interactions between people and institutions, such as city governments, courts, guilds, companies, and partnerships (Greif 1997; Howell 2010; Ogilvie 2011; Goldberg 2012;

Gelderblom 2013). This research has enabled us to gain a deeper understanding of the complex system of risk-mitigating practices employed by economic actors of the Middle Ages to mitigate risk in their businesses, focusing on norms, contracts, court records, and, primarily, insurance policies. By doing so, economic historians only investigated the collective point of view on medieval risk, overlooking how individuals perceived risk and reacted to it, whether it concerned their business or everyday lives. This perspective can be studied by analysing ego sources produced by economic actors (Harreld 2007; Safley 2014) and considering the most important risk-mitigating tool used by people to avoid, cope with, and overcome dangers, a pivotal element in the risk practices of businessmen: the future expectations (Beckert 2016). Medieval economic actors created and used expectations of their business or private lives processing the information they could gather from their network or at the market through their knowledge (Zennaro 2025a, 45). This process brought economic actors to imagine future scenarios that could enable them to partially or fully foresee possibilities of suffering harm, punishment, inconvenience, or loss in the near future, in other words, to avoid, cope with, or overcome risks (Beckert 2016; Beckert and Bronk 2018; Zennaro 2025a). This attitude towards the future resulted from a profound mentality shift experienced by people between the tenth and the fourteenth centuries (Le Goff 1977; 1984; Schmitt 2000; 2016). During this period, medieval people passed from perceiving the future as an eschatological, fixed time, conditioned by the concept of the Last Judgment, to seeing it as a more earthly and open time (Schmitt 2000; 2016). This epochal change made the future a time of possibilities in the eyes of medieval economic actors, in which the uncertainty inherent in commerce started to be partially quantified and seen as an opportunity for gaining profit (Schmitt 2000; 2016; Baker 2021; Ceccarelli 2023). In summary, we can gain a deeper understanding of premodern risk and its management by examining how individuals perceived and described situations of danger and how they utilised their future expectations to face them.

This article aims to investigate how individuals perceived risks and used their future expectations to manage dangers in their daily lives in late medieval Venice. To do so, I will conduct an explorative analysis of the correspondence of Talerano di Paolo Mattei, a Florentine *sensale* (broker) from the holding company of Francesco Datini (1335-1410), consisting of 18 letters written between 1395 and 1400 to Francesco.¹ Research has described brokers as «risk experts» and pivotal actors in the development of risk-mitigating practices between the thirteenth and the fifteenth centuries (Daveggia 1985; Ceccarelli 2010; 2012a; 2012b). Medieval brokers were agents who operated individually as intermediaries performing diverse but specific tasks such as connecting insurers and insured, managing their agreements through the discussion, modification, underwriting, and sometimes drafting of contracts and policies, handling the institutional processes resulting from the losses of insured ships or cargo, and finally, the acquisition and communication of information on internal

¹ Archivio di Stato di Prato (ASPo), *Fondo Datini* (Datini), busta 649, ASPo, *Datini* inserto 21; ASPo, *Datini*, busta 1095, inserto 85; ASPo, *Datini*, busta 1114.02, inserto 119; ASPo, *Datini*, busta 721, inserto 11. There are no more preserved letters from this businessman, and no documents sent to him from his partners or relatives have survived.

and external market factors to their clients. Studies have investigated this figure primarily through the examination of institutional sources linked to their activities, mainly norms or policies (Bensa 1884; Melis 1975; Daveggia 1985; Tenenti and Tenenti 1985; Tenenti 1997; Ceccarelli 2012). Historians have considered brokers so important that they have defined them as the economic actors that made the long-distance trade of the Middle Ages possible (Reyerson 2001). By studying the letters written by a *sensale*, this paper attempts to offer a new introspective analysis of economic behaviour and the everyday life of a medieval broker in a period when this type of agent had not yet undertaken the process of specialisation and institutionalisation, which it would experience between the fifteenth and sixteenth century. Indeed, often these brokers managed not only the businesses of their customers but also their own (Daveggia 1985; Ceccarelli 2012). The first part of this article will reconstruct the life of Talerano Mattei, our case study, before he became a *sensale*, in order to better understand the dynamics that led this individual to become a broker. The second part will provide an analysis of the temporalities of Talerano, with a focus on his future thinking and the topics discussed by this Florentine's future expectations. By doing so, we will be able to detect what kind of aspects of this individual's daily life were considered the most in his letters. Finally, I will conduct a qualitative examination focusing on the main elements emerging from the analysis of his future domains to comprehend Talerano's risk perception and future thinking. This will enable me to deeply analyse the situations considered as dangerous by this young broker, in order to determine how he used his expectations to cope with them.

2. How to become a broker. The early life of Talerano

[...] when the Genoese become poor because [they are] disgraced by Fortune, or the Catalans, most of them become pirates. The Venetians and the Ragusans become beggars, but the Florentines become brokers or work in one or another profession to restore their own business.²

Benedetto Cotrugli (1416-1469) considered the job of the broker as one of the professions practised by unfortunate Florentine merchants to recover from a considerable loss or bankruptcy. Research has confirmed this perspective and also included merchants who did not have enough money to conduct their own businesses as potential brokers (Daveggia 1985, 329). Talerano Mattei is a good example of this negative portrait of medieval *sensali*. Indeed, he appears as an unfortunate individual since the first reference one can find in the letters from the Datini archive concerning his life. On the 5th of May 1389, the merchant Lorenzo Bianciardi wrote to Francesco Datini, urging him to write a letter to Lorenzo Boninsegna, asking him to give some money to Talerano. Apparently, Paolo Mattei, the father, a merchant likely working for or with Boninsegna, died around that time, leaving Talerano and his mother, Giovanna, in a difficult situation. Indeed, Paolo left his family without a

² «[...] quando lo Gienovese diventa povero per essere disgratiato da la fortuna, o Cattallani, ut plurimum diventano corsari, et Veneçiani et Raguxei pitocari, Fiorentini sensali o artifice di qualche mistiere esercitanti, et aiutanosse de la industria.» (Cotrugli and Ribaudo 2020, 4:72)

breadwinner or an inheritance to support their existence. In light of this situation, Bianciardi told Datini that these coins «would be really helpful to support his (Talerano's) necessities»,³ also since he believed that «one can gain little or nothing when he is mourning».⁴ We have no information concerning the age or the early life of Talerano Mattei, but one can hypothesise that he was young when he lost his father. This can be stated because Talerano was unable to provide for himself despite being the son of a merchant. Probably, he had not yet even started his apprenticeship as a *garzone* (merchant apprentice) at the time. The poor state of the Mattei family caused Bianciardi to renew this request for help two days later, pressing the merchant of Prato for charity to the orphan, writing: «Talerano trusts you as one would a father».⁵

These first references to Talerano not only show us the considerable damage caused to a mercantile household by the loss of its breadwinner, but also the importance of their network in supporting its members during difficult times. Bianciardi wanted to help Talerano and his mother, but he needed Datini to support him in this task, in the name of a relationship between the Mattei family and Francesco that probably existed already before May 1389. Still, the true nature of this relationship is not knowable, but, as we will see, it was so strong that it lasted over the period covered by the correspondences of the Datini archive. The letters show how Lorenzo Bianciardi chose to support Talerano not only by providing him with money but also by offering him an education and a job, hiring him as an apprentice in his commercial company in Florence. Under the supervision of Bianciardi, Talerano could learn the basic skills necessary to become a merchant, including reading, writing, and counting, like any other *garzone* at the time (Tucci 2007; Tumino 2019). It is impossible to be more precise about his formation due to a lack of sources reporting on it.

Talerano worked as a *tavoliere*, namely a money changer, for Lorenzo Bianciardi for at least six years until he decided to betray Bianciardi's trust deeply.⁶ One day in the autumn of 1395, Talerano stole «*rebus et pecunia*» from his employer and escaped from Florence to Ferrara.⁷ Here, the young merchant aimed to sell what he stole, namely, luxury products such as clothes, jewels, textiles, and books, but the Ferrarese authorities arrested him at the request of the *Uffizio della Mercanzia* in Florence before he could sell even a single looted item. We do not know the reason behind this betrayal, but we can state that it was not the first time Talerano proved to be a difficult person to deal with. He was involved in a legal dispute with a certain Zanobi di Francesco just a year before this event, which ended with an agreement between the two parties.⁸ Lorenzo Bianciardi had reported Talerano to the Florentine authorities, presenting also an inventory of the 120 stolen items. This inventory reports interesting

³ «sarebano molto aiutono nel sostentare i suoi bisogni», ASPo, *Datini*, busta 328, inserto 3, codice 361, 05 May 1389.

⁴ «che ne' lucto pocho si guadagna o niente», ASPo, *Datini*, busta 328, inserto 3, codice 361, 05 May 1389.

⁵ «Talarano si confida con techo come con padre», ASPo, *Datini*, busta 1091, inserto 43, codice 131817, 7 May 1389.

⁶ Talerano is mentioned as *tavoliere* in the account books of Francesco Datini. ASPo, *Datini*, Libro Grande Rosso E (1394-1397), unità 558, f. 143v-144r.

⁷ Archivio di Stato di Firenze (ASF), *Mercanzia*, 11311, f. 72v. See (Figliuolo 2017, 279)

⁸ ASF, *Mercanzia*, 1211, f. 203r. See (Figliuolo 2017, 282)

elements for studying the mercantile culture and the book market of the period.⁹ We find enlisted a nautical map and thirty-three precious manuscripts, consisting of Latin literature, French *chanson de geste*, and essential works of the medieval Florentine culture, such as a copy of Matteo Villani's *New Chronicles* and one of the earliest known exemplars of Boccaccio's *Decameron* (Figliuolo 2017, 280–83). Due to his crime, Talerano was detained in the prison of Ferrara, in despair and with a reputation strongly tarnished by his own crime. Probably at the request of Giovanna, widow of Paolo Mattei and mother of Talerano, Francesco Datini sent a letter to the prisoner on November 20, delivered by Giunta del Migliore Guidotti, a partner of the Pratese merchant, who lived and traded in Ferrara.¹⁰ This situation marks the beginning of the correspondence between Datini and Talerano, which lasted from 1395 to 1400. The documents Francesco sent to Talerano are lost. However, the Datini archive in Prato preserves a sample of 18 letters written by the young merchant, both to the merchant of Prato and to Monna Giovanna, his own mother.

Talerano's imprisonment is covered by the first two letters of the correspondence. The young Florentine wrote the earliest document from the prison in Ferrara to Florence, where Francesco Datini had his main *fondaco*, on the 23rd of December 1395.¹¹ This document is filled with terms and formulae used by Talerano to recommend himself to Datini and beg the merchant of Prato to exert effort in securing his release from prison as soon as possible. It is evident since the letter's incipit:

Francesco, Talerano recommends himself to you as someone abandoned by everyone. There is no one to do anything for me. I beg you to concern yourself a little with my matters. Francesco, if your mercy does not help me, I will languish here in prison forever. I beg you to have mercy on me in the name of God.¹²

Talerano perceived the possibility of remaining forever in prison as the major threat to his existence and regarded Datini's contingent action in his favour as the only way to avoid this negative expectation of life. The prisoner implored Datini to intervene in his troubles in the name of religious ideals such as mercy, trust, and the love of God, which are invoked seven times in the text. He also called Francesco to compassion, describing himself in a pitiful state, poor and in the grip of a life of hardship («I struggle here in prison and am in such great poverty, need, and misery that if you knew, you would pity me.»).¹³ Talerano wanted to be helped and to be released as soon as possible. In order for this to happen, this young Florentine needed

⁹ ASFi, *Mercanzia*, 11311, f. 75v-77v. See (Figliuolo 2017, 280–81)

¹⁰ ASPo, *Datini*, busta 649, inserto 18, codice 411365, 24 November 1395.

¹¹ ASPo, *Datini*, busta 649, inserto 21, codice 423634, 23 December 1395.

¹² «Franciescho, Talerano vi si rachomanda chome chollui che é abandonatto di ognhi persona, e non n'è persona che per me sia. Prieghovi per miserichordia vi vogliatte uno pocho afatticharvi ne' fatti miei. Franciescho, s'ella vostra miserichordia non m'aiutta io sono per istentare qui sempre in prigione. Priegho per Dio abiatte piettà di me», ASPo, *Datini*, busta 649, inserto 21, codice 423634, 23 December 1395.

¹³ «istento qui in prigione, e ò sì grande povertà e necessità e miseria, che se voi il sapessi aresti compassione di fatti miei», ASPo, *Datini*, busta 649, inserto 21, codice 423634, 23 December 1395.

Francesco's influence on Lorenzo Bianciardi and the key figures in Ferrarese politics. By addressing him, Talerano hoped Datini would have acted in two different ways.

On the one hand, Talerano wanted Francesco to help his mother, Monna Giovanna, reach an agreement with Lorenzo Bianciardi in their discussion on compensation for damages caused by his theft. Bianciardi wanted to be reimbursed by Giovanna through her dowry, which apparently returned to the *Ufficio del Monte Comune* after her husband's death. The reason behind the impossibility of reaching an agreement between Lorenzo and Giovanna is unclear from the letter. The dowry was probably insufficient to cover the damages, or the woman thought Bianciardi's request was inappropriate. On the other hand, Talerano hoped that Francesco could involve Guido di Messer Tommaso del Palagio in his situation. Guido was a friend of Datini, who could have easily ended his detention through his relationship with his «*grandissimo amico*» («very dear friend»), Niccolò III d'Este, Marquis of Ferrara (1383-1441).¹⁴ In sum, Talerano knew about Datini's commercial and political connections and tried to use them by obtaining this merchant's pity. This attempt prompted the young merchant to create possible future scenarios that could result in his freedom, and he used these future expectations to instruct Francesco on how to help him overcome the threats that could harm this opportunity from happening.

By comparing the first two letters by Talerano with the 86 more letters written by businessmen from prison preserved at the Datini archive, we can see how the style and terminology used in this letter follow a specific epistolary practice. People in captivity often employed titles as «father», «brother», or «very dear friend» to refer to their addressee, or again filled their letters with requests of recommendation and sentences concerning their abandonment and the mercy in the name of God. They, and Talerano as well, did write in this way not only to urge the recipient to act mercifully but also to demonstrate the debt that the prisoner would owe to the person who freed them (Hayez 2021). Nevertheless, Talerano's letters differ from those written by other prisoners in their detailed references to the condemned person's family and, as we shall see, to plans to secure his release. Even if this style appears part of a conventional way of writing, we can see how Francesco Datini was moved by Talerano's prayers and decided to help him. The merchant of Prato committed Niccolò dell'Ammannato Tecchini, his brother-in-law, to manage the agreement between Lorenzo Bianciardi and Monna Giovanna as an intermediary. In a letter written by Tecchini, we read details concerning the agreements negotiated between the two parties to release the son from prison. On the 28th of January 1396, Niccolò Tecchini reported to Francesco Datini that the *Ufficiali della Mercanzia* had to gather and decide on the sum Monna Giovanna would have to pay as a refund for Lorenzo Bianciardi's stolen possessions. Until then, Giovanna had partially paid the damage caused by her son with money he had asked from the holding company of Francesco Datini and transferred to Bianciardi before the 1st of January. Niccolò Tecchini expected the Officers to deliberate that Giovanna had to reimburse Lorenzo with her dowry of

¹⁴ ASPO, *Datini*, busta 649, inserto 21, codice 423634, 23 December 1395.

800 florins invested in the Florentine-funded debt.¹⁵ To prevent this from happening, Tecchini was trying to convince the robbery victim to accept Monna Giovanna's surety as compensation for granting him the property rights over half of an estate she owned. Niccolò saw this solution as the only viable option in light of the Mattei family's financial situation.

Meanwhile, Tecchini also attempted to find an alternative for obtaining Talerano's freedom by contacting Bernardo da Nibaldo Strozzi, the podestà of Ferrara, to request the young Florentine's release from prison. Furthermore, Niccolò had written to Guido di Messer Tommaso del Palagio following Talerano's instructions. Guido replied to Niccolò with a promise of writing a letter to the Marquis of Ferrara to ask for Talerano's release.¹⁶

Tecchini's action and the efficiency of Francesco Datini's network, as expected by Talerano, led to the release from prison of the young Mattei on the 23rd of February 1396. Giunta di Migliore Guidotti, the merchant who made possible the exchange of letters between Talerano and Datini, commented on this result, writing to Francesco:

Talerano di Paolo Mattei is out of prison thanks to our kindness and that of Niccolò dell'Ammanato. God knows how much effort it took to convince the friend [Lorenzo], who kept him there, to give his word.¹⁷

Talerano sent a new letter to Francesco four days after he was released from prison (27 February).¹⁸ In this document, Talerano wrote that he was sorry and asked Datini for forgiveness because his misbehaviour had damaged Datini's reputation and business. Still, Mattei found immediately an excuse for his evil act, saying that he felt «partly forced» to resort to robbery because he could not see a solution to his poor financial situation («I was partially forced to do what I did. I saw no remedy in my own affairs»).¹⁹ In the eyes of Talerano, his desperate and illegal act was prompted by the closing of the future horizon of his economic possibilities. He opted for a highly risky solution to obtaining capital from which he could profit in the near future.

Mattei did not fully consider himself a criminal and apparently saw Lorenzo Bianciardi as such. It is not clear if this perception of Bianciardi originates from something that happened before the robbery or from what he experienced in prison. We can clearly see how Talerano had a negative opinion of this merchant from his description of Lorenzo as an evil person who wanted to see him suffer every harm possible and die in prison, while trying to rob Monna Giovanna of «the little she has left».²⁰

¹⁵ According to Goldthwaite, 800 florins amounted to 1.703 days circa of wage for a Florentine unskilled labourer in 1395 (Goldthwaite 1980, 436). This rich dowry shows the wealthy origins of Giovanna.

¹⁶ ASPo, *Datini*, busta 1103, inserto 14, codice 134092, 28 January 1396.

¹⁷ «Talerano di Paolo Mattei è uscito di pregione, bontà di Nicholò dell'Ammanato e di noi, che Dio sa quanta fatica se n'è durata, chell'amicho che vel teneva non c'aveva modo volesse dare la parola», ASPo, *Datini*, busta 649, inserto 18, codice 411377, 1 March 1396.

¹⁸ ASPo, *Datini*, busta 1095, inserto 85, codice 132584, 27 February 1396.

¹⁹ «mi fu in partte forza fare quello che io feici e niuno rimedio vedea ne fatti miei», ASPo, *Datini*, busta 1095, inserto 85, codice 132584, 27 February 1396.

²⁰ «ciò poco gli è rimasto», ASPo, *Datini*, busta 1095, inserto 85, codice 132584, 27 February 1396.

Only Francesco's and Niccolò's actions could stop Lorenzo from committing such crimes against (a not-so-innocent) Talerano.

In this letter, Mattei attempted to secure Datini's favour and support in the future by praising and thanking him for his actions. Indeed, Talerano wrote that Francesco did for him more than what he deserved, «replying with good acts to evil ones».²¹ Finally, Talerano promised the merchant of Prato that he would bring his business back on track, behaving justly and honouring those who loved him. Due to Francesco Datini's protection, Mattei expected to be able to conduct profitable businesses in the future and avoid situations like the one he had experienced. He ended his letter by providing Datini with his plan for the time to come:

I think I will now leave to stay in Venice or Milan. There, God will give me the grace to find a start-up business so I can improve the situation as much as I can.²²

After his experience in prison, Talerano appeared ready to start a business in earnest, avoiding unlawful behaviour and weighing his actions to achieve profit and success as a businessman. Before leaving for Milan or Venice, he entrusted his «poor old mother» («*la mia povera di madre vecchia*²³») to the care of Francesco and Niccolò. These good intentions appear genuine on paper, but the truth turned out to be different. Giunta del Migliore reported to Datini that Talerano was still in Ferrara on the 1st of March.²⁴ He described the young Florentine as happy despite what happened, busy partying, and not doing anything. Still, Giunta also stated that he thought Talerano would have left soon. On the 14th of March 1396, Talerano arrived in Venice, «without anything and without a start-up business» («*sono senza nulla e niuno aviamentto*»)²⁵ This marked the beginning of Talerano Mattei's experience as a broker in the Rialto market.

The first part of the correspondence has shown us the series of unfortunate events that led Talerano Mattei to become a broker. From this analysis, we can state that one of the main reasons for this career choice could have been this young businessman's chronic lack of money, which cannot be explained without two hypotheses. Talerano could have opted for theft because he used to spend more money than he earned while working under Lorenzo Bianciardi's supervision. We cannot find references to the nature of these expenses that 'forced' Talerano to find a «remedy» to his affairs. Still, considering how this young Florentine behaved and his constant need for money, one can wonder if Talerano was a gambler. Indeed, he could have spent all his money on gambling and attempted to rob and sell Bianciardi's goods to find a quick and easy way to gather money to bet or pay back debtors he had

²¹ «m'avette rendutti ben per male», ASPo, *Datini*, busta 1095, inserto 85, codice 132584, 27 February 1396.

²² «Credo andare a stare al presente a Vinegia o a Mellano, e là Dio mi darà grazia che io troverò qualche aviamentto a pottermi passare il meglio potrò», ASPo, *Datini*, busta 1095, inserto 85, codice 132584, 27 February 1396.

²³ ASPo, *Datini*, busta 1095, inserto 85, codice 132584, 27 February 1396.

²⁴ ASPo, *Datini*, busta 649, inserto 18, codice 411377, 1 March 1396.

²⁵ ASPo, *Datini*, busta 1095, inserto 85, codice 423635, 21 March 1396.

contracted. Talerano's gambling addiction is not stated explicitly by the correspondences in the Datini archive, but it can be a possible explanation behind this young Florentine's actions. Another reason could have been the fact that Bianciardi was not paying him enough to build up capital to start his own business. Concerning Talerano's future thinking, we can see that his future horizon was limited to the near future. He wanted to find an immediate solution to his poverty and then for his imprisonment, and to do so, he created future expectations to build a plan helpful to obtain his release from prison. He could efficiently share them through his letters, giving precise instructions to Francesco Datini. The merchant of Prato acted on these plans, allowing Mattei to obtain his freedom and mitigate the risk that Bianciardi's claims posed for Monna Giovanna's possessions. It is also interesting to see how Talerano perceived his mother's dowry as his own property, and how he was more worried about losing this asset than his mother's well-being and future. The young Florentine saw Monna Giovanna's possession as the main capital for building his own business.

Before investigating Talerano Mattei's business as a broker, we need to examine his temporalities and future expectations. The results of this analysis will be discussed and used as the main elements to describe this broker's risk perception and future thinking

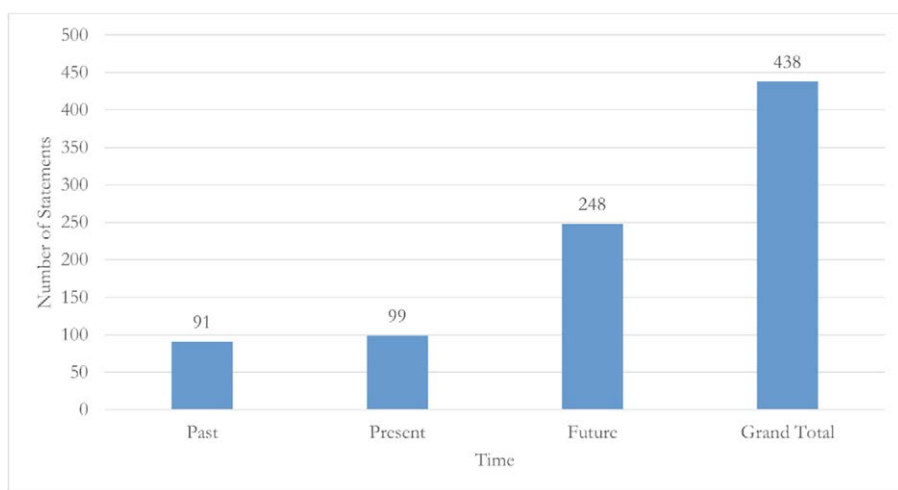
3. Future thinking and risk perception of a medieval broker

The analysis of Talerano's temporalities, namely the structures in which this individual perceived time (Champion 2017), cannot be based on his time terminology or word counting, because these methods would bias our investigation. The letters written by the young Florentine provide us only with one reference to «*pasatto*» (past) and 15 to «*presentte*» (present). Furthermore, he did not use a term to describe the future, such as «*futuro*» or «*avvenire*». These results would bring one to think that Talerano mostly thought about the present, rarely considered his past, and completely ignored his future. This is not the case, as we will see later. Again, we cannot consider the word count as a method to define the time perception of this businessman. The written Florentine of the fourteenth and fifteenth centuries did not use the same word spacing as modern Italian does, and spacing the words according to current rules would cause this method to build on an anachronistic perception of the language. In light of this situation, we can state that the examination of Talerano's temporalities and future thinking must be pursued by considering the time orientation expressed in the statements that build the text of these documents. With the term «statements», I mean the basic components composing a discourse or a sentence. The correspondence of Talerano Mattei comprises a total of 438 statements (Graph 1.). Most of these, precisely 248, are future-oriented (e.g. «I think I will now leave to stay in Venice or Milan»). The letters contain almost the same number of past²⁶ and

²⁶ An example of a past statement is: «Francesco, I was released from prison on the 23rd of this month with your help and that of Niccolò/ Francescho io sono uscito di 23 di questo mese di prigione con l'aiutto vostro e di Nichollò», ASPo, *Datini*, busta 1095, inserto 85, codice 132584, 27 February 1396.

present²⁷ statements, respectively, 91 and 99. This result shows how a strong attitude towards the future characterises the documents written by the young broker. The reason behind this time orientation can be justified by two different reasons. The first one is the inherent future orientation of writing letters. When people write a letter, they expect the addressee to read it in the future. In light of this, senders need to consider the time passing between the writing of a document and its reception in the letters' content. The second reason may be the difficult situation in which Talerano lived, both in the past and present, which led him to plan a way to escape poverty, make a profit, and live better times for himself and his business.

Graph 1. The temporalities of Talerano Mattei's correspondence



Looking at the domains or topics of his future statements, we can better understand in which aspects of his everyday life he created most of his expectations. To calculate the topics of Talerano's future, I decided to count every reference to a given domain offered by his future statements. Some of these expectations presented more than one topic, and the multiplicity of the references has been taken into account in creating the dataset (Graph 2.). As one could expect from commercial letters, the highest number of Mattei's future references is to his business network (132 references). These future statements include interactions between the broker and the members of his network. Most of these statements are recommendations requested by Talerano from Francesco Datini and his wife Margherita. In these cases, the young Florentine asked the merchant of Prato to support him and his mother, or to establish a connection between him and members of Francesco Datini's network

²⁷ An example of a present statement is: «I am without anything and without a start-up business / sono senza nulla e niuno aviammento», ASPo, *Datini*, busta 1095, inserto 85, codice 423635, 21 March 1396.

(«Talerano di Paolo recommends himself to you from Venice»);²⁸ The use of urgent requests for recommendations was a widespread practice among the merchant community of Florence between the fourteenth and fifteenth centuries (McLean 2007). The interpersonal relationships of this social group were not dyadic, as one might think, but triadic. That is, a relationship between two different individuals was not generally created directly, but rather required the action of a recommender who would act as a witness to the trust of one or both individuals, thereby creating a relationship of collaboration or friendship (McLean, 2007; 2017). Probably, in light of the possible bad reputation he might have had following the theft of his employer's goods, Talerano needed Datini's constant intercession in creating new connections on which to base his new business in Venice. This need appears even more pressing considering the strong importance of trust in relations between Florentine merchants in long-distance trade, as highlighted by several studies (Dahl 1998; McLean 2007; Goldthwaite 2009; McLean 2017).

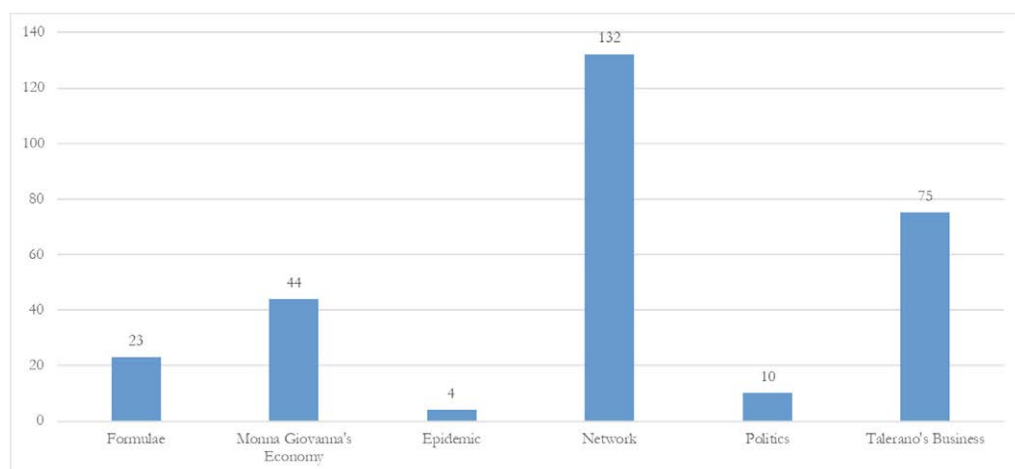
The second most discussed topic concerns the business of Talerano in the Rialto market, with 75 statements in total. This domain concerns references to the plans and instructions for economic transactions given by Talerano to Francesco («Make sure he will send me a reply»);²⁹ The third domain for relevance is the discussion of the economic situation of Monna Giovanna, including her debt to Datini, her employment in the house of the Prato merchant, her matters with Lorenzo Bianciardi, her dowry, and her testament (34 mentions) («I beg you, Francesco, by the love of God, to settle an agreement and arrange it between my mother and Lorenzo Bianciardi.»).³⁰ There are also 23 future formulae used as greetings by the broker, such as «May God guard you», that I decided to mention to display the small part of his future thinking being formulaic and empty in its meaning. Finally, only 14 future expectations refer to possible risk situations. Of these, four refer to an epidemic risk and 10 to political events. We will discuss these further on.

²⁸ «Talerano di Paolo vi si rachomanda da Vinegia», ASPo, *Datini*, busta 1095, inserto 85, codice 132590, 27 July 1398.

²⁹ «[...] fatte ch'egli mi mandi risponda», ASPo, *Datini*, busta 1114.02, inserto 119, codice 132592, 26 April 1398.

³⁰ «Priegho Franciescho per l'amore di Dio vogliatte porre achordo e achordare mia madre e Lorenzo Bianciardi», ASPo, *Datini*, busta 649, inserto 21, codice 423634, 23 December 1395.

Graph 2. The topics of Talerano's future statements



Considering the results emerging from the analysis of Talerano's temporalities and future expectations, we can see how the letters written by this young Florentine reveal a strong attitude towards the future. Talerano's expectations are primarily focused on establishing new relationships through the recommendations of Francesco Datini and his wife, as well as managing his business and the financial state of his mother Giovanna. In light of these results, the next two sections of this article will analyse in-depth Talerano's risk perception and future thinking. The first part will investigate the business of the young Florentine, primarily focusing on Talerano's commercial network and the nature of the interactions and transactions that occurred within it. The second section will study in-depth what this businessman perceived as a risk in his daily life. To do so, we will examine the risk terminology used by Mattei and analyse how he utilised his future expectations to mitigate these dangers.

4. «Sono in tanta tribulacione». Talerano's business in Venice

On the 21st of March 1396, a week after arriving in the lagoon, Talerano wrote to Datini:

I beg you, Francesco, as I would do with my father and my elder brother, whom I consider you to be, to be so kind as to write here (in Venice) to some of your friends who might be able to find me some start-up business or some merchants with whom I might work, so that I might live my life as well as possible.³¹

³¹ «Prieghovi Francescho, chome a padre e magior mio riputto me siatte, che vi piaccia di scrivere qui a qualche vostro amicho che sa fattichi di trovarmi qualche aviammento o qualche merchattante

In his first letter from Venice, Talerano begged Datini to help him in developing his «*aviamentto*» (start-up business) and in creating new relationships with merchants trading in Venice to build his network in the city. Mattei was «without anything and without a start-up business», and his past crime against Lorenzo Bianciardi had probably caused him to appear as an untrustworthy partner in the eyes of other businessmen. Due to such a situation, most of this part of the correspondence, concerning the activity of Talerano in Venice, is based on the attempt of this young Florentine to rebuild the reputation he lost with his robbery with the support of Francesco. By doing so, Talerano aimed to obtain honour and trust from other businessmen, essential elements to start a new career as a broker in Venice (Dahl 1998; McLean 2007; Goldthwaite 2009; McLean 2017).

The city of Venice was one of the main international markets of the Mediterranean Sea in the fourteenth and fifteenth centuries (Lane 1973; Mueller 1997). The galley convoys managed by the city government seasonally imported and exported goods such as wool, silk, enslaved people, and spices. These convoys not only brought merchandise but also information from all over the world to Venice. The Rialto market was ideal for obtaining news from the routes linked to the Western and Eastern Mediterranean Sea, the Black Sea, the North Sea and the Atlantic Ocean. Indeed, the Venetian convoys sailed across all these seas, interacting with their main ports. Another fundamental activity linked to the Venetian economy was its money market, one of the most active in the world at the time. All the mentioned economic activities in the Rialto market attracted businessmen from everywhere, both experienced and inexperienced ones. People often tried to insert themselves into the Venetian commercial network through connections with local merchants or foreigners who obtained full citizenship by residing in the city for at least fifteen years. This *modus operandi* was adopted by Francesco Datini as well, who had to establish connections with Zanobi di Taddeo Gaddi, a Florentine merchant-banker naturalised Venetian, before being able to start a business in the lagoon. Zanobi was the main hub and manager of the bridges between local and foreign merchants. Foreign businessmen willing to start trading in the city needed his approval to do so (Mueller 1997, 268-71; Zennaro 2025a). However, Talerano apparently did not get in touch with Gaddi, and he expected that starting a business in a wealthy market like the one in Rialto would probably be easy.

Once again, Datini helped Talerano by commissioning him to do small businesses in his name in the city. It is unclear whether he continued working as a *tavoliere* (money changer) during the first period he lived in Venice. Still, we can deduce that it was not a profitable time for the young Mattei, as he spent two years in the city without being able to start his own business. Indeed, Talerano mentioned the start of his enterprise as a broker only on the 20th of February 1398: «I am here in Venice, and I am about to become a broker. I hope to do it well for the grace of God».³² Due

chon qui io istia che io possa passare la vitta mia al meglio che si può», ASPo, *Datini*, busta 1095, inserto 85, codice 423635, 21 March 1396.

³² «Io sono qui in Vinegia e sono per essere sensale, e credo per la grazia di Dio farci bene», ASPo, *Datini*, busta 1095, inserto 85, codice 132586, 20 February 1398

to the scarce documentation preserved, we know little about the activity of brokers in medieval Venice. Indeed, specialised works on this figure in the Rialto market, as those conducted for the insurance markets of Bruges, Montpellier, Florence, and Pisa, are missing due to this difficulty (Bensa 1884; Houtte 1936; Lopez 1938; Melis 1975; Reyerson 2001; Ceccarelli 2012b; 2012a; Stabel 2007). We can state that the officers of the *Messetteria* managed and regulated the activities of brokers in Venice on behalf of the *Consoli dei Mercanti* from the thirteenth century onwards (Stefani 1956; Nehlsen-von Stryk 1988; Luzzatto 1995; Lara 2008). It is unclear whether this institution treated local and foreign brokers differently and whether foreigners, such as Talerano, were required to adhere to Venetian customs for brokerage. There were likely advantages to being a citizen broker, similar to those of being a merchant with citizenship (Molà and Mueller 1994; Mueller 2010). Nevertheless, we can hypothesise that during this period, the Venetian insurance market could have been perceived as an open market that allowed foreign businessmen to participate, albeit in a less favourable situation than that of local actors. In fact, the Venetian authorities began enforcing regulations on this occupation only from 1430 onwards (Stefani 1956, 115-16).

The tasks of brokers were based on the trust that the parties involved placed in this type of intermediary, as well as brokers' knowledge of the market and its network. Mattei wanted to establish himself in the Rialto market as a «*sensale di cambi e di sichurtà*» («broker for money exchange and insurance»).³³ In this case, Talerano had to act as an informer for his clients, who were interested in trading in Venice. He had to be aware of the ideal situation to exchange currency or establish insurance policies, so he could communicate these pieces of information to customers and allow them to conduct business without incurring risks.

A *sensale* had to be well-integrated and aware of the Venetian trading network, as well as be able to gather news quickly and efficiently, reaching Venice on external factors that could have affected the market, such as wars or epidemics. However, Talerano was not a well-connected node of the Venetian network, probably because he could have been perceived as an untrustworthy individual by the commercial community in Venice. Indeed, rumours about his crimes could have easily reached the Rialto market due to the consistent exchange of information that occurred among Florentine merchants trading in all the Italian marketplaces (Dahl 1998; Goldthwaite 2009; Miner 2020). In light of his exclusion from the city network, regardless of the reason behind it, we can see how Talerano's information channel was inefficient. We can also establish this from the amount of news he reported to Francesco. Out of 18 letters, we have only three references to 'objective' risks that could have affected the dynamics of the Venetian market. The mentioned news consisted of Talerano's reports on the war perpetrated by Gian Galeazzo Visconti (1351-1402) in Italy, a severe plague epidemic raging in Venice and the rest of the peninsula, and piracy activities near Sicily. Of this news, only information concerning war was obtained by Mattei through his network, while the young broker's activity was directly affected by the other two risks. In sum, Talerano does not appear to have been a good information gatherer. The lack of good connections to the Venetian network is further

³³ ASPo, *Datini*, busta 721, inserto 11, codice 423638, 19 July 1400.

demonstrated by the 50(!) requests for recommendations he sent to Datini, asking him to be introduced to people who had business with Francesco in the Rialto market.

These continuous requests resulted in Talerano's relationship with Bindo di Gherardo Piaciti, the main collaborator of Francesco Datini in Venice, and cousin of Margherita Bandini, the wife of Datini (1360-1423). This merchant was the manager of the Piaciti company branch in Venice since 1394, and he managed most of Datini's investments in the city. They started working together probably in February 1398, but this partnership did not last long. On the 23rd of March 1398, Bindo wrote to Francesco that he would have helped the young broker by «giving him a profit as much as possible» and stated he would have treated him as a brother.³⁴ Despite these statements, we do not have evidence that Bindo Piaciti helped Talerano, unless as an intermediary for the letters between Mattei and Datini. The last letter referring to their relationship is dated 8 June 1398.³⁵ It is not clear what the reason for this situation was. However, we can hypothesise that if he had behaved with Bindo in the same way he did with Datini, the pressure put on others by Talerano could have been perceived as too heavy for Piaciti to continue collaborating with him. Otherwise, Mattei may also have simply failed to prove himself trustworthy in the eyes of Piaciti, despite Datini's recommendations.

Over time, Mattei became able to work both with local and foreign merchants in Venice («I am dealing with several local and foreign merchants»)³⁶ He attempted to establish a partnership with the Sicilian merchant Cristiano del Migliore, as he wrote to Francesco on the 21st of March 1398. Talerano described his business as profitable due to this association and expected it to be a positive partnership («For the grace of God, we will do well»)³⁷ However, this expectation proved to be wrong. After two years of association, Cristiano withdrew 140 ducats which their company had gained from doing business with other merchants in Rialto and spent them on his own interests and those of his family in Venice and Florence. Talerano wrote about this event to Francesco, stating that Cristiano treated him like an «idiot» («*idiotta*»), and that he «had been tricked» («*sono istatto inghanatto*») by the Sicilian merchant.³⁸ We can imagine how Cristiano's action affected the reputation that Talerano was trying to rebuild while working in Venice, making him appear as a broker, unable to avoid being defrauded, and thus not considered a good intermediary. To recover from this loss, Mattei sought to be recommended by Francesco to Antonio di Marino Contarini, one of the wealthiest patricians of Venice. Mattei described Contarini as a peculiar Venetian businessman because he «stipulates many insurance policies, more

³⁴ «[...] in dargli ghuadagnio il più potrò, e farone come di fratello», ASPo, *Datini*, busta 1101, inserto 37, codice 6000638, 23 March 1398.

³⁵ ASPo, *Datini*, busta 1095, inserto 85, codice 132589, 8 June 1398.

³⁶ «mi stacio assai con merchatantti nostralli e forestier», ASPo, *Datini*, busta 1095, inserto 85, codice 423636, 19 April 1398.

³⁷ «per la grazia di Dio faremmo bene», ASPo, *Datini*, busta 1095, inserto 85, codice 132587, 21 March 1398.

³⁸ ASPo, *Datini*, busta 721, inserto 11, codice 423638, 19 July 1400.

than a Venetian».³⁹ Apparently, Venetian merchants did not often use insurance, probably because the galley system provided them with a high level of safety, given the quality of these armed ships (Lane 1966). In light of this, one can wonder about Talerano's statements concerning the identity of his customers. Still, we cannot prove or disprove that he worked with local and foreign merchants due to the lack of sources.

Talerano's network was not only built by male businessmen but also consisted of his mother, Monna Giovanna, and his partner, Galeazza. As we have already seen, Monna Giovanna was one of the main financial supporters of Talerano Mattei. Giovanna contracted a debt with Francesco Datini to help her son while he was in prison and was trying to find a way to repay it. Furthermore, her troubles with Lorenzo Bianciardi continued to threaten her possessions. We read that Talerano was concerned about the possible claims of Bianciardi on what Giovanna would have left to her son as an inheritance and her dowry, both of which consisted mostly of investments in Florentine-funded debt. The threat of Bianciardi's action affected Mattei so much that the broker obliged his mother to make Francesco Datini her heir. In this way, Francesco could preserve Talerano's estate after her death, without any problem coming from Lorenzo Bianciardi.⁴⁰ Her dowry of 800 florins allows us to state that Monna Giovanna was probably part of a wealthy family. Still, her husband's death and her son's actions brought this woman to the edge of bankruptcy. At some point, Giovanna decided to rent out her own house and to give the money she would have gained from it and her interest from the investments she had in the Florentine-funded debt to Francesco Datini, to pay off her debt, and send some extra funding to her son.⁴¹ In order to gain some more money, she started to work as a servant in the house of the merchant of Prato, serving directly under the direction of Margherita Bandini, the wife of Francesco Datini (Crabb 2015, 99). Probably because she was exhausted from her son's continuous request for money, Monna Giovanna stopped replying to Talerano in the spring of 1398. Mattei did not accept his mother's silence and tried to get an answer from her, and even more money, without receiving a single word from her. Their relationship was restored over the years, which is probably why Monna Giovanna's economic situation degraded again. Datini tried to ask Talerano to help her. The broker replied that it was hard to believe she was in need because she could have lived off her annual income of 8 florins per year from the estate she leased. Finally, Talerano concluded by writing: «[...] as Fortune wanted, I am in a really bad situation to be able to help her with anything now».⁴² We do not know what happened to her after that moment.

The other woman in Talerano's network is Galeazza, the partner of the young broker. We find a first reference to her in a letter dated 6 April 1398, but it is unclear if this relationship started around the beginning of the same year or before. Indeed,

³⁹ «fa assai sichurtà, più che un veniziano», ASPo, *Datini*, busta 721, inserto 11, codice 423638, 19 July 1400.

⁴⁰ ASPo, *Datini*, busta 1095, inserto 85, codice 132586, 20 February 1398.

⁴¹ For example, see ASPo, *Datini*, busta 1114.02, inserto 119, codice 132592, 26 April 1398.

⁴² «[...] chome la fortuna a voluto io mi truovo assai malle in destro di poterla aiutare al presentte di nulla», ASPo, *Datini*, busta 721, inserto 11, codice 423638, 19 July 1400.

Talerano told his mother in the letter on the 6th of April that he had a budget of 14 florins and a half to survive on with «a mouth» weighing on his daily expenses since six months before then («I had to live for six months with 14 florins and a half, with a mouth on me»).⁴³ Despite his negative perception of Galeazza's presence in his business, we can see how often Talerano asked her to collect small debts he had with some collaborators or to beg Giovanna or Francesco for money in her partner's stead. The broker considered Galeazza to be the reason for two main risks for his business. On the 27th of July 1398, Talerano wrote that Galeazza was sick and he had to spend an amount of money that his business' income could not cover to cure her. This woman's sickness brought «so much tribulation» («*sono in tanta tribulacione*») in Talerano's enterprise that he did not know what to do.⁴⁴ The other economic danger caused by Galeazza was her pregnancy, as stated by Mattei. The broker discussed it with Monna Giovanna on 15 January 1399, stating that the baby was expected to be born at the beginning of February. Mattei used the child's birth to ask his mother for more money, telling her: «if you are going to choose to help me, you will choose the best option, and you will help your own creatures».⁴⁵ Through this call for her mercy on the «creatures» of her family, Mattei expected his mother to send funding to him without any trouble.

Despite his begging, Monna Giovanna did not even reply to Talerano, who decided to contact Francesco in order to be heard by Monna Giovanna. On the 19th of February 1399, he wrote:

Tell my mother about my situation here. At present, as it pleased God, my expenses have increased due to the birth of a son this month. He is mine, and I cannot abandon him. Therefore, I must endeavour to educate him. The expenses are great here [in Venice], and my income is not yet so great that I do not have to burden anyone. Yet I've done as much to start my business as I have.⁴⁶

In this extract, we see how Talerano perceived the birth of a child as a danger to his enterprise and the little capital he possessed. Apparently, a business needed to be firm and well-structured to support the costs of a newborn child. This was not the case for Talerano, who had a weak enterprise despite having been active for three years by then. At this time, Mattei was not able to establish a continuous income in his business and had often to «burden», namely asking for money, Monna Giovanna, Datini, or even some friends («I am in a bad situation [...] I have burdened some of

⁴³ «m'è convenutto 6 messi vivere di 14 ff. e mezzo questo tempo o avuto una bocha adosso», ASPo, *Datini*, busta 1114.02, inserto 119, codice 132591, 6 April 1398.

⁴⁴ ASPo, *Datini*, busta 1095, inserto 85, codice 132590, 27 July 1398.

⁴⁵ «se m'aiutate farete meiore e aiutarette le criature vostre medesime», ASPo, *Datini*, busta 1114.02, inserto 119, codice 423639

⁴⁶ «Mandatte a mia madre lo stato mio di qua. E ora al presentte, chome é piaciutto a Dio, m'è creciutto ispezza, cioè d'un figliuolo ch'io ò avuto in questo messe. E pur é mio e abandonar non lo posso, e pur chomvieni m'ingegni di n'etturcharllo. Le spese sono grande di qua, e il guadagnno mio non é per anchora tanto ch'io possa fare sansa gravar persona. E pure ò fatto assai a pottermi aviar chome ò fatto», ASPo, *Datini*, busta 1095, inserto 85, codice 132595, 19 February 1399.

my friends and I cannot burden anyone anymore apart from my mother with shame»⁴⁷).

The roles Monna Giovanna and Galeazza covered in Talerano's business demonstrate the potential agency of female family members in the lives of medieval businessmen. The already unfortunate business of Mattei would have had even more troubles without the financial support of his mother and the network's interactions of her and Galeazza with creditors and debtors. Differently, male nodes of Talerano's network appear relevant for the *«aviamento»*, despite the broker appearing unable to use his own connections for trading, but mostly to ask for money and, therefore, increasing his debt.

Talerano does not show to be an experienced or capable businessman. His enterprise never took off, despite Mattei occasionally claiming that his activity as a broker was starting to yield a profit. The peak of Talerano's desperation was probably around the 26th of April 1398. On this day, the broker sent two letters simultaneously, one for Francesco and one for his mother. In the document written to Monna Giovanna, he stated how the lack of success of his enterprise was not due to his inability, but because of the high competition small entrepreneurs had to face in Venice to start their business:

There are great expenses [in Venice], and the man has to work hard before he can begin to set up his business here. Some people have been here a year without finding a way to start their own business. By the grace of God and a few good friends I have had, I have managed to start up and run my business well.⁴⁸

According to the letters preserved in Prato, Talerano's point of view does not represent reality. The business we see in the correspondence is fragile and cannot survive using only its own income. However, we cannot be totally sure that the situation represented by the 18 letters by Mattei in our possession is the actual one he experienced over the years, let alone if it is representative of young brokers in general. Maybe the enterprise of Talerano could have been successful, and the surviving documents are the only pieces of evidence linked to the unhappy moments of this business.

After considering Talerano Mattei's business, we will now investigate what emerges about his risk perception in the letters.

5. Risks and damages in Talerano's correspondence

To understand Talerano's risk perception, we cannot focus solely on the term *«rischio»* (risk). This term became the most used word to indicate risks or dangers only from the beginning of the sixteenth century onwards (Baker 2021). Medieval

⁴⁷ «Sono in chattivo termine [...] ò gravato alchuni miei amici e più non ò da gravare s'io non gravo mia madre con verghonha», ASPo, *Datini*, busta 1095, inserto 85, codice 132590, 27 July 1398.

⁴⁸ «Le spese grande ci sono, e la fatticha grande. E innanzi che l'uomo ci possa qui aviare ne piagliar piede, che ciè talli che ci sono istatti uno anno e non ci ano trovato aviamiento. E io per la grazia di Dio e di puochi buoni amici ci ò avutti, mi ci sono sì aviato, ch'io sì fatto bene i fatti miei», ASPo, *Datini*, busta 1095, inserto 85, codice 132588, 26 April 1398.

businessmen did not often use «*rischio*» as one might expect, but they preferred to mostly refer to «*danno*» (damage), and sometimes to other terms such as «*ventura*» (venture), «*sventura*» (misfortune), «*pericholo*» (peril) (Edler 1934; Bec 1967; Baker 2021; Zennaro 2025).⁴⁹ This is also evident in the case of Talerano Mattei. The young Florentine never used the term «*rischio*» or other terms concerning risks in his letter, apart from «*danno*». The term «*danno*» refers to the harmful result of an event, action, circumstance, or anything that brings loss, detriment, injury, harm, or ruin to someone, bringing loss or disaster. Harming may be intentional or unintentional, depending on the situation (Battaglia 1999). In the eyes of Talerano, «damage» can be caused by the misbehaviour of a partner,⁵⁰ or can come from investing badly the money he asked Francesco and Monna Giovanna to support his business.⁵¹ This term is used five times in the correspondence, and two times with the adjective «*gran*» or «*grande*». The concept of «*gran danno*» represents damage of such a scale that no recovery from it would have been possible without God's help or other merchants' support (Zennaro 2025a; 2025b).

Talerano's first reference to «*gran danno*» can be traced in a letter dated 8 June 1398.⁵² Here, the young broker reported his troubles in establishing his new enterprise. Precisely, the start-up business suffered from Mattei's inability to work due to a high fever, of which it is not clear if it was a malarial one, that tormented him for an entire month, or something else:

[...] it has done me great damage, my infirmity. I had a fever every day for a month. I still have a fever today. I have the same fever back in *terzana*,⁵³ and I have it every other day. And I am not cured now, either.⁵⁴

The second «*gran danno*» described by Mattei was the eventual one that could have been caused by war to the investments in the Florentine-funded debt. On the 13th of April 1398, Talerano reported to Datini some rumours he heard concerning a possible peace or truce agreement of eight years between Gian Galeazzo Visconti and the League built by Venice, Florence, Bologna, Ferrara, the Holy Roman Empire, the Pope, and other powers interacting in Italy to contain the advance of the Duke of Milan in the peninsula.⁵⁵ Due to this news, Mattei suggested that Francesco to wait before withdrawing the interest from the investment he had in the institution. Doing

⁴⁹ The analysis of other correspondences from the Datini archive also supports this statement. For example, the correspondence written by the company of Bindo di Gherardo Piaciti shows four references to «*rischio*» and 127 to «*danno*» out of 819 letters (Zennaro 2025a). This is also evident, considering the corpus of letters transcribed by Luciana Frangioni, which provides 235 references to «*danno*» and 11 to «*rischio*» out of 838 letters (Frangioni 1994).

⁵⁰ ASPo, *Datini*, busta 1095, inserto 85, codice 423636, 19 April 1398.

⁵¹ ASPo, *Datini*, busta 1114.02, inserto 119, codice 132592, 26 April 1398; ASPo, *Datini*, busta 1095, inserto 85, codice 132590 27 July 1398.

⁵² ASPo, *Datini*, busta 1095, inserto 85, codice 132589, 8 June 1398.

⁵³ «*Terzana*» refers to the ups and downs of fever. «*Febbre terziana*» can also be malarial fever.

⁵⁴ «[...] e d'ami fatto gran danno l'anfermettà mia, che sono istatto da un messe colla febre ogni di [...] O' per in fino al dì d'oggi ò la detta febre tornatta in *terzana*, un dì sì e l'altro no. E per anchora non sono sano», ASPo, *Datini*, busta 1095, inserto 85, codice 132589, 8 June 1398.

⁵⁵ ASPo, *Datini*, busta 1095, inserto 85, codice 423636, 19 April 1398.

so, Talerano thought, would have resulted in a «great damage» («[...] it seems to me that paying such a price to buy shares would be as throwing the said money away and it would result in a great harm»).⁵⁶ Indeed, the quotations of these investments were very low in the secondary market at the time. This situation derived from the uncertainty perceived by businessmen over the Florentine government and the conflict between Florence and Milan.

Most of the other dangers discussed by Talerano are reported in the letter he wrote on the 19th of July 1400.⁵⁷ These risks are not explicitly mentioned as «damage», but one can see how they were considered as such by the young businessman. Mattei referred to two economic losses he suffered that were directly linked to his activity as a broker at the Rialto Market. On the 20th of August 1399, Mattei underwrote an insurance contract for the cog of Benedetto Grimaldi, departing from Signa and directed to Tripoli. A Genoese ship attacked and captured this cog in the sea near Sicily. Due to this act of piracy, Talerano had to cover his part of the insurance, paying 40 ducats. Other brokers lost 50 ducats out of this incident. Mattei defined his loss as a «great cost» («*chossto assai*») for his business, showing how a single negative event could have meant a great loss for a small broker.

The second danger linked to Talerano's profession was the aforementioned fraud, planned and committed against him by his partner, Cristiano del Migliore. Mattei lost 140 ducats in this case due to his collaborator's misbehaviour. This amount of money corresponded to what a skilled worker in Florence could have earned by working circa 283 days (Goldthwaite 1980, 436). In both situations, we see how the losses suffered by Talerano stemmed from risks he took to gain a profit. Despite being a small actor in the Venetian market, he insured part of Grimaldi's ship, hoping to earn a profit and maybe a reputation out of this business. Indeed, it is clear that Talerano could not properly operate as a broker in this marketplace due to his lack of capital, a fundamental requirement to ensure merchandise and ships (Daveggia 1985; Ceccarelli 2012). To also cover this weakness in his enterprise, Talerano established a company with a foreign merchant in Venice. This choice helped him overcome his financial difficulties, but not the ones inherent to doing business as a foreigner in this market. Indeed, economic actors without citizenship had significantly fewer opportunities for profit than Venetian ones in the Rialto market. Therefore, Mattei was likely excluded from most of the profitable businesses operating in the city. This choice could have been imposed on the broker by the Venetian law, which forbade association between local and foreign merchants (Mueller 1979; Molà 1994; Mueller 1997). Talerano could have tried to become a partner of the several Tuscans active in the Rialto market, or with people having double citizenship, such as Zanobi Gaddi. However, he did not create bridges with economic actors from his own region. It is not clear from the documentation why, but we can hypothesise that Talerano could have been perceived as a risky node for Tuscan networks due to his past fraud against Bianciardi. In light of this possibility, we could say that the

⁵⁶ «[...] mi pare chol pregio iscrivette i detti danari si giettino via che de si torni grande danno», ASPo, *Datini*, busta 1095, inserto 85, codice 423636, 19 April 1398.

⁵⁷ ASPo, *Datini*, busta 721, inserto 11, codice 423638, 19 July 1400.

recommendations were unable to help a businessman who lost his reputation after committing a crime, such as robbery against his previous employer Lorenzo Bianciardi.

The most significant risk to the broker's life and business mentioned in the letter dated 19 July 1400 was the plague pandemic that struck Venice in 1400, resulting in 16,000 victims (Mueller 1979; Zennaro 2025b). In describing the epidemic situation in the city of St. Mark, Talerano provided Datini with detailed information:

As I heard, you are with your family in Bologna. You did well to escape the corrupt air, which, as they say here, is heavy and dark, watching people die in Florence. May God, by his grace, provide for you. And in the same way, many people are dying in Venice. On certain days, a hundred have died this month, but I hear that often between 30 and 40 die of boils. May God, by his mercy, keep his hands on our heads.⁵⁸

Mattei's source of information was the city rumours in this case, apart from what concerned Datini's stay in Bologna. He probably knew about Francesco's flight from Prato, since some of the merchant's collaborators did not flee Venice. Due to rumours, the broker was aware of the pandemic crisis in Florence and had heard about the miasma affecting the city. The most interesting aspect of this reference to the plague lies in the quantification of damage concerning the pandemic's effects. Talerano provided Francesco with the number of casualties suffered by the Venetian population. This information originated from the rumours spread in the city, but it could have been based on data from city institutions such as hospitals or *lazaretti* (Zennaro 2025a; 2025b). Also, Mattei reported to Datini the type of plague experienced by the city, specifically the bubonic one. The rich amount of details gathered and shared by individuals concerning a plague pandemic is rare, even among the explored correspondences from the Datini archive (Origo 1957; Giagnacovo 2000; Nanni 2021; Giagnacovo 2022). This epidemic strongly affected the Venetian economy, causing the transactions at the Rialto market to stop. Talerano's business was damaged by the pandemic as well: «The dying (plague) has now arrived in Florence, and one could profit little or nothing here [in Venice]».⁵⁹ Plague was considered a risk by Talerano, although he did not mention it as «*damages*» or «*great damages*». In light of this, we can see that focusing solely on terminology cannot entirely solve the issue of research on an individual's risk perception.

A letter written by Cione Pagoli and Giovanni di Messer Pino di Rosso, two partners of Datini and friends of Mattei, reports the last known reference to Talerano and one more instance of damage he suffered due to the plague. Pagoli and Rosso sent this letter to Francesco to inform the merchant of Prato and Monna Giovanna about the death of Talerano's child:

⁵⁸ «Chome ò sentito siete in Bolognhna colla famiglia. Avette fatto bene a fugire l'aria chorotta che sechondo si dicie qui è ghevria i schuretta a vedere la gente muore a firenze. Dio per la sua grazia vi provegha. E per simille qui in Vinigia ne muore assai che é tal di di questo messe ne sono morti 100 ma siete sopra ne muore per di da 30 in 40 di ghavociollo. Dio per la sua misericordia ci tenga le man in chapo», ASPo, *Datini*, busta 721, inserto 11, codice 423638, 19 July 1400.

⁵⁹ «Al presentte é giunta la morttalità a Firenze, e qui e non si guadagnato nulla o pocho», ASPo, *Datini*, busta 721, inserto 11, codice 423638, 19 July 1400.

[...] this morning, on the 7th of October, we buried the little daughter⁶⁰ of Talerano, who had these pestilential illnesses. We gave her the honours we could because Talerano is not helped by anyone here. May God have mercy on everyone.⁶¹

After this letter, we do not know what happened to Talerano Mattei. We have no more documents written by this young broker or references to him from other correspondences. Mattei could have died of the mentioned plague, or he could have ceased to be part of Francesco Datini's network, or, again, the letters mentioning his business after that moment could have been lost.

6. Conclusion

This article has attempted to explore how a broker perceived and faced risks in his daily business and private life. To do so, we reconstructed Talerano Mattei's biography using the few available sources. This allowed us to understand the dynamics that led a young businessman to become a broker in the Middle Ages and to study the difficulties a young *sensale* would have faced in establishing his business in late medieval Venice. This work used Talerano Mattei's future expectations to understand a medieval broker's risk perception and mentality. We saw how Talerano often thought about the future, mostly to ask for recommendations, express hopes, or give instructions. In any case, studying the topics discussed in his expectations allowed us to identify the aspects of his business that were most relevant to him. This led us to study his network, examining its nodes and bridges from a qualitative perspective.

This research has highlighted how this individual attempted to manage his debts throughout his career without finding a solution to pay them off. This is clear from his strong dependence on his mother, Monna Giovanna, and Francesco Datini. Still, we cannot fully establish if this continuous lack of money was derived from Talerano's poor skills as a broker, from the poor reputation he had after robbing the goods from his own employer, or, as we hypothesised before, from a possible gambling addiction. Talerano's correspondence did not reveal as much as expected concerning the daily job of a broker, nor about the use of future expectations in this kind of business. This situation arises from the lack of an organic collection of sources that could have helped us better understand these aspects. Still, it is interesting to highlight how relevant the study of the individual perception of risk appears from this correspondence, despite the limited amount of sources considered. Talerano not only considered what historiography highlighted as dangerous situations for medieval

⁶⁰ Talerano refers to his child as a male, but in the letter written by Cione Pagoli and Giovanni di Messer Pino di Rosso, the child is mentioned as a female (ASPo, *Datini*, busta 721, inserto 13, codice 424010, 7 October 1400). It is not possible to establish whether this reference to a female was an error or if the child was really a female.

⁶¹ «istamani, a dì VII d'ottobre, soterramo la fanciulla di Talerano, la quale, ebbe di questi mali pestilenzali. Fecesi honore di quello si poté, siché Taleranon nonne ricorso qui persona, che Dio abi fatto miserichordia a tutti. Noi lo scriviamo alla madre che fu di Talerano per una fia in questa mandategliele in questi pochi di la mandavamo a Firenze. E Idio la sua volutà che di tutto sia lodato», ASPo, *Datini*, busta 721, inserto 13, codice 424010, 7 October 1400.

businessmen, such as piracy or wars, but also events linked to his daily life. A clear example of this can be found in how Talerano conceived his relationship with his partner, Galeazza. She was considered a source of damage for his business by the broker, and so was the child he had with this woman. The birth of a child, often seen as a blessing in mercantile families, appears here as a threat to Mattei's business. The fragile economic situation of Talerano can explain this difference in risk perception. This broker's enterprise was so weak that he could not face even the most common 'risky' situations that business and private life could provide him with. This can be evidence of the inequality in individuals' resilience, according to what has been stated by Beck in his work on the «risk society» (Beck 1992, 44; 83).

This article serves as a starting point for further research on individual risk perception and future thinking in the Middle Ages, based on a more consistent corpus of letters written by brokers. By focusing more on the biographies of other *sensali* from the past through ego sources, historians could better understand overlooked aspects of the mentality and economic life of premodern brokers.

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The Tribunal of the Inquisition in Majorca and the bankruptcy induced in the business of Majorcan Jewish converts (1677-1681)

1. Introduction

The concept of induced bankruptcy analysed below pertains to the debate on the factors and mechanisms that determine more or less organised outbreaks of violence against minorities, especially wealthy minorities. Within this debate, the more classic contributors, such as Bramoulle and Morault (2021), opt for a theory of instrumental scapegoating in which local elites habitually use rich minorities to maintain their hold on power. However, the political and economic elites can sacrifice these minorities in the event of popular discontent. Caselli and Coleman (2012) consider that the more hermetic and less permeable an ethnic minority, the more likely it is to have conflict with other groups. However, for authors such as Hornung (2019), diversity may increase economic activity by using complementarities in production, although it may also lead to expensive conflicts over resources. In the present case, the Inquisition's attack on the economic elite of the Majorcan minority of Jewish converts, after a long period of peaceful coexistence, unleashed a physical and economic repression that led to the bankruptcy of their companies, the loss of assets and property, and also of their financial investments, which caused great commotion in the business world. The authors of this paper have therefore termed this phenomenon an induced bankruptcy, as it was not purely the result of economic and business dynamics,¹ but rather was a exogenous factor of an institutional nature. Therefore, this research intends to place the economic repression of this elite of Majorcan Jewish converts in the general debate on the explanation of the economic repression suffered by rich minorities in European economic history. It considers how institutional repression may lead to the economic bankruptcy of the numerous companies linked to the group and have an important effect on the sectors where this group predominates.

Those affected by the Inquisitorial repression were the first to suffer its consequences, which in many cases would be a total, and even definitive, interruption of their economic activity. In this case, the victims belonged to the minority comprising the community of converted Majorcan Jews identified with the name of Xuetes. The intention here is to analyse the impact that the institutional attack had on a minority that enjoyed a position as an economic elite. The profound disruption of this group's

¹ There are important works on the bankruptcy of financial and commercial enterprises, wherein the factors involved in this phenomenon are analysed. See, for example, Suárez Argüello (2011) and Safley (2020).

business ventures affected a variety of sectors including trading companies, the real estate market and, above all, financial transactions. The impact was sudden and took place in a short period of time. Credit activity was the fundamental pillar of the Xuetes' wealth, both in the domain of public debt by means of *censos* (a type of annuity), and via loans to private individuals that were made from shops or *botigas*,² which were at the heart of their businesses. This financial activity nourished the island's economic life. Important changes and disruptions resulted from the imposition of new ownership and management and were unquestionably key factors in the severe economic downturn which the authors have identified as induced bankruptcy.

The sources used to investigate these matters come from the National Historical Archive (*Archivo Histórico Nacional*; AHN) and the Archive of the Kingdom of Mallorca (*Arxiu del Regne de Mallorca*; ARM). In the former, as well as the well-known processes related to faith, the authors have focused on exclusively economic documentary items, in which, moreover, a good part of the information is quantified. In this respect, it is worth highlighting codices known as *libros becerros*. These contain the fundamental aspects of the confiscated property: *censos*³ and real estate property. Also of great interest for the economic analysis is an extensive book⁴ with abundant information related to different aspects of the confiscated goods.⁵ To work with these sources, it is recommendable to convert from the local monetary system based on *libras*, *sueldos* and *dineros*.⁶ The ARM is equally indispensable, both the private documentation coming from notarial protocols, and public documents from the Inquisition's collection. The documentation related to trading companies, the so-called *libros de cargo y descargo* (charge and discharge books), and also management books and the books of *botigas* have all been of special interest for this study. Due to enormous number of possible sources for this study, the documentation consulted has been

² Some *botigas* were an integral part of a house, like one more room, while others were free-standing, or at least were leased as a separate property, unrelated to the rest of the building. There was no single model, and in order to capitalise on them they could be rented with the so-called *entresuelo* (which we understand to constitute the entire ground floor of the house) and there are also examples of *botigas* and studies, without any further specification. We think that in these cases the 'study' was in effect used as a workshop.

³ The *censos* (annuities) are classified according to typology: *censos* of the *Universitat* (loans to the *jurados* – representatives – of this institution that governed the city of Mallorca), *villas* (small towns), guilds and private individuals. These books also provide important information on the origin of these *censos*, who was involved in the loans and the evolution of such loans with different legal mechanisms of transmission.

⁴ AHN. Inquisición. L. 871

⁵ Property that was tied up in lawsuits, referred to as '*hacienda litigiosa*', is particularly valuable. This concerns property affected by legal actions with regard to its ownership. Also of great value is what was known as *Tanteo* (a rough estimate) for 104 properties, some individual and others family properties. This document provides explicit details of goods seized for each case and their corresponding value.

⁶ A Majorcan *libra* is worth 20 *sueldos* and each *sueldo* is worth 12 *dineros*. Furthermore 1 *libra* is the equivalent of 240 *maravedis* (the *dinero* and the *maravedi* are worth the same). In relation to the pieces of eight (silver coin worth 8 *reales*), one of the currencies of international reference of the period, the Majorcan *libra* corresponded to 7 silver *reales* and 2 *maravedis*. AHN, Inquisición, L.871, f. 250. With respect to *escudos*, according to the documentation of the period, 1 *escudo* corresponded to 340 *maravedis*.

restricted to the period from 1677, the date of the first detentions, to 1681, year in which there was a massive sale and redemption of *censos*.

The abundance and diversity of the sources produced by the Inquisition allow different approaches to a number of issues. In this case, in order to analyse some of the consequences of the economic impact of the Inquisitorial repression, the main body of this article is divided into three parts (apart from the Introduction and Conclusions). In the first part, the disruptions to financial activity are analysed. There was a radical change in the ownership of public debt, with the *censos* agreed with the *Universitat*, *villas* (small towns) and guilds being transferred from the Xuetes to the Church. The same process was repeated with private credit and small loans made to private individuals. At the same time, the fact that the confiscations encouraged fraudulent transactions with respect to commitments made can be discerned. In a second section, another aspect that was a key element in the development of the wealth of a minority of Jewish converts is addressed, namely the trading activity of companies. Although it may be true that the seizure of these enterprises was not as far-reaching as the confiscation of other types of goods, it is also undeniable that there was a significant interruption of these businesses in terms of foreign trade. These consequences also affected insurance business. Finally, the impact on the real estate market is addressed, both in terms of rents and the purchase and sale of properties, where Inquisitorial corruption was once again present. The expropriation of *botigas* was especially relevant. This was because these were not just used for the sale of specific products, mainly fabrics, but they were also a place used by the Xuetes to carry out business negotiations and deals. All these factors which acted together at a particular time determined a clearly negative situation, for which the authors use the concept of induced bankruptcy.

1. Inquisitorial repression: the facts

The events that contextualise the analysis undertaken below correspond to the repression carried out by the Inquisition of Majorca against the minority of Jewish converts. This repression took specific form in two great Inquisitorial processes, those of 1677-79 and 1688-1691. Both have been amply addressed by the historiography,⁷ and thus are quite well known. After a long period, from the mid-fifteenth century, during which the Inquisition of Majorca went almost unnoticed, due to its negligible activity, it suddenly re-emerged with great intensity in last third of the

⁷ The Inquisition, as an institution, has been a classic topic of study that has given rise to an abundant bibliography, although with less attention paid to the economic aspect (Martínez Millán 1984). In the case of Majorca, interest in the Inquisition and the Xuetes has produced an active bibliography in recent decades, starting from a seminal work that should not be overlooked: (Braunstein 1976). Also noteworthy among the copious amount of studies are Selke (1980), Colom (1992), Santamaría (1997), Porqueres (2001) Picazo (2006) and Cortijo (2014). A more complete overview can be found in the state of play described by Juan Vidal (2020). The issue of the Majorcan Jewish converts has been maintained up to the present: Montaner (2021), Picazo (2022), Colom (2023), Carpio and Pons (2024) and Pons and Carpio (2025). The economic aspect has received less attention: Casanova (1994); Picazo (2007) or has been included within broader topics: Muntaner (2018); Bibiloni (1995) and Pons-Pons (1996).

seventeenth century. It focussed its repression on the converted Jews, who were already known at this time, including among themselves, as *Xuetes*.⁸ In 1435, all Jews had been forcibly converted to Catholicism, and thus officially there was no group that existed outside the official religion. However, it is quite probable that part of this convert community continued to maintain their culture and religion in the form of crypto-Judaism. In any event, these probable practices did not seem to put at risk the tranquillity of a minority that did not feel threatened. This situation may well have contributed to the full development of the Xuetes' businesses, which led them to become a powerful economic elite. Their marriage and economic strategy was almost exclusively endogamous among the Xuete community, at least until the beginning of the seventeenth century. This determined the fact that their trading companies, *botigas* (shops) and insurance companies were run exclusively by members of the Sagell community, as the Xuetes identified themselves. They only accepted the participation of Old Christians in big operations, tax collection leasing, corsair activities and large-scale exports. The detailed accounting of their operations, and in many cases the notarial deeds involved, explains why it was easy for the Inquisition Tribunal to identify and confiscate the goods of Jewish converts. This action led to a significant collapse of economic activity in some of the sectors dominated by the Xuetes between 1677 and 1679.

In the seventeenth century, the Inquisition was already fully aware of the existence of a group that was acting clandestinely outside Catholicism. This fact was made evident by the Fontamar⁹ report of 1632, although this report did not have any repercussions at this time, as the Inquisition did not take any measures in this respect. This situation changed radically during the 1670s. In September 1677, a process was initiated with the first detentions, and which peaked in February 1678 with the mass imprisonment of a significant number of the Xuete population. The judicial process, known as the 'Complicity' of 1679, lasted over a year and led to five *autos de fe*, held in April and May 1679, with 219 accused being 'reconciled', which entailed the loss of their property, confiscated by the Inquisition.¹⁰ Despite the scale of the Inquisitorial process, the repression did not affect all Xuetes, although it was undoubtedly a turning point in the socioeconomic evolution of the community. In fact, only the family groups of five different lineages were profoundly affected. The way of dealing with the impact of this occurrence differed between families, depending on the

⁸ On the basis of the aforementioned processes related to faith, a group of 15 surnames has been compiled: Aguiló, Bonnin, Cortès, Forteza, Fuster, Galiana, Martí, Miró, Moyà, Pinya, Pomar, Sureda, Tarongi, Valleriola and Valls. It should nevertheless be noted that, in the tradition based on the names that were preserved in the Santo Domingo convent until the 19th century, the surnames Picó, Segura and Valentí were included, although they were not prosecuted in either 1679 or 1691. On the other hand, the names Galiana, Moyà and Sureda were not included, although members of these families were prosecuted.

⁹ Juan de Fontamar held the post of prosecutor of the Tribunal of the Inquisition of Majorca from 1632 to 1649.

¹⁰ Terms of imprisonment ranged from one to three years and the sentence declared them 'reconciled', which meant that by means of an official and public abjuration they were readmitted into the open arms of the Catholic Church.

success of their strategies, and fundamentally the strategy of concealment.¹¹ The recovery of part of the capital that had not been included in the confiscations would contribute to a recovery of economic activity, although never at the same level as in the period prior to the 'Complicity' of 1679. After some years of adaptation or attempts to flee, there was a second great Inquisitorial wave with mass imprisonments starting in March 1688, which continued until July 1691 and resulted in 4 *autos de fe*, involving 134 sentences.¹²

When suspects were arrested, their property was seized by the Inquisition from the very first moment. The large number of suspects imprisoned led to a tremendous amount of confiscated incomes, with undoubtable consequences for all those involved. The historiography has always considered the amount to be exorbitant, although with significant discrepancies as to the exact quantification.¹³ The analysis presented here focuses on the economic repression of the first persecution, which ended with the *autos de fe* of 1679. This was the largest amount confiscated, as the seizures of 1691 were from the same minority group, which was already relatively impoverished, and entailed a greater ideological and religious component. The authors base their analysis on their own data, taken from such a comprehensive source as the *Tanteo* (rough estimate) of the Tribunal of the Inquisition in Majorca dated 20 May 1680. The list of accused with a disaggregated valuation of their property constituted a total amount of 977,107 *libras*, 2 *sueldos* and 7 *dineros*.¹⁴ This amount of capital inevitably had to have repercussions for the island's economy and marked a turning point, initiating a new phase. It was perceived thus at the time, as evidenced by the memorandum sent to the Court of Madrid by the Count of Montenegro, dated 22 June, warning that these confiscations, valued at around one 1 million *reales de a 8* (866,666 *libras*), would cause great harm to the island's industry and trade (Casanova 1994, 190).

There was always a multiplicity of factors affecting such complex processes, and it is difficult to ascertain the actual causes. On the basis of the documentation analysed, our hypothesis gives paramount importance to economic motivation. Confiscations were one of the Inquisition's common sources of income (Martínez Millán 1984). These applied to all types of property, from the initial moment of detention, without waiting for the accused's prosecution to be resolved. By this time, the Xuetes had entered decisively into many lines of business throughout the seventeenth century, especially sectors such as foreign trade (Bibiloni 1995), credit (Picazo 2007) and insurance (Pons 2007). This had created an enviable economic position for an elite minority. This concentration of wealth may have aroused the covetousness of the Holy Office of Majorca at a time when it was experiencing serious financial

¹¹ There are numerous testimonies of the accused in the processes related to faith of different strategies to hide money, or more frequently jewels, in the houses of acquaintances.

¹² Many of them, by relapsing into the same crime of heresy, were given a sentence of 'relaxation', which effectively meant a death sentence. Specifically, the process of 1691 ended up with 42 people 'relaxed', 3 burnt alive and 41 'reconciled'. Another substantial number of accused, specifically 39, managed to get their prosecution suspended by the Consejo de la Suprema y General Inquisición in Madrid.

¹³ Most of the figures refer to the process of 1679, which contrasts with the repression of 1691, where a more complete clarification of the amounts confiscated is still required.

¹⁴ AHN. Inquisición. L. 871, fs. 250-312.

difficulties. This would certainly be plausible with an inquisitor who was prepared to use corruption as a means of enrichment.¹⁵ The pressing need for money of the Tribunal of the Holy Inquisition in Majorca has always been well documented in the historiography.¹⁶ Given the amount and value of goods seized, this institution clearly benefitted, but this increased income also had a substantial impact for both the Crown and Supreme Council of the Inquisition.

3. The impact on the financial sector

In the confiscation processes, the Tribunal of the Inquisition of Majorca followed what had been the institution's general strategy since the end of the last quarter of the sixteenth century, aimed at achieving greater economic stability. This trend consisted in modifying the composition of its income by replacing confiscations and fines by the ownership of *censos* and investment in *juros* and other types of debt (Pérez Villanueva 1984). The *autos de fe* and the property seized from the Majorcan Xuetes from 1677 to 1679 allowed the Majorcan Tribunal to appropriate a large amount of *censos*. According to our calculations, based on the data from the *Tanteo*, disaggregated and corrected (with an error of 6 *libras*), 73.22% of the 977,113 *libras* pertained to financial products or credit operations. Almost 50% came from public debt of the *Universitat* in its three different forms: *universal consignación*, *via anap* and *derechos nuevos* annuities (Pons and Carpio, 2025, p. 125). Then there were also *censos* on loans to institutions such as guilds and small towns. The volume of *censos* or annuities was completed by those taken out by private individuals. Private credit, usually small amounts loaned in commercial *botigas*, accounted for the remaining 25%. This phenomenon had an enormous impact and was a critical element in the economic collapse of the Jewish convert community, after being dispossessed of their main business and source of wealth. On the other hand, the fact that this important financial sector changed hands, in a surprising, rapid and intense fashion, undoubtedly generated uncertainty and confusion in the island's economy.

The aim of the Tribunal, with the endorsement of the *Suprema* in Madrid, was initially to preserve these *censos* as a stable source of income to finance the regional tribunal in the long term. However, very early on, the Crown set its sights on these goods and demanded significant amounts for the maintenance of the army. Different authors have incorporated references regarding the demands of the monarch's representatives to receive part of the income from the confiscations. Discrepancies over the ownership and the destination of the confiscated goods between the viceroy/king and the Holy Tribunal started just a few months after the first detentions, in light of the number of Xuetes accused and the enormous value of the confiscated property. The viceroy claimed part of the value of these goods for the Royal Estate and the inquisitors did likewise for the Holy Tribunal (Casanova 1994, 188-189). After the

¹⁵ This was the case of the inquisitor Francisco Rodríguez de Cossío in 1679. He was repeatedly accused by those imprisoned of acting in his own interests and they claimed that he had arrested them in order to obtain their money. Braunstein, (1976, 139-140).

¹⁶ Selke, (1980, 126-27); Picazo (2006, 75); A. Cortijo (2012, 495).

autos de fe of April and May 1779, when 219 Xuetes were sentenced, the petitions of the Crown soon followed. According to Álvaro de Santamaría (1997), without mentioning the specific source, nor the date, the king agreed to a reasonable distribution of the 845,189 *libras* of net profit of the confiscations, allocating 4.20% to the *Suprema*, 13.44% to rebuild and enlarge the headquarters of the Inquisition in Majorca, 33.5 % to constitute an endowment fund that would yield 10,000 *libras* annually for the payment of wages and the remaining 48.84% for the *Procuración Real* (royal procurement) of Majorca, to be invested in the defence of Majorca, Menorca and Ibiza-Formentera.

The original documents of the accounts of the Inquisition in Majorca do not in any way reflect these proportions. In a *libro becerro* compiled between 1679 and 1680, the receiver of the Majorcan Inquisition, Pere Joan Vaquer, noted down all the *censos* of public institutions and private individuals and also the houses seized from 'reconciled' persons. Along with the list, the day of the sale or redemption was noted. This information makes it possible to estimate the impact of these transactions on the public debt market, and to ascertain who acquired the properties and why the sale took place. On analysing this information, it appears that there were at least three waves of mass sales of debt by the Tribunal.

The first mass sale and redemption of *censos* began in November 1679, for the payment of 50,000 pesos to the viceroy Conde de Villar.¹⁷ These transactions and redemptions continued throughout 1680 and until his death on 30 January 1681. The process was slow due to the limited wealth on the island, and especially the lack of money, which gave rise to serious difficulties to find individuals or institutions who had sufficient liquidity to buy or redeem the *censos*.¹⁸ When the viceroy died, the total amount of money due had still not been covered, and consequently there was a second wave of sales and redeemed *censos* in June 1681, to enable the Countess, Villar's widow, to be paid the amounts still owed to her husband. The third wave evident in the *libro becerro* corresponded to 1683, in order to make a payment of 66,000 pesos to Francesc Truyols.¹⁹ Between 1678 and 1683, *censos* sold for a capital of 70,658 *libras*, 4 *sueldos* and 10 *dineros*, and which produced an annual income of 3,620 *libras* and 18 *sueldos*, were recorded. On the other hand, the redeemed *censos* were calculated to be

¹⁷ Baltasar López de Gurrea y Jiménez de Cerdán, Count of Villar, arrived in Majorca in June 1678, during a conflict with the French monarchy and with a pressing need to increase the defences of the islands. According to his bibliography, for the maintenance of troops on the island he requested that a general *talla* (levy) be imposed on the *jurados*, but soon there was not enough money and he asked the king for support. The monarch decided that 640,000 *reales* of what had been confiscated from the Xuetes could be used to feed soldiers and Navy troops. In July 1680, taking stock, the viceroy indicated that he had 1,633,880 *reales* available for expenses, but that this had not been enough as payments due were actually 1,735,980 *reales*. He had needed to personally take out credit of 160,000 *reales* in order to pay his troops, and even so that still left him 53,074 *reales* short.

<https://dbe.rah.es/biografias/40235/baltasar-lopez-de-gurrea-y-jimenez-de-cerdan>. Consulted on 13 December 2024.

¹⁸ This was affirmed by the prosecutor Carlos de Miranda in a letter to the *Suprema*, sent on 11 June 1680. Colom (2015, 284).

¹⁹ Francesc Truyols y Oms was a Majorcan military officer, a '*consejero de capa y espada*' of the Supreme Council of the Crown of Aragon. <https://dbe.rah.es/biografias/58959/francisco-truyols-y-oms>. Consulted on 13 December 2024.

worth 70,286 *libras*, 2 *sueldos* and 8 *dineros*, producing an annual income of 3,288 *libras*, 14 *sueldos* and 7 *dineros*.

With original data from the Majorcan Inquisition itself, most of what was gained from these transactions was handed over to the Crown. The buyers were mainly institutions linked to the Church, including convents, colleges, charitable cathedral canons or liberal professionals, such as doctors or notaries. In the cases of the Countess of Villar or Francesc Truyols, part was recorded as direct sale, in payment for what was owed to them. On the other hand, consideration should be given as to whether these redemptions responded to pressure from the Tribunal on the *jurados* (representatives of the municipal government), receivers or religious administrators of certain guilds or small towns, or were a consequence of the detentions of Xuetes, by arousing fear or distrust among the debtors which prompted them to liquidate their debt.

An important part of the public debt, coming mainly from small towns, was settled, paying the principal of the capital. Where did this money come from? Was fiscal pressure increased? Were new debts incurred? One thing that does seem clear is that these *censos* left the commercial and financial circuit, first in the hands of the Inquisition and then in the possession of the Crown. This amount could be increased with the sale of other types of goods, mainly houses, orchards and plots of land, or the auction of jewellery and other goods. In July 1680, according to the Tribunal's own documentation, a total of 187,000 *libras* had been sent in different consignments to pay the amounts with which the *Suprema* "served the king". The first payment was 100,000 *libras*, the second was 6,000 and 30,000 escudos which were the equivalent of 51,000 *libras* and finally for help with coastal and offshore activities, and other things, Antonio Carlos de Miranda and Juan de Escaló received a total of 36,000 *libras*.²⁰ This considerable amount of capital was withdrawn from public credit.

The impact of the Inquisitorial repression on the financial sector was also transferred to the relationship between creditors and debtors and the commitments made. This only intensified the failure of the Xuetes' credit investments, which led to a substantial loss of their economic status. The detentions and convictions of certain members of the convert community left them defenceless and in a state of constant threat from the Inquisition. With the Xuetes in such a weak position, many saw an opportunity to obtain a clear profit by trying, usually successfully, to liquidate their debts fraudulently. The amounts in question were quite significant, and could be as much as 1,000 *libras*. In some cases, a smaller part of the loan was acknowledged, but normally the opportunity to liquidate or eliminate the credit was taken. In such a case, the Xuete lender signed a receipt, with a date prior to entering in prison, acknowledging having received the amount financed. This strategy of false receipts spread and was used by both individuals with a high position and simple peasants or labourers. Examples of the former include the Count of Ayamans and even the secretary of the Holy Office of Majorca, who was a close friend of Agustí Cortès, elder. Ironically, both he and several of his children suffered these abusive practices in person. This did not only make the recovery of this family's status difficult, but rather it made it absolutely impossible.²¹

²⁰ AHN. Inquisición. L. 871, f. 435v.

²¹ AHN. Inquisición, 1710, Exp. 1. fols. 4-10v.

4. Business collapses. The slump in commercial and insurance activity

Despite the frauds detected, supervising the public debt and private credit was more straightforward than administration of the trading activity appropriated from the Jewish converts. Although the scale of the business of the large olive oil exporters and fabric importers was quite different from that of the merchants of small retail *botigas*, the repression of the Inquisition and the confiscation of goods had an enormous impact on both spheres of business. In November 1677 and February 1678, when the first detentions took place and the property of the accused was seized, the merchandise and other goods were deposited in the hands of partners and family members on Sagell Street. However, on 28 April of the same year, many of these partners, relatives and other members of the community, and especially sons, also ended up in prison and so, in many cases, their own possessions were mixed up with the goods that had been deposited with them (Table 1). This lack of separation of properties and merchandise made it necessary to compile new inventories.²²

Tab. 1. *Botigas* confiscated and handed over by the Tribunal of the Inquisition

Ownership of the <i>botiga</i>	Goods handed over to	Value		
		l.	s.	d.
Bernat Joaquim Aguiló	Joana Anna Aguiló i Valls, his wife	589	13	5
Francisco Forteza de Valentí	Rafel Joan Pomar	1,562	6	4
Marianna Sureda, his mother-in-law		1,718	16	9
Francisco Forteza, <i>Panfonteta</i>	Rafel Aguiló Joan Baptista Forteza			
Rafel Forteza, <i>Rei</i>	Miquel Gaspar Forteza, son Rafel Josep Vall	518	1	4
Joan Pomar de Jaime	Pere Joan Miró Rafel Joan Pomar	314	3	11
Bartomeu Tarongí	Miquel Jeroni Martí José Andreu Cortès	191	14	7

Source: Prepared by the authors. AHN, L. 4769, caja 1.

The basis of the trade carried out by the Xuetes rested, almost exclusively, on two fundamental pillars: the textile sector and olive oil. The main elements of the merchandise available in the *botigas* consisted in a great variety of different types of

²² AHN. Inquisición. L. 871, f. 251

clothing, which was used both for the retail trade and also for transactions of greater quantity and value. Furthermore, these same premises could be used to store oil until the time came for its shipping, as it was destined for foreign trade. Trade with other products such as pepper, cotton and wheat was on a significantly smaller scale.

The downturn in mercantile activity as a result of the *autos de fe* of 1679, in both the short and medium term, was devastating. The foreign trade of the Xuete community lost 80% of its export capacity. This vacuum was occupied by other groups, especially the nobility which, after the Inquisitorial repression, was responsible for 40% of all exports. The weight of the Xuetes in the overall export market fell from 26% to 5%. If a comparison is made by periods, the Xuetes went from controlling 25.83% of exports in the period 1657-1677 to 14.72% in the period 1679-1699, when the two waves of *autos de fe* and confiscations took place. The Xuetes' business did not fully recover until the eighteenth century (Bibiloni and Pons 2009, 288 and 292).

If the first intervention caused a certain distortion in the business of *botigas* and companies, the detentions of April brought bankruptcy, or at least temporary insolvency, to these businesses. Although the clearest predatory objectives of the Tribunal were real estate and the *censo*s, it was also necessary to manage the merchandise and oil seized in stores and warehouses. In the *Tanteo*, the confiscated merchandise was valued at 49,689 *libras*, 17 *sueldos* and 6 *dineros* and the olive oil at 12,221 *libras* 10 *sueldos* and 6 *dineros*. These figures accounted for 5 and 1.25%, respectively, of all expropriated property.

The diversity of the property confiscated from the Jewish converts reveals a significant degree of inequality within the group itself (Carpio and Pons 2024). The coexistence of small shopkeepers and large merchants meant that the possibilities of resisting and, above all, of hiding property were starkly different. One case that illustrates the capacity of concealing property was that of the traders Agustí Antoni, his son Agustí Alfons Cortès, his son-in-law Gabriel Cortès de Francesc, alias *Pota* and Jeròni Diego Cortès. The first three were accredited large exporters of olive oil (Bibiloni, 1995). Agustí Antoni had been operating with his brother Rafel Jeroni since the 1660s and had built up a considerable amount of property through their links with Jewish traders, the *Solicofres*, based in Flanders, specifically in Amsterdam.²³ In 1677, these Majorcan Xuetes supplied them with a large consignment of oil worth 6,000 *libras* with the agreement that, in return, they would be sent clothing for their business. However, when the first detentions took place, at the end of the year, this family of converted Jews sent a letter to their associates in Flanders asking them to retain the amount in question, as they feared their imminent arrest. They explained in the letter that as soon as they felt safe, they would notify their collaborators to send them the money resulting from the sale of the oil. Indeed, all of the Jewish converts mentioned were arrested and, after the *autos de fe* of 1679, Gabriel Cortès de Francesc went to Madrid with the excuse of visiting the ex-viceroy Miguel Salvà, and took the opportunity to go to the port of San Sebastián, contact the *Solicofres* and recover the family's money.²⁴

²³ Family of merchants of Swiss origin (St. Gallen) settled in Marseille and with representation in the main European ports in the second half of the 17th century (Carrino, 2017).

²⁴ AHN. Inquisición. 1706, Exp. 11, f. 14v.

In many cases, the richest merchants who had relationships with people outside the island, on the Peninsula and, especially, abroad, were able to safeguard part of their business. Nevertheless, this surprise paralysation of trading activity also affected foreign merchants who habitually had business relationships on the island. The charge and discharge books of the individual management of each of the accused converts reveal numerous items, especially merchandise sent abroad, that were in the possession of foreign merchants, but which were never recovered, and which appear as pending in the Inquisitorial accounts year after year.

The trading activity accounts were of a complexity that was not easy to decipher when management of the accounts was in the hands of outsiders without specialised knowledge, as was the case with the Inquisition. This management of mercantile business was complicated and expensive, and the process was prolonged for decades. The receivers of confiscated goods had to take responsibility for the charge and discharge books, manage payment and collection of money, and every few years had to justify their accounts to the auditor, Pere Joan Vaquer. The accounts were grouped together for a certain number of years, which resulted in first, second, third, etc., accounts. Some accounting was prolonged until the eighteenth century. Items appear in many of the accounts that were never collected, merchandise that was in the hands of outside or foreign traders and shipowners. In many cases, these people denied that they were in possession of property of Jewish converts or simply disappeared and evaded the Tribunal's control. Privateering operations that Xuetes had invested in, and for which in theory the profits were not shared, were also affected. So was the participation in insurance companies, where contributions had to be paid, or money due was not received.

The case of Agustí Alfons Cortès serves as an example of such a disruption of trading. The following appear in the books, among other items: 36 cowhides from Moscow 40 cheeses that were delivered to Luis Bequet in Valencia, 735 *cuartanes* of olive oil sent to Jaume Forteza, a resident of Barcelona, and 10 bales of cotton worth 2,900 *libras*, property that was shared with his cousin Miquel Alex Cortès, which was handed over to ship's master Bartomeu Barceló to be sold in Flanders. In the third accounts, approved on 14 August 1692, these items were still unresolved.²⁵

On the other hand, the shops (*botigas*), the physical premises where small-scale business was managed from, such as the retail of clothing, the arranging of small credits and pawnbroking, and which were also sometimes used to manage larger-scale business, the export of oil and the purchase of clothing from outside the island, experienced the initial surprise, disorientation and induced bankruptcy. The *botigas* remained in the hands of partners or family members who had not been accused, but as the scope of the seizures increased from 1677 to 1679, there was considerable confusion over their management and activity. Not only was the merchandise of *botigas* and warehouses confiscated, but also, and especially, the books containing credits, promissory notes and other types of small retail loans. The debtors now had to make the payment to the Inquisition, which insistently demanded its due from all involved.

With regard to the Xuetes' participation in privateering vessels, the Tribunal considered this to be of little value, since Xuetes were owners of a twentieth part, a

²⁵ Arxiu del Regne de Mallorca (ARM), Inquisición, C-5345.

twelfth part or an eighth part. These goods seemed to the treasury to be scarcely profitable, and appeared to be difficult to manage and obtain benefits from, as buyers could not be found. The treasury therefore abandoned the administration of these goods to a large extent.²⁶

Linked to the commercial activity, although within the financial function, were the insurance companies. Starting from the mid-seventeenth century, there was an important transformation of insurance on the island with the introduction of companies that were specialised in this business. These gradually took over the activity with a consequent reduction in the system of individual participation that had prevailed in previous centuries. The community of converted Jews played a key role in this process. The Xuetes created a network of insurance companies (*caixes de seguretat* and *caixons*) that was interlinked and allowed them, in a short period of time, to acquire a larger market share compared with individual insurers or the insurance companies formed by Old Christians. Moreover, the income from premiums was used for low-interest loans to company partners. In this way, they had cheap money available for other types of business. Using this formula, and on the basis of an analysis of a sample of policies²⁷, it appears that the Xuetes went from controlling 46.50% of the insured capital and 44.47% of the premiums of all insurers in the 1650s to 36.17% of the capital and 50.22% of premiums in 1679. On the other hand, the insurance companies were dominant, given that in 1650-1659, they controlled 74.53% of the capital insured and 64.85% of premiums. By the 1670s, they now controlled 79.71% and 78.25%, respectively. It should be borne in mind that the Inquisitorial persecution was initiated at the end of 1677, and the Xuetes' companies were disappearing from the business up to the end of 1679.

Tab. 2. Participation of the Xuetes in the insurance business

Period	Percentage of insurers		Percentage of insurers by insurance company	
	Insured capital %	Premiums col- lected %	Insured capital %	Premiums col- lected %
1650-1659	46.50	44.47	74.53	64.85
1660-1669	45.58	45.70	71.49	65.56
1670-1679	36.17	50.22	79.71	78.25
1680-1689	36.79	33.61	55.34	42.38
1690-1699	56.41	54.56	57.63	51.72

Source: Pons-Pons (2007, 280)

²⁶ AHN. Inquisición. L. 871, f. 251-252v

²⁷ The sample used was of 933 insurance policies taken out by means of a notarial protocol from 1650 to 1699 in Majorca. The protocols are in the Arxiu del Regne de Mallorca. For a list of notaries and years, see Pons-Pons (1996).

Until 1678, the Xuete insurance companies were made up exclusively of members of this group. Their composition was based on the same endogamous family and economic relationships. The effects of the confiscation of goods and the imprisonment of Xuetes on the insurance business could be seen, and in a striking manner, as from April 1678. In this month, the Xuetes' last intervention appears in a policy taken out by the *Síndico* (receiver) of Mahón in relation to a consignment of wheat destined for Menorca.²⁸ In the rest of the sample of insurance policies for this year, these companies disappear and there are only three individual participations by Xuetes who had not been arrested by the Inquisition. The average Xuete participation in the business in this year was 69% of all the amounts insured by insurance companies. It had been 94.85% in 1677. In the following year, 1679, the figure plummeted to 0.92%. These figures reinforce the enormous impact that the confiscations had on the insurance sector managed by the Xuetes.

With the Xuetes most linked to financial activity having been arrested, imprisoned and having had their property confiscated, most of the *caixes de seguretat* and *caixons* went bankrupt. The result in the short term was the disappearance of their role in the insurance business that they had completely dominated. The confiscations impoverished an important group of families of merchants and created a climate of fear over the visibility of their business dealings. This led to a reduction in their percentage of participation, which fell to 36.79% of insured capital and 33.61% of income from premiums in the 1680s, a decade in which, moreover, there were other episodes of Inquisitorial persecution. The Xuetes' share also fell among insurance companies, to 55.34% of insured capital and 42.38% of premiums collected. Between 1677 and 1679, many artisans, merchants and nobles took the opportunity to create their own insurance companies in view of the Xuetes' forced abandonment of the business. 12 newly-created companies were documented between 1677 and 1681 (Pons-Pons 1996, 306-307).

After the second phase of the persecutions, which ended with the *autos de fe* of 1691, some degree of recovery was achieved. However, the bankruptcy induced in the insurance market by the Inquisitorial persecution gave rise to two phenomena. The first, the emergence and increased participation of other groups (liberal professionals, artisans, merchants and nobles) that encountered a niche in the market with the circumstantial disappearance of the Xuetes. Secondly, this situation led to a change in the recovery strategy of many families of Jewish converts, with a lesser degree of economic endogamy and attempts to create mixed companies with Old Christians. Such companies were represented by the Old Christians, which made the identification of owners under suspicion and the confiscation of their property more difficult in the future (Bibiloni and Pons 2009).

²⁸ In this policy, the Xuetes Jaume Cortès, on behalf of Caixa de San Sebastià, Joanot Forteza of the Caixa de Sant Antoni, Agustí Cortès de Rafel, Rafel Ventura Cortès, Miquel Martí, Rafel Cortès d'Agustí and Agustí Alfons Cortès act as agents for insurance companies.

5. Changes to the real estate market

The real estate market was another economic field of great importance that would be substantially affected by the confiscations. The primary concern to have a home took precedence over the recovery of economic activity. The vital needs of food and dwelling were a greater priority than re-establishing businesses. The ability to meet both obligations varied greatly between some individuals and others. Each case was influenced by both personal initiative and the actual situation of their new starting point, that is, to what extent the confiscations had been effective, and the capacity of concealment in each particular case. For the Xuetes, expropriation by the Inquisition meant the loss of their assets, in terms of their houses and their *botigas*. The loss of the security provided by owning one's own home or main commercial premises greatly hindered the possibility of running a business efficiently.

The real estate market should be considered as one more line of business, subject to profound change for its economic agents. It provided a framework of coverage that was indispensable for the development of economic activities. An analysis of the content of the dwellings is also of great interest, examining the inventory and, above all, the value of the possessions in question. This aspect helps reveal the socioeconomic level of the minority of Jewish converts, but a detailed analysis in this respect goes beyond the scope of this study.

To get an idea of the extent to which the confiscations had affected those involved, it is necessary to focus on aspects such as the quantity of goods seized; their value, functionality and typology; the owners, and even the location of real estate property. An obvious starting point is the valuation made by the experts who were entrusted this role by the Inquisition.²⁹ The total value of houses, orchards, plots of land and rural properties known as *rafales* was established at 101,900 *libras*, which accounted for 10.5% of all the property and goods seized. However, it is necessary to take into account that these real estate properties entailed burdens or encumbrances, amounting to a total of 24,290 *libras*. After discounting this amount, the actual valuation of this real estate was 77,610 *libras*.

The typology of this real estate property was essentially houses, which generally included the *botigas*, and to a lesser extent rural properties and, although to a degree that was hardly representative, production facilities such as ovens and mills. Consequently, the most numerous type of real estate property confiscated from the Xuetes by the Inquisition was their homes. This would be the main family home, plus some other houses in the case of Xuetes with a strong economic position who owned several properties. The authors have not found detailed descriptions of these dwellings, but some specifications are available that suggest a certain structure.³⁰ Within or

²⁹ AHN. Inquisición. L. 871. f. 330.

³⁰ Upstairs and downstairs areas can be distinguished. The former comprise a floor destined exclusively to the home, whereas the latter could be used for business activity. Furthermore, some houses were classified as large or small. From the context, it can be inferred that large houses were the main family home, which could have other buildings as annexes, catalogued as small houses. Nevertheless, these small houses could also constitute a separate unit without relation to the large houses.

alongside the houses were the *botigas*, comprising a space that was absolutely fundamental to the Xuetes' economic activity.

Other types of real estate in the city were extraordinary. In fact, the records only show ownership of one oven and two windmills. It does not appear, therefore, that the Xuetes were especially attracted by speculation or the accumulation of real estate. Neither did rural properties form an extensive part of the Xuetes' economic interests. There was, nonetheless, a minority that had small rural properties, called gardens or *huertos* (orchards or small plots of land), normally located outside the city. More exceptionally, but also of greater importance, there were some larger rural estates dedicated to agricultural production. The owners of these estates were important members of the community, such as the rich merchant Agustí Antoni Cortès and his son-in-law Gabriel Cortès de Francesc, *Pota*.³¹ Both had acquired these properties shortly before the Inquisition's repression of 1679. It is therefore possible that the Inquisition's intervention may have put a stop to a process that had been initiated and which could have culminated in a move from being traders to becoming land-owners, accompanied by a possible integration into Majorca's social elite.

Most of those found guilty by the Inquisition were owners of real estate. According to the valuation made, it appears that the accused owned a total of 83 properties, including houses and *botigas*, belonging to 62 owners,³² with a certain correlation between the estimated value of the properties and the economic position enjoyed by the owners according to the overall valuation of all their possessions. On analysing how disruptions to the real estate market affected these property owners in particular, the existence of an elite within the minority of Jewish converts is once again confirmed (Carpio and Pons 2024, 6). This minority had accumulated considerable wealth, thanks to various generations that had been getting richer through trading and credit activities. It is significant that half of these property owners, specifically 33 of them, had more than one house or some other property or estate. The most typical case was people who owned two houses. According to the valuations made, a quarter of the total value of these dwellings was concentrated in the hands of just 11 owners.

Bearing in mind the serious breach in the real estate market, it is interesting to see the disruption produced both in terms of sale and purchase and also rentals. With regard to sales, the authors have not been able to locate a sufficiently reliable source as there is no specific documentation in this respect. It is therefore necessary to extract information from different sources, but these tend to be isolated examples that do not enable a really solid hypothesis to be established.³³ Initially, with the neighbourhood having such a marked socio-religious profile, and virtually stigmatised by the processes related to faith, the acquisition of properties in this area would not

³¹ The former, as well as possessing vineyards, had acquired two *rafals* close to the city, and the latter had one *rafal* which, on being sold by the Inquisition in July 1680, attained the very high price of 3,400 *libras*.

³² AHN. Inquisición. L. 871, fs. 336-367. In other sources, such as the Libro Becerro, AHN. Inquisición. L. 64, only 54 property owners are recorded. There are therefore 8 people who figure in the valuation but who do not appear in the Libro Becerro.

³³ Francesc Tarongí's houses, which he had rented to himself in 1679 and to Francesc Moya in 1680. On 31 May 1681, once the lease ended, the houses were sold to Francesc Aguiló for 2,000 *libras*.

appear to be very attractive to the Christian population. On the other hand, the high value of the real estate properties would also have considerably restricted the number of potential buyers. The market does not seem to have depreciated, and consequently there were undoubtedly interesting opportunities for purchase and sale. The Inquisition was in no hurry to sell off these properties and was able to gain a healthy income by renting them out. One consequence of this was that it enabled some of the Xuetes to recover the homes that they had been deprived of, by repurchasing the same properties.

In 1679, the Tribunal of the Inquisition started to lease *botigas*. Those of Agustí Cortès, elder, were rented on 18 March 1679 to the doctor Gabriel Rabassa, but only two months later, after the *autos de fe*, on 10 May of the same year, the premises were rented by the same ex-owner. Likewise, many *botigas* returned to their previous owners in the form of rented property. Bartomeu Baltasar Martí rented his *botiga* and *entresuelo* that had been expropriated on 27 May 1679. By first renting and then later buying, some Jewish converts were able to recover part of their property and business.³⁴

The corruption that had been very present since the beginning of the confiscations with regard to goods and household possessions can also be observed in the purchase and sale of real estate, thereby creating additional costs. Numerous testimonies confirm private agreements reached in order to channel important amounts to the Inquisitor, by means of one of his servants, before the houses were put up for auction. This was the case, for example, of Nicolás Rodríguez Hermosino, Inquisitor in Majorca from 1682 to 1686.

And it has also been heard said, normally in Sagell Street, although it is not remembered individually which person, that all those that bought houses from the treasury, at the time when Señor Don Nicolás was the Inquisitor and Superintendent of the Treasury of this tribunal, as well as the price that was paid to the treasury for these houses, each one gave a certain amount to the said Señor Don Nicolás.³⁵

Ironically, it was precisely with his appointment that an attempt had been made to regularise the Tribunal's accounts after the habitually corrupt practices of Francisco Rodríguez Cossío, Inquisitor on the island from 1672 to 1680. (Colom 2023, 282). This over-exploitation based on private corruption was employed against the Xuetes who tried to recover their homes, which evidently intensified the consequences of the economic repression.

The sources provide further information on property leases. The authors have accessed the principal data on rentals for 1679, 1680 and 1681. There is no coherent evolution and each year follows its own path. In 1679, there were 45 properties with rental contracts, with half of the 89 confiscated properties not being exploited. The following year, 1680, exactly the same number of houses were rented, 45. Some, 20%, after their previous one-year lease for 1679 had ended, but most were rented for the first time. The situation changed notably in 1681 and the number of rentals fell to

³⁴ AHN. Inquisición. L. 871. f. 312.

³⁵ AHN. Inquisición, 1710, exp. 1. f. 121.

19. If the complete three-year period of 1679-1681 is observed, there is only regularity in the renting of two properties, which gives an idea of the difficulties and instability of the market. At the same time, the large number of properties that were never put up for rent confirms the lack of vitality of the market. All leases were always signed for just one year. This indicates that interest in present circumstances prevailed over the stability and security provided by longer-term agreements. This position may have been shared by both lessor and lessees, although it seems more likely that it was a deliberate strategy of the Majorcan Inquisition. Some Xuetes manage to rent their own houses, and again this was for the same period of one year.

Initially, there seems to have been a period of opportunity in the sense that good properties could be obtained by paying a very reasonable rent. The fact that such a large number of houses were not leased at the beginning of this period, in 1679, must have influenced prices. The authors do not have data prior to the first confiscations to make comparisons, but given the subsequent behaviour of the market, our hypothesis points to relatively low rents. The leases that were renewed with new tenants in 1680, however, had markedly higher prices. The percentages show considerable fluctuations, with the smallest increase being 25% while the largest was 136%. The behaviour of rentals continued this upward trend in 1681, compatible with a market with ample supply in which many properties remained empty. If one examines the houses which, after not being leased in 1680, were rented out again in 1681, rocketing prices can be observed with rent increases ranging from 40% to an exceptional 218%.³⁶ In sum, this was an irregular situation lacking any of the stability the market requires for a normal development of economic activity.

The loss of basic properties, affecting both domestic life and economic activity, made a complete recovery of the socioeconomic situation prior to the confiscations a total impossibility. Taking this into account, the interest shown by the Xuetes in not losing, as far as possible, control of their homes, is therefore noteworthy. Some, despite their difficult situation, managed to remain in their homes by means of renting the property to themselves or a close family member, usually a child. This interest in maintaining their homes led them to account for 51% of the leases agreed in 1679. Almost half, therefore, 49%, were tenants who did not belong to the Xuete minority. In this latter case, what probably prevailed was the incentive provided by the opportunity of affordable rents or attractive business locations. In 1680, the trend of many Xuetes managing to recover their homes was consolidated, even though they had been deprived of their ownership. Thus, only 17% of people renting property in this year were from outside their community. Most Xuetes were encouraged by the fact that their homes had not been occupied by any tenant, as they were part of the bulk of properties that remained empty. It was therefore the original owners themselves who made the effort to pay a higher rent in order to gain access to what had once been their own houses.³⁷

³⁶ This is what happened with the houses of Pere Miquel Pomar in Platería Street, which in 1679 were rented by Josep Comes, a silversmith, for just 16 *libras*, and then in 1681 Francesc Bernardo paid 51 *libras* for them.

³⁷ It is especially significant that among the houses that were rented in 1679 and then rented again in 1680 there is only one case of the same tenant, Gabriel Forteza de Josep, who had to pay triple the

As an example of such fluctuations and irregularities in the exploitation of real estate properties, only one house has been located that was inhabited in three successive lease agreements³⁸. Hence it does not seem that there was a strong demand for the houses in the Xuete neighbourhood, nor does it appear that the Inquisition acted with urgency or exerted much pressure in order to exploit these properties. All of these circumstances must have been influential in the fact that the Xuetes gradually recovered their own homes. One task still pending is to identify and quantify the process whereby the Xuetes tried to return to their previous economic activities and managed to re-establish a basic infrastructure, comprising homes and *botigas*, either by means of leasing or through purchasing in public auction. In both cases, it was an attempt to escape from the situation of bankruptcy that the confiscations had driven many of them to.

6. Conclusions

The processes carried out by the Inquisition in Majorca in the last third of the seventeenth century, with *autos de fe* in 1679 and 1691, were effectively a turning point in the history of the island, as well as also being a landmark in the Inquisition's activity in the Iberian Peninsula. This affirmation is justified by the enormous scope of the Inquisitorial repression, both in terms of the number of victims and, above all, the total value of all the property seized. Although there is no consensus on a precise quantification of the extent of the expropriations, there is agreement that the figures in question were exorbitant for the time.

This study, rather than concentrating on the enormous amount of goods confiscated, aims to attract attention to the serious economic consequences that resulted from the confiscations carried out by the Majorcan Inquisition. Generally speaking, it is accepted that the island's entire economy was adversely affected. This profound deterioration was clearly evident among the Xuetes, the Majorcan minority of Jewish converts who had been the victims of the persecution. On being deprived of all their property, many of them were condemned to ruin from the point of view of their business activities, falling into what the authors have termed an induced bankruptcy. That is, an economic interruption or paralysis, arising not from business management but rather from external factors of an institutional nature.

The most important and influential assets expropriated by the Inquisition in relation to this situation of bankruptcy were the real estate properties. The confiscation of houses did not only create great difficulties for the Xuetes' domestic life, but also for any other activity. This was aggravated by the loss of the *botigas*, shops that also functioned as centres for their economic transactions. These premises were at the heart of their credit management, both public and private, and both large-scale operations including participation in foreign trade projects and enterprises, and smaller-

original rent in order to continue in the same house. There is also a possibility that this person was acting as a kind of front man, since in 1679 he had also rented the house of another Xuete.

³⁸ This was the house of Rafel Josep Tarongí in *la cuesta d'em Brossa* which was rented to *licenciado* Pere Pellicer for 15 *libras* in 1679, then it was rented by its owner for 20 *libras* in 1680, and finally, in 1681, by Pere Cunill for 18 *libras* and 11 *sueudos*.

scale dealings related to the direct sale of fabrics. The international networks created by the Jewish converts saw their business disrupted, but this interference also affected the retail trade of textiles and other products. The *botigas* were seized, and business first slowed down and then later was paralysed and finally liquidated. Management changing hands, and the lease or sale of these properties, all had a significant impact on both retail business and import and export activities. The Xuetes with the strongest economic positions and an overseas network were able to save part of their business. Remedying the situation was very expensive, especially given that, after the *autos de fe*, the Xuetes had lost both prestige and reputation, key elements in business.

The same occurred with the financial sector. The Xuetes participated actively in lending to public institutions (the *Universitat*, the authorities of small towns or *villas*, the *mayordomos* of guilds) by means of the so-called *censos*. This public debt passed into the hands of the Inquisition, and part of it was sold to meet payments pledged to the Crown. This encouraged an increase in transactions in the short term, but in turn it also led to the loss of public credit in the hands of the Xuetes, and the cornering of the market by other groups, especially the Church. Moreover, this elimination, at least temporarily, of the traditional lenders made it more difficult to obtain private credit, in particular small loans.

The economic repression of the Inquisition was permanently accompanied by corruption, which existed in all areas and which signified an additional cost on top of the Xuetes' losses. This further increased the difficulties the community experienced in its attempts to successfully recover. As well as the direct beneficiaries, the Crown and the Inquisition, recipients of confiscated goods and incomes, a diverse group of private individuals who also benefitted can be discerned, including members of the nobility and the clergy. These parties were willing and able to take advantage of the weakness of the Xuetes' position, in the face of the Inquisition's threat to settle the loans with false receipts. This was therefore another factor that contributed to the decapitalisation of the repressed Xuetes. The victims, for their part, responded to their situation in very different ways. To start with, the intensification of the Tribunal's persecution was concentrated on a relatively small group of families involving 5 surnames. After the faith-related processes and when the penalties and sentences had been served, the Xuetes concerned attempted to recover their situation, but with very different results. These ranged from re-establishing healthy businesses to falling into poverty, as well as other outcomes such as the option to abandon the kingdom of Majorca. The ability or failure to conceal certain goods, basically jewellery and money, which had evaded the seizures effected by the Inquisition, was undoubtedly a major influence on the success or failure of attempts to relaunch their economic activities. This research helps reinforce the idea of the power of certain institutions, in this case of the Inquisition, and indirectly of the monarchy, in the economic repression of rich minorities, when it suits their interests. The study, therefore, contributes to the more general debate on their persecution in modern Europe.

The analysis of the prevailing circumstances leads one to reflect on a number of questions that are an incentive to continue examining and delve deeper into these issues. In general, and above all in the case of this particular study, it could be asked whether the activity of the Church, channelled through the Inquisition, was exclusively geared towards acting as a rentier and benefitting from an unearned income. If

the *censos* were not reinvested and if new credits were not provided, the economic strangulation of institutions and private individuals was inevitable. Who could exercise this indispensable function in the financial market? Did some Xuetes recover this role? These questions lead us into another scenario that it would be convenient to address with the appropriate sources.

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*Managing risk in fifteenth-century Barcelona:
The insurance practices of the merchant Joan de Torralba*³

1. Introduction

This paper contributes to current scholarly debates on the intensification of maritime risk in the late medieval Mediterranean, with particular attention to the rising prevalence of piracy and privateering. These phenomena – structural rather than incidental – compelled merchants and financial actors to develop increasingly sophisticated contractual and institutional mechanisms for risk transfer and mitigation. Within this evolving framework, insurance emerged not merely as a commercial tool, but as a critical component of the infrastructure underpinning long-distance trade and the organisation of merchant capital (Casado, 2009, 2012, 2015).

To understand the role of insurance in this context, several analytical dimensions must be addressed. Foremost is the issue of risk and uncertainty, which lies at the heart of all insurance activity. Secondly, it is essential to examine the commercial actors and networks that transformed insurance from an ad hoc arrangement into a systematic economic instrument – particularly in the realm of long-distance trade. Moreover, any historically grounded analysis of insurance must distinguish between different categories of risk: natural risks (such as storms and navigational hazards), human risks (notably piracy and privateering), and the eventual institutionalisation of contractual responses to these uncertainties. This tripartite classification clarifies how insurance developed not only as a financial innovation, but as an adaptive institutional response to increasingly complex and volatile trading environments.

Insurance contracts functioned as more than mere hedges against physical loss. They also served as mechanisms for managing uncertainty in highly fragmented and imperfect markets. In this regard, they addressed what economic theorists term

¹ Email: mdlopez@ub.edu; ORCID: 0000-0002-6184-5352

² Email: sari.nassar@ub.edu; ORCID: 0000-0001-5372-7594

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Knightian uncertainty – risks that are difficult to quantify and forecast. Merchants and underwriters alike relied on accumulated experience, informal knowledge networks, and notarial documentation to estimate potential losses. While these assessments did not follow the principles of modern actuarial science, they nevertheless reflected a rational logic grounded in expectations of utility within a world of incomplete information (Botticini et al. 2023).

From the early fourteenth century onwards, the Mediterranean maritime economy was subjected to an escalating regime of geopolitical volatility and armed conflict, which rendered navigation increasingly precarious. This period witnessed the proliferation of compound maritime hazards: natural perils such as shipwrecks, tempests, submerged reefs, and hazardous straits were now compounded by systemic risks linked to human agency, most notably the endemic threat of privateering and naval predation (Botticini et al. 2023). These conditions transformed the maritime corridor from a conduit of commercial expansion into a theatre of financial vulnerability. In this multidimensional and asymmetrically distributed risk environment, marine insurance emerged not simply as an auxiliary mechanism of protection, but as an indispensable institutional instrument for the organisation of long-distance trade. In commercial hubs such as Barcelona – characterised by high capital turnover and spatially dispersed ventures – merchants such as Joan de Torralba increasingly resorted to insurance contracts to hedge against loss, distribute exposure, and ensure liquidity across ventures. The integration of insurance into merchant practice marked a decisive evolution in the infrastructure of risk management, enabling the regularisation of commercial flows amidst systemic uncertainty.

Simultaneously, the determinants of premium calculation in late medieval insurance contracts have become the subject of increasing historiographical scrutiny. While early scholarship tended to posit a linear correlation between voyage length and insurance cost, more recent analyses have emphasised the contextual specificity of maritime risk assessment (Cevolini 2016). Rather than operating as a simple function of distance, premium levels were more acutely influenced by the contingent risk profile of individual maritime corridors – factors such as exposure to corsair activity, the seasonal volatility of sea conditions, and the geopolitical instability of transit zones weighed heavily in underwriting decisions. This shift in interpretive emphasis necessitates a granular re-examination of insured routes and suggests that merchants such as Joan de Torralba engaged in a form of corridor-specific actuarial reasoning, pricing risk in accordance with complex matrices of spatial, seasonal, and institutional uncertainty.

This more intricate understanding of premium formation also intersects with foundational debates in the economic theory of insurance. The pricing of maritime risk did not take place in a frictionless informational environment, it was shaped by asymmetries in knowledge, varying degrees of reputational capital among shippers and ports, and uneven capacities for contractual enforcement across jurisdictions. Insurance, in this context, operated not as a hedge against loss but as a mechanism of risk externalisation and redistribution – frequently through multi-underwriter or *polizza collettiva* arrangements that dispersed liability across syndicates of guarantors. Such proto-pooling mechanisms not only mitigated exposure but also contributed to

the early institutionalisation of collective risk-sharing frameworks that underpinned the financial architecture of Mediterranean trade.

Within this conceptual architecture, the figure of the merchant-underwriter assumes particular analytical significance. Far from being a passive recipient of actuarial conventions, they actively participated in the construction and modulation of risk categories. The surviving contracts suggest a high degree of discretionary calibration: premium rates were not standardised but contingent, often negotiated on the basis of recent events, perceived political stability at destination ports, or rumours circulating within mercantile networks. Insurance, therefore, was not solely reactive – it was anticipatory, grounded in a form of merchant empiricism and path-dependent decision-making. The contract, in this sense, became a codified expression of probabilistic reasoning, balancing exposure against projected returns. Notably, many policies in Torralba's portfolio covered not only cargo but also anticipated profits (*lucris esperati*), indicating an embryonic recognition of opportunity cost and temporal risk. Such provisions reveal the extent to which insurance functioned as an instrument for managing not only volatility but also expectation – an early intersection of risk and investment logic that prefigured more formalised financial instruments in early modern markets.

By the early fifteenth century, four principal insurance markets had crystallised within the Crown of Aragon: Barcelona, Valencia, Mallorca, and Perpignan. Among these, Barcelona emerged as the most dynamic node, both in terms of the volume of contracts executed and the geographical breadth of maritime routes insured. While legal historians have meticulously documented the structural form and juridical clauses of Catalan insurance policies (Ferrer & García, 1983), and economic historians have embedded these developments within macro-narratives of mercantile expansion, urban restructuring, and demographic contraction (Del Treppo, 1972; Carrère, 1977), the historiography converges on a salient analytical consensus: the hegemonic influence of Italian capital, legal technique, and commercial personnel – particularly from Genoa and Florence – in shaping the institutional logic of the Crown's nascent insurance economy. Genoese underwriting expertise and Florentine mercantile capital provided not only liquidity but also the contractual templates and enforcement norms that catalysed the domestication of marine insurance in Catalan cities. However, this Italo-centric explanatory model, while broadly valid, risks obscuring the endogenous evolution of local underwriting practices, the role of municipal institutions, and the agency of Catalan merchants in adapting, reinterpreting, and localising imported financial instruments to suit regionally specific configurations of risk, trust, and legal culture.

2. Objectives

This study seeks to re-evaluate prevailing interpretations of the late medieval insurance market in the Crown of Aragon through a tightly focused, empirically grounded case study of the Barcelona merchant Joan de Torralba. Leveraging his exceptionally well-preserved and chronologically continuous accounting records, the analysis explores the functional role of insurance within his broader commercial

architecture during the first half of the fifteenth century. Torralba operated a geographically expansive and operationally complex mercantile network that articulated Barcelona with a constellation of major economic nodes across the late medieval Mediterranean. His commercial reach extended westward and southward to Mallorca, Valencia, Palermo, Naples, and various ports of North Africa; northward into the Tuscan and Ligurian corridor – particularly Florence, Pisa, and Venice; and eastward to key Levantine and Aegean entrepôts including Famagusta, Rhodes, Beirut, and Alexandria. His presence in Ragusa (Dubrovnik) further underscores the trans-Adriatic and trans-Mediterranean scope of his operations. Through this network, Torralba was embedded not only in regional trade flows but also in broader circuits of capital and information, positioning him in direct commercial interaction with some of the most powerful Italian merchant dynasties active in the city of Barcelona.

Amidst heightened maritime insecurity, Torralba systematically deployed insurance contracts to mitigate exposure and stabilise capital flows. Yet his engagement with the insurance market was not limited to the defensive logic of hedging, he simultaneously occupied the role of underwriter, strategically leveraging his liquidity, information advantages, and network position to extract profit from the very risks he insured against. In this dual positioning, Torralba emerges as a paradigmatic hybrid economic agent – both insurer and insured – whose activities exemplify the bifurcated nature of late medieval insurance as at once a mechanism for risk dispersion and an avenue for speculative accumulation.

The internal coherence and chronological scope of the documentation permit an unusually granular reconstruction of Torralba's insurance operations. Through systematic analysis of his account books and notarial registers, we identify the maritime routes secured, the typologies and valuations of merchandise covered, the vessels and carriers employed, and the social profiles and contractual configurations of both underwriters and policyholders. This empirical microanalysis affords rare visibility into the operative logic of marine insurance as practiced in situ, beyond the normative frame of legal formularies.

The study proposes that Torralba's commercial strategies constitute not only a singular biography but also a representative and analytically generative case through which to explore the institutional morphology of the insurance market in early *Quattrocento* Barcelona. His records provide a privileged entry point into the lived practices of uncertainty navigation, intertemporal capital allocation, and financial instrumentality within a volatile, transregional economic environment. More broadly, this analysis contributes to ongoing efforts to historicise risk management within the longue durée of Mediterranean commerce, while contributing to a more regionally differentiated understanding of insurance culture that complements and nuances the traditionally Italo-centric narratives of its development.

3. Working hypotheses

In accordance with the analytical framework proposed, this study advances a set of interrelated working hypotheses aimed at deepening our understanding of the structural logic of insurance practices in fifteenth-century Barcelona. These

hypotheses are grounded in the detailed examination of Joan de Torralba's accounting documentation and seek to contribute to broader debates in economic history concerning institutional development, risk allocation, and commercial sociability.

Joan de Torralba operated within a business model characterised by a high degree of strategic responsiveness to macroeconomic and political fluctuations. His investment decisions were shaped by evolving conjunctures – namely, periods of geopolitical instability and increased maritime risk – which opened new opportunities for portfolio diversification. We hypothesise that insurance constituted not only a protective mechanism, but also a site of speculative investment within his wider commercial operations. This suggests the existence of a replicable behavioural model among merchants in the Crown of Aragon, in which capital was flexibly reallocated between trade, finance, and risk intermediation, depending on the perceived structure of incentives and threats.

Barcelona had, by the final decades of the fourteenth century, emerged as a central node in the trans-Mediterranean commercial and financial network. Its capacity to attract merchant capital, legal expertise, and underwriting activity from diverse regional and international actors – spanning the territories of the Crown of Aragon, as well as major European and Maghrebi trading centres – enabled it to consolidate its institutional role as a premier insurance market. We hypothesise that Barcelona's position was underpinned not only by its economic weight, but by its ability to provide legal and contractual frameworks conducive to risk transfer, and by the circulation of technical knowledge imported through Italian and other foreign intermediaries.

Torralba's engagement with the insurance market was embedded in overlapping kinship and sociability networks, which provided the trust-based infrastructure required for commercial and financial intermediation. While familial capital formed a structural foundation, it was through broader associational and intercultural ties – particularly those linking him to influential foreign communities in Barcelona and Zaragoza – that Torralba was able to construct and sustain flexible underwriting partnerships. Using network analysis and digital prosopographical tools, we aim to reconstruct the composition of the insurance groups in which Torralba participated, identifying patterns of collaboration, co-insurance, and intermediation. These findings may shed light on the social logic of risk-sharing and the informal institutions that facilitated enforcement in the absence of formal regulatory bodies.

Taken together, these hypotheses rest on the assumption that Torralba's documentation constitutes a uniquely valuable case study for analysing the intersection of institutional evolution, commercial risk, and social capital in a late medieval context. Through quantitative and qualitative analysis of his insurance transactions, we aim to assess:

- the relative share of Torralba's capital allocated to underwriting versus coverage;

- the extent to which his partnerships were shaped by his connection to the Tuscan community; and
- whether his increased participation in the insurance market during the 1440s and 1450s can be interpreted as a rational response to the mounting risk environment triggered by broader geopolitical shifts – namely, the conquest of Naples, the military conflicts with Florence and Venice, and the profound dislocation caused by the Ottoman capture of Constantinople.

4. Sources and methodology

This research is grounded in both edited and unpublished documentation pertaining to the Barcelona merchant Joan de Torralba, preserved in the *Arxiu Nacional de Catalunya* (*Fons Requesens, ANC1-T-960*). The collection comprises thirteen account books, accompanied by extensive commercial correspondence and ancillary materials related to Torralba's business operations in the first half of the fifteenth century. This documentary corpus constitutes one of the most continuous and voluminous bodies of mercantile evidence extant from the Crown of Aragon in the *Quattrocento*. For the purposes of this study, particular analytical emphasis is placed on two core account books, which serve as the primary evidentiary base for reconstructing Torralba's engagement with the marine insurance market:

1. *Manual onzè de Joan de Torralba* (ANC1-960-T-4240) – The Eleventh Journal of Joan de Torralba (1434-1437)
2. *Manual dotzè de Joan de Torralba* (ANC1-960-T-211) – The Twelfth Journal of Joan de Torralba (1437-1438)

These journals comprise highly structured, chronologically ordered entries that document maritime expeditions, insured cargoes, premium payments, underwriting arrangements, and associated financial transfers. Their internal consistency and temporal resolution permit both microhistorical scrutiny of discrete transactions and the longitudinal reconstruction of evolving commercial patterns. Notably, they also allow for the identification of shifts in Torralba's risk appetite, underwriting strategies, and spatial coverage over time.

Methodologically, the study adopts a mixed analytical framework that combines close qualitative reading of the accounting and notarial material with systematic quantitative reconstruction of financial operations. Particular attention is devoted to capital deployment strategies, risk typologies, spatial itineraries, and the contractual composition of underwriting arrangements. In support of this analysis, we have constructed a comprehensive dataset encompassing the full corpus of identifiable insurance transactions involving Torralba between 1434 and 1446. Each case is disaggregated along multiple dimensions, including voyage destination, insured merchandise, premium amount and rate, underwriting party, and insured counterparty. Where applicable, the dataset also records the presence of intermediaries, money changers, shipmasters, and any ancillary contractual clauses or financial mechanisms embedded in the agreement. This granular architecture enables the identification of

recurring patterns, the modelling of premium variability, and the reconstruction of Torralba's embedded position within wider constellations of commercial actors. In addition, relational network analysis has been employed to visualise the interconnected roles of stakeholders across transactions, shedding light on the structural configuration of risk-sharing communities and the institutional embeddedness of marine insurance within the financial and social fabric of *Quattrocento* Barcelona.

5. Who was Joan de Torralba?

Joan de Torralba was a merchant of Aragonese origin whose career exemplifies the dynamism and structural transformation of commerce in the fifteenth-century Crown of Aragon. Born in the village of Torralba near Calatayud, his early trajectory reflects a gradual reorientation from the interior to the maritime economy: first active in Calatayud and Zaragoza, he ultimately relocated to Barcelona, where he established permanent residence in 1405. His formal acquisition of Barcelona citizenship in 1412 marked not only civic integration but also a strategic consolidation of his position within the urban mercantile elite of the Principality.

Joan de Torralba consistently cultivated the identity of a *mercader singular*, maintaining close personal oversight over his operations while simultaneously acting as financier, commercial organiser, and strategic decision-maker. From the 1410s to the late 1440s, however, he also participated in a succession of carefully structured business partnerships, designed to pool capital, diversify risk, and expand operational scope. These companies – typically formed with merchants from Barcelona and Zaragoza – reveal a deliberate strategy of trust-based collaboration across the internal geography of the Crown. Among his most frequent partners were Fortuny de Manariello and Juan de Manariello, while his trading operations routinely interfaced with agents in major Mediterranean cities. Although earlier scholarship occasionally emphasised Genoese links, Torralba's network was more strongly embedded in Tuscan and Catalan circuits of capital.

Across five successive commercial partnerships established between 1425 and 1447, Torralba adhered to a consistent model of equity distribution and internal governance. Typically contributing between one-third and one-half of the total capital, he shared managerial control with one or two principal associates, often structuring firms on principles of symmetrical risk and shared command. These associations were contractually limited in duration but flexible in their renewal and adaptation, allowing him to respond to shifting market conditions and political volatility. His final company was liquidated in 1447, after which he appears to have resumed independent operations until his death in 1458.

Upon his death, his estate passed to his daughter Antònia and was eventually incorporated into the holdings of the aristocratic Requesens lineage. This dynastic transmission, coupled with the preservation of his personal and commercial archive, has yielded an extraordinarily rich documentary legacy. These materials offer unparalleled insight into the mechanisms of late medieval trade, capital circulation, risk mitigation, and inter-city coordination from the perspective of an embedded yet mobile economic actor.

Joan de Torralba thus emerges as a paradigmatic figure of late medieval commercial modernity: at once independent entrepreneur and institutional risk-sharer, flexible organiser of capital and methodical chronicler of his financial world. His career constitutes a unique case study in entrepreneurial continuity, regional integration, and the structural embeddedness of merchant capitalism in the late medieval western Mediterranean. For further discussion of Torralba's life, companies, and commercial strategies, see: López Pérez & Nassar (2024); Abulafia & López Pérez (2020); López Pérez et al. (2019); López Pérez (2013); López Pérez et al. (2022).

6. Historiographical context

The historiography on the origins, diffusion, and institutional consolidation of maritime insurance in the late medieval period has long been dominated by the primacy of Italian models. A broad scholarly consensus holds that the practice of *assicurazione a premio* – insurance for a fixed premium – emerged in Florence during the early fourteenth century, crystallising among the city's mercantile elites as a response to increasing long-distance trade volatility. While interpretations diverge on the precise chronology and mechanisms of institutionalisation, it is generally agreed that Florentine merchants formalised insurance as a distinct contractual instrument by the late *Trecento*, and that this innovation gave rise to a recognisable market system in the early *Quattrocento*.

At the same time, regional differentiation in the adoption and operationalisation of the *a premio* model has received growing scholarly attention. Genoa, for instance, followed a notably divergent path: notarial protocols reveal that Genoese merchants continued to favour simulated sales and maritime loans (*foenus nauticum*) as their principal risk-transfer mechanisms well into the fifteenth century. Influential studies – including Giovanni Ceccarelli's *Un mercato del rischio* and *Risky Markets: Marine Insurance in Renaissance Florence*, as well as Sergio Tognetti's analysis of the private account books of Gherardo di Bartolomeo Gherardi – have underscored these institutional divergences, highlighting how insurance markets did not evolve uniformly across the Italian peninsula.

Within this broader framework, the institutional evolution of marine insurance in the Crown of Aragon – especially in Barcelona – has been explored less extensively than its Italian counterparts, though a growing body of scholarship has begun to illuminate its particular dynamics. Evidence suggests that *a premio* contracts were already in use by the late fourteenth century, and that their institutional consolidation accelerated in the early decades of the fifteenth century. The first municipal ordinances regulating insurance in Barcelona were promulgated in 1432, followed by additional enactments in 1435 and 1484, and successive revisions in 1436, 1461, 1471, 1494, and 1513 (García, 1971; Peláez, 1989). Nonetheless, notarial registers from the late *Trecento* attest to the earlier presence of insurance agreements, revealing an emergent practice that preceded formal regulation.

A recurring theme in the dominant historiography is the secondary role played by local Catalan underwriters in the early phases of this institutional development. Italo-Catalan scholarship – most notably the foundational contributions of María

Teresa Ferrer, Arcadi García, Mario Del Treppo, and Claude Carrère – has repeatedly emphasised the determining influence of Italian capital and contractual expertise. Based on extensive analysis of notarial records, Ferrer and García traced the evolution of contractual forms in Barcelona, documenting an initial prevalence of Genoese templates followed by a gradual shift, between 1377 and 1392, toward the adoption of Florentine models. These findings align with Carrère’s broader argument that Italian merchants acted as institutional “masters,” imparting technical knowledge and financial instruments – including insurance and bills of exchange – to Catalan counterparts. Del Treppo, while broadly concurring, nuanced this interpretation by underscoring the proactive disposition of Catalan merchants, who willingly engaged in unfamiliar forms of risk-bearing and experimented with new financial tools under conditions of growing commercial uncertainty.

Perhaps the most illustrative example of Italian predominance is the case of the notary Bartomeu Masons major, who maintained a specialised register exclusively for marine insurance contracts. For the biennium 1428–1429, Masons’ protocols show a preponderance of foreign underwriting activity, with Italian merchants – particularly from Florence and Genoa – occupying a dominant position (Del Treppo, 1976; Carrère, 1977; Ferrer and García, 1983; Soldani, 2001). Carrère further observed that the principal Catalan commercial houses – Llobera, Junyent, Bertran, Manresa, Sirvent, and Roda – largely refrained from underwriting, engaging in insurance primarily as insured parties. He estimated that insurance covered no more than one-quarter of all maritime cargoes in this period, suggesting that the Catalan mercantile elite approached the practice with a degree of caution or even ambivalence. By the 1450s, however, a gradual shift is discernible: smaller investors increasingly entered the market, deploying limited capital in search of modest yet relatively secure returns, thereby contributing to the broader social diffusion of insurance as a speculative financial instrument.

Ultimately, what is at stake in these debates is not merely the question of origin or technical diffusion, but the institutional trajectory and regional adaptation of insurance mechanisms within plural commercial ecologies. While the formative role of Italian models remains foundational, recent work – this study included – seeks to foreground the capacity of Catalan merchants to appropriate, localise, and selectively adapt imported practices in response to local legal traditions, market structures, and risk environments.

6.1. Critical discussion and reappraisal.

While the prevailing historiographical narrative has underscored the formative influence of Italian underwriting models and capital flows in the development of marine insurance in Catalan cities, new evidence drawn from the accounting records of Joan de Torralba invites a partial reappraisal of this framework. A systematic analysis of his ledgers – particularly during the period 1434–1446 – allows us to nuance earlier interpretations and to question the analytical rigidity of models that attribute disproportionate agency to foreign operators. Rather than a binary dichotomy between Italian ‘instructors’ and Catalan ‘recipients,’ the documentation reveals a more

iterative and hybrid process of institutional transfer, characterised by incremental borrowing, situational adaptation, and progressive localisation of underwriting practices.

The contrast between the earlier phase of Italian-led underwriting dominance and the increasingly assertive participation of Catalan merchants in the 1400s – precisely the period during which Torralba reached the height of his commercial activity – raises important historiographical and economic questions concerning the chronology, scale, and character of this transition. Notably, Mario Del Treppo's analysis of notary Antoni Vilanova's registers (1436–1446) indicates a measurable contraction of Italian capital in the Barcelona insurance market during this decade. This withdrawal appears to correlate with broader patterns of Florentine disengagement from the city's financial circuits and coincides with the rise of native underwriting initiatives.

The evidence presented in this study suggests that by the mid-fifteenth century, the underwriting landscape in Barcelona had undergone a structural transformation. Catalan merchants were no longer peripheral participants but had begun to occupy central roles in the design, negotiation, and capitalisation of insurance contracts. The shift reflects not merely increasing participation but a qualitative evolution in merchant behaviour – from contractual compliance to contractual authorship – marking a more advanced stage in the local institutional embedding of marine insurance.

What emerges, therefore, is not a rupture with Italian precedent but a process of endogenous consolidation, whereby imported financial instruments were increasingly recalibrated to suit the institutional ecology of the Crown of Aragon. This transformation cannot be reduced to imitation or delayed reception, rather, it reflects a case of what Douglass North and later Avner Greif have elsewhere characterised as *adaptive efficiency* – the capacity of institutions to evolve by integrating external models into locally viable frameworks. Torralba's dual role as insurer and insured, his control over the structure of underwriting consortia, and his ability to extract rent from premium differentials all point to a deepening of financial expertise within the native merchant class, and to the emergence of Barcelona not merely as a recipient of insurance techniques, but as an active site of financial innovation.

Moreover, this shift coincides with broader dynamics of financial devolution and commercial decentralisation within the western Mediterranean. The declining dominance of large Italian houses, the growing liquidity of local capital pools, and the increasing role of urban notaries as brokers and enforcers of contractual enforcement all contributed to the redistribution of underwriting activity. While earlier decades were marked by asymmetrical dependency on Italian financial infrastructure, the 1420s up to 1440s reveal a moment of recalibration, in which Catalan actors adapted to the retreat of foreign capital not with regression, but with institutional reinforcement. This pattern further challenges Braudelian assumptions of a stable 'centre-periphery' logic in late medieval finance, suggesting instead a more dynamic model of regional capability and institutional pluralism.

7. Discussion.

The dataset under examination comprises 195 maritime insurance cases executed in fifteenth-century Barcelona, drawn from the private account books of Joan de Torralba [Table 1]. This corpus provides a rare empirical foundation for analysing capital deployment, risk allocation, and the mechanics of commercial intermediation during a period of institutional consolidation and financial deepening in the western Mediterranean. Out of the 195 total cases, 144 (73.8%) explicitly record insured amounts, while 183 (93.8%) include references to the insurance premium. This discrepancy, though slight, likely reflects selective notarial recording practices and the particular contractual emphasis placed on the monetary dimension of risk. The near-ubiquitous presence of premium entries strongly suggests that *a premio* insurance had, by the 1430s and 1440s, been thoroughly institutionalised as a formalised, monetised, and enforceable mechanism of maritime risk management within the Barcelona marketplace.

Among the 143 recorded premiums, 141 are denominated in *llibres* (Catalan pounds), while only 2 appear in *florins de Florència* (Florentine florins). This distribution confirms the dominance of the local monetary unit in insurance pricing and reflects the deepening monetisation of financial instruments within the jurisdictional and fiscal logic of the Crown of Aragon. At the same time, the occasional use of Florentine currency – though marginal – attests to the presence of transnational capital flows and contracts linked to Tuscan financial circuits. The average premium in *llibres* stands at approximately 152.4, with individual values ranging from as low as 10 to as high as 1,570. A further breakdown shows premiums spanning from 1 *sous* and 6 *diners* to over 135 *llibres*, revealing a wide spectrum of exposure and capital intensity. This heterogeneity illustrates the variegated scale of commercial risk insured and the integration of insurance into both modest and high-value ventures.

The dataset identifies 49 distinct insurees and 78 unique insurers, a pattern consistent with the diffusionist architecture of late medieval underwriting. The imbalance between the number of underwriters and insured parties reflects the widespread adoption of the *multi-insurer model*, wherein liability was subdivided among numerous parties, each assuming fractional risk. This institutional arrangement – well-documented in other Mediterranean hubs such as Florence and Venice – allowed for optimal dispersion of exposure and demonstrates the operational sophistication of Barcelona's insurance ecosystem.

Geographical analysis confirms Pisa as the most frequently insured destination in Torralba's dataset, a pattern that underscores its strategic salience within his maritime geography. This prominence may be interpreted in several, not necessarily mutually exclusive, ways. On the one hand, it likely reflects a high volume of commercial interaction along the Tuscan corridor, linking the port of Pisa with interior economic centres such as Florence, Lucca, and the broader Arno Valley. Pisa's role as a maritime interface for Tuscan capital and Florentine textiles positioned it as a critical node in the overland-maritime logistical chain that connected inland manufactures with western Mediterranean consumption zones. In this respect, its recurrence in Torralba's insurance portfolio is consistent with its broader economic centrality in Quattrocento trade networks.

However, the high frequency of insurance contracts on voyages bound for Pisa should not be interpreted uncritically as a proxy for commercial stability or reduced risk. On the contrary, such regularity may indicate a heightened awareness of specific vulnerabilities – whether related to maritime insecurity, political contestation in the Tyrrhenian corridor. In this sense, the insurability of Pisa-bound ventures may reflect not the absence of risk but its calculability and institutional manageability. Merchants like Torralba may have perceived this route as simultaneously essential and sufficiently exposed to justify frequent risk hedging. The willingness to insure repeatedly on a single corridor also presupposes confidence in enforceable legal frameworks and available underwriting capital – indirect indicators of institutional infrastructure rather than of inherent security.

Thus, Pisa's prominence in the dataset invites a more nuanced reading, it reveals a commercial route that was both indispensable and sufficiently structured to support regularised risk-sharing mechanisms. The logic of repetition – far from being a sign of routine safety – may in fact reflect a dynamic equilibrium in which opportunity and risk were jointly priced, monitored, and redistributed. This interpretation reinforces the argument that marine insurance was not reserved for exceptional dangers but had become structurally integrated into the operating logic of high-volume, high-value commercial circuits.

Other frequently insured destinations – including Palermo, Majorca, Naples, and Famagusta – confirm the expansive, multipolar orientation of Torralba's network. Their inclusion reveals a broader pattern of spatial diversification in trade strategy and supports the thesis that Barcelona's insurance economy functioned as an integral component of trans-Mediterranean capital mobility and interurban risk governance during the mid-fifteenth century.

Brokerage emerges as a structurally embedded and functionally indispensable element in the organisation of marine insurance transactions. The most frequently encountered intermediary is Bartomeu de Simó, a *corredor de lonja* (exchange broker), whose recurring presence in Torralba's records signals the growing formalisation of brokerage as a recognised professional role. His activity suggests that insurance agreements were seldom the product of direct, unmediated negotiation. Rather, brokers acted as facilitators of trust and transactional alignment, matching underwriters with insurees, mediating price expectations, and contributing to the assessment of risk. The involvement of brokers such as Simó – likely operating under municipal oversight – points to the increasing institutionalisation of underwriting processes. It also underscores the extent to which marine insurance in mid-fifteenth-century Barcelona relied not only on legal form but on embedded interpersonal networks structured around reputational intermediation.

Tab. 1. **Basic Statistics of the Dataset (1434-1446).** Source: ANC1-960-T-4320 and ANC1-960-T-211

Metric	Value
Total contracts	195
Contracts with insured amount	144
Contracts with premium	183
Average insured amount [lb]	177.0
Max insured amount [lb]	1570
Min insured amount [d]	18
Average premium [lb]	8.3
Max premium [lb]	135
Min premium [lb]	10
Unique insurees	49
Unique insurers	78
Most common destination	Pisa
Most common intermediary	Bartomeu de Simó

Source: Own elaboration using Python.

Between 1434 and 1446, Joan de Torralba appears as the insured party in approximately 61% of the maritime insurance contracts preserved in his ledgers, while in the remaining 39% of cases, he acted as the insurer (Graph 1). This asymmetric distribution already reveals a dual positionality within the risk economy – at once a merchant seeking indemnification against contingent loss and a provider of underwriting capital assuming exposure on behalf of others. The coexistence of these roles situates Torralba within what economic theory would define as a transitional actor between the *risk-averse agent* and the *risk-neutral intermediary*, capable of converting liquidity and trust into returns through calculated risk assumption.

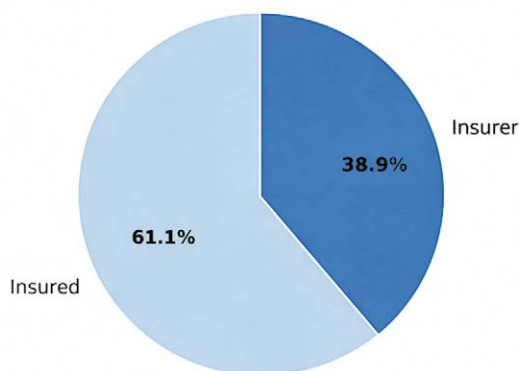
What becomes analytically significant, however, is the structural inflection that occurs around 1445. From this point forward, the data indicate a decisive reorientation in Torralba's insurance activity. Whereas earlier he had primarily sought protection from exogenous hazards – storm, piracy, market disruption – he now emerges as a consistent underwriter, assuming responsibility for third-party risk across a variety of maritime routes. This strategic repositioning marks a fundamental shift in his commercial function: from hedging uncertainty to actively commodifying it. Such a transformation presupposes not only growing capital reserves and enhanced informational capacity, but also a refined calibration of actuarial judgement – what Frank Knight might describe as the conversion of 'uncertainty' into 'calculable risk' (Knight 1921).

Notably, although the majority of contracts in which Torralba appears as insurer are anchored in departures from the port of Barcelona, the documentation also

records his underwriting participation in policies originating from Mallorca – especially those covering voyages to the Maghreb. This expansion beyond his primary geographic base suggests the extension of his underwriting capacity across nodal points of the western Mediterranean, reinforcing his status not merely as a merchant but as a regional provider of marine financial services. In economic terms, this implies the development of an intermediary profile structurally embedded in the distributed architecture of Mediterranean trade finance.

The trend is corroborated by evidence from the *Llibre Quart* (Fourth Ledger), covering the final decade of his career (1448-1458), in which 60 additional insurance contracts have been identified – all of them listing Torralba exclusively as insurer. When integrated with the earlier dataset, this yields a total of 253 insurance cases, of which 118 (46.6%) list him as insured, and 135 (53.4%) as insurer. This shift from net risk purchaser to net risk provider signals a reconfiguration of his economic role. He no longer operated merely as a participant in risk-averse exchange but had effectively repositioned himself as a *financial intermediary* – a redistributor of maritime risk, profiting from premium differentials while supplying counterparties with contractual certainty. Torralba thus exemplifies a broader transformation within late medieval merchant ‘capitalism’, wherein commercial actors increasingly leveraged informational asymmetries, liquidity advantages, and network centrality to convert contingent volatility into structured financial opportunity.

Graph 1. Roles of Joan de Torralba in insurance cases (n=195) (1434–1446).



Source: ANC1-960-T-4320 and ANC1-960-T-211. Own elaboration using Python.

Continuing with the structured analysis of the dataset drawn from the two journals of Joan de Torralba, we turn to Graph 2, which illustrates the percentage distribution of destinations covered by maritime insurance contracts in which Torralba participated, either as insured or insurer. This visualisation offers a spatial mapping of Torralba's insurable activity between 1434 and 1446, providing insight into the geographic architecture of his commercial and risk-allocation strategies. The chart reveals a clear concentration of insurance contracts linked to Pisa – accounting for over 35% of recorded cases – followed by Venice, Ragusa, and Barcelona. This distribution points to the structural centrality of the Tyrrhenian and Adriatic corridors within Torralba's commercial ecosystem and, by extension, to the strategic gravitational pull of key Italian maritime hubs for Catalan merchants in the early fifteenth century. Pisa's, already discussed, prominence is consistent with its role as a maritime gateway to Florence, while the recurrence of Venice and Ragusa confirms Torralba's active integration into the eastern Adriatic trade axis. Other notable nodes – Genoa, Palermo, Alexandria – further underscore his operational reach across the trans-Mediterranean commercial space. In contrast, the limited incidence of contracts involving Tunis, Rhodes, or Valencia likely reflects episodic ventures or marginal diversification beyond his principal routes.

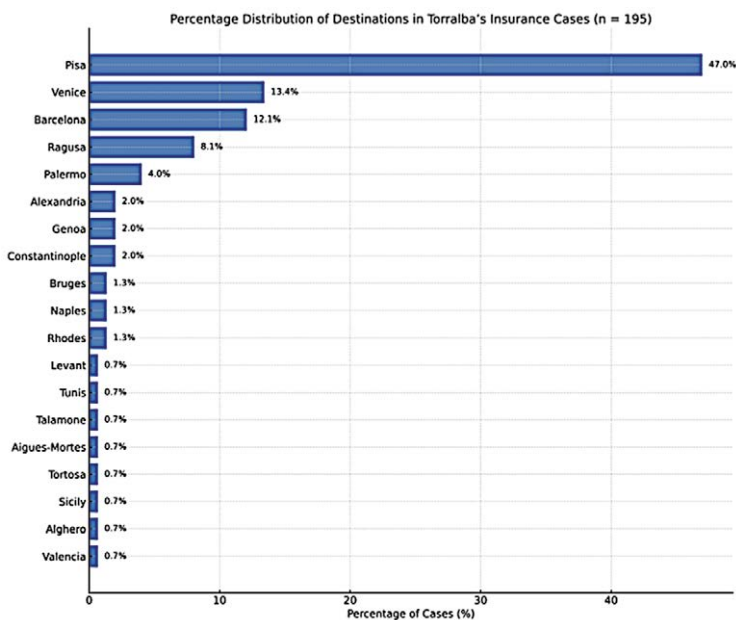
This spatial concentration of insurable routes reflects not only commercial gravity but also calibrated exposure to environmental, political, and logistical risks. When interpreted through the lens of *expected utility theory*, Torralba's behaviour appears to conform to the rational decision-making profile of a risk-averse agent operating under uncertainty. The logic underpinning repeated coverage of specific routes suggests that he engaged in probabilistic reasoning based on subjective estimations of loss likelihood – whether grounded in maritime conditions, corsair threat levels, or jurisdictional instability. In particular, the emphasis on insuring voyages to Pisa, Venice, and Ragusa implies that these corridors – while commercially vital – were simultaneously assessed as sufficiently exposed to adverse events to justify premium expenditure. This is consistent with utility-maximising behaviour under risk aversion, wherein the expected disutility of a major loss outweighs the fixed cost of insurance, prompting systematic hedging.

At a more structural level, this pattern of selective and repeated insurance suggests that Torralba's commercial decisions were shaped by bounded rationality and incomplete information, filtered through a framework of practical experience and institutional mediation (Sent, 2018). Rather than relying on formalised actuarial models, his insurance activity likely operated within an *economy of signals*, where prior outcomes, circulating news, and the advice of brokers and notaries collectively informed the perceived riskiness of specific routes. In this context, the act of insuring a voyage functioned not solely as protection against loss but also as a market signal – expressing private risk assessments and shaping shared expectations across the underwriting community. This behaviour reflects a broader phenomenon in pre-modern commercial systems: the translation of qualitative perceptions into contractual valuations. By systematically insuring voyages to certain destinations, Torralba both revealed and reinforced a set of implicit risk hierarchies, in which maritime corridors were differentially priced according to their volatility, strategic value, and institutional visibility. Insurance, therefore, emerges not only as a tool of capital protection but also as a

relational practice of risk communication – embedded in a wider ecology of commercial information, trust networks, and reputational economies (Kingston, 2014).

A further insight emerges when the dataset is cross-referenced with premium data. Preliminary analysis suggests a correlation between destination and average premium: routes associated with greater perceived or actual volatility – due to exposure to piracy, open-sea navigation, or unstable political conditions – tend to command higher premiums. By contrast, voyages to established or routinely traversed trading centres generally exhibit lower premium rates. This suggests that Torralba's insurance pricing was not uniform, but reflected *route-specific risk differentials*, likely shaped by both market consensus and individual expectation. The presence of such a gradient opens the door to a more granular analysis of premium elasticity and risk-pricing rationality, which will be addressed in the following sections.

Graph 2. percentage distribution of destinations in Joan de Torralba's Insurance Cases (1434-1446)



Source: ANC1-960-T-4320 and ANC1-960-T-211. Own elaboration using Python.

This observation opens the door to a more analytically rigorous and empirically grounded exploration of risk valuation within Torralba's insurance portfolio [Table 2]. To assess the relationship between insured destination and the pricing of maritime risk, we isolate only those contracts in which both the monetary premium and the insurance rate are simultaneously recorded. While the broader corpus contains a wider range of destinations, many entries document only one of the two required

variables, rendering them unsuitable for consistent econometric modelling. To preserve statistical validity and mitigate bias arising from missing data, the analysis is restricted to a subset of 77 fully specified contracts. These concern voyages to Alexandria, Barcelona, Constantinople, Pisa, Ragusa, and Venice – the only destinations for which Torralba’s documentation permits coherent observation of both premium value and rate of insurance.

Tab. 2. **Linear Regression Model Estimating the Determinants of Insurance Rate in Torralba’s Maritime Contracts (1434–1446).** *Source: ANC1-960-T-4320 and ANC1-960-T-211. Own elaboration using Matlab.*

MODEL SUMMARY	
R-squared: 0.6500	
F-statistic: 21:3618	
p-value: 0.0000	
Error variance: 0.0002	
Variable	Coefficient
“Intercept”	0.08752
“Premium”	1.04e-05
“Destination: Alexandria”	-0.0087278
“Destination: Barcelona”	-0.021196
“Destination: Constantinople”	0
“Destination: Pisa”	-0.017477
“Destination: Ragusa”	-0.17472
“Destination: Venice”	0.035357

On this refined basis, we apply a cross-sectional Ordinary Least Squares (OLS) regression to estimate the determinants of insurance pricing⁴. The dependent variable

⁴ While the use of OLS provides interpretable and statistically tractable estimates, its application to small-sample historical datasets presents inherent limitations. First, the reduced number of observations ($n = 77$) increases the risk of overfitting and limits the model’s ability to detect subtle or non-linear relationships. Second, the potential presence of heteroskedasticity—common in historical economic data due to uneven reporting practices—may bias standard errors and inflate significance levels. Although residual diagnostics suggest acceptable model behaviour, the absence of contemporaneous control variables (e.g. cargo type, ship tonnage, seasonality) introduces omitted variable bias. Finally, the reliance on archival material introduces structural selection effects, as not all contracts were equally preserved or recorded with full financial detail. For these reasons, the regression should be interpreted not as a predictive model but as a

is the insurance rate (expressed as a percentage of the insured value), while the primary explanatory variables include the absolute monetary premium (measured in *dineros*) and a series of categorical dummies capturing destination-specific effects. The choice of OLS is appropriate given the nature of the dependent variable (continuous, bounded away from zero), the structure of the dataset (non-panel, non-time series), and the interpretive clarity it affords – particularly in testing the marginal impact of voyage characteristics on risk pricing. The model achieves a strong degree of explanatory power, with an R-squared of 0.65, indicating that 65% of the variation in insurance rates can be attributed to differences in premium size and route geography. The model's joint significance is confirmed by an F-statistic of 21.36 ($p < 0.0001$), underscoring the collective explanatory strength of the regressors.

The coefficient on the *premium* variable is positive and statistically significant, albeit modest in magnitude ($1.04e-05$), suggesting that higher absolute premium amounts are associated with marginally higher insurance rates. This result is consistent with exposure-adjusted pricing frameworks, whereby the total expected loss (premium $\times$ rate) reflects an endogenous calibration of risk in proportion to capital at stake. Alternatively, it may reflect a mild form of adverse selection, wherein higher-value ventures were perceived as more vulnerable to targeted predation or non-random hazards and were consequently priced at a premium. This also aligns with principles from the expected loss model in insurance economics, where the rate adjusts not only for probability but also for severity.

Turning to spatial variables, the model reveals notable heterogeneity in risk pricing across destinations. Ragusa is associated with a large and statistically significant negative coefficient (-0.1747), implying that voyages to or from Ragusa were systematically insured at substantially lower rates relative to the reference category (Constantinople). This may reflect a confluence of factors: relatively secure Adriatic navigation, robust local governance, or strong creditworthiness among Ragusan merchants – all of which would reduce perceived underwriting exposure.

Conversely, Venice displays a positive and significant coefficient ($+0.0354$), suggesting a structural risk premium attached to voyages involving that corridor. Given Venice's centrality in high-volume, high-value trade and its frequent entanglement in regional conflicts, this elevated rate may reflect both market perception of increased volatility and higher aggregate exposure in absolute value terms. Other destinations – Alexandria, Barcelona, Pisa – do not exhibit statistically significant deviations from the baseline, suggesting that insurance pricing for these ports was either more stable or more tightly clustered around the perceived average.

From a historical perspective, these findings offer compelling evidence that Torralba's underwriting practices incorporated route-specific risk differentiation, shaped by a mixture of empirical precedent, market convention, and institutional memory. Insurance was not priced uniformly, but in accordance with geographic risk profiles, filtered through the lenses of political uncertainty, navigational danger, and commercial density. The model thus reveals that even within a largely pre-statistical regime, late medieval merchants such as Torralba engaged in implicit risk

historically contextualised estimation of risk-pricing tendencies within a specific documentary and commercial ecosystem.

segmentation, leveraging experience and contractual standardisation to generate differentiated premiums. This pattern strongly supports the view that marine insurance had evolved – at least in part – into a rationalised financial instrument capable of encoding heterogeneous uncertainty into monetisable contractual form. The logic underlying this behaviour can be synthesised econometrically in a stylised model of implicit risk segmentation, capturing the interaction between premium, exposure, and spatially embedded perceptions of risk.

Sample model: Implicit risk segmentation in Late Medieval marine insurance:

Let:

R_i : Insurance rate for contract i

$Premium_i$: Nominal premium value for contract i

$Exposure_i$: Total insured capital (cargo value)

$RouteRisk_{d(i)}$: Latent risk profile associated with destination d

Z_i : Vector of observed voyage-level characteristics (e.g. season, port of departure, shipmaster reputation, political events)

ϵ_i : Unobserved disturbance term

We can posit a historical pricing function of the following form:

$$Rate_i = \alpha + \beta_1 * \log(Premium_i) + \beta_2 * \log(Exposure_i) + \sum_d \gamma_d * DestinationDummy_{d(i)} + \delta' Z_i + \epsilon_i$$

Model Interpretation:

$\beta_1 > 0$: Reflects marginal increase in rate associated with higher nominal premiums – may capture risk aversion, strategic pricing, or selection bias toward higher-value cargoes.

γ_d : Destination fixed effects capturing *route-specific pricing premia*, interpreted as historical proxies for perceived risk (piracy, conflict, maritime hazards).

Z_i : Controls for contextual factors that merchants might have internalised (e.g., sailing season, inter-port tensions, duration).

Log transformation: Imposes diminishing marginal sensitivity to size of premium and exposure – historically plausible given non-linear perceptions of large-scale losses.

This model embodies:

Bayesian learning logic: Merchants estimate $RouteRisk_d$ based on prior experience and network information.

Expected loss pricing: Rates are a function of probability $\times$ severity, where probability is embedded in γ_d and severity in $Exposure_i$.

Institutional memory: Through γ_d , past events (e.g. corsair attacks on Pisa route) are "priced in" despite no formal data system.

Embedded rationality: The model does not presume full statistical optimisation, but bounded rational approximation rooted in experience, contract custom, and peer behaviour.

Empirical Adaptation (with our data):

$Rate_i$ (dependent variable)

$Premium_i$

Destination dummies

→ As existing OLS is a reduced version of this general model, missing the $\log(Exposure_i)$ term (cargo value) and Z_i .

If cargo values is available, it is possible re-estimate a richer model. If not, this structure still gives a **theoretical foundation** to justify interpreting coefficients as reflections of embedded, route-specific risk valuation.

From an economic perspective, the results of the regression model confirm key features of risk-pricing logic in late medieval maritime insurance. The observed positive relationship between the premium amount and the insurance rate is consistent with a non-linear pricing mechanism whereby underwriters adjusted rates upwards in response to increasing capital exposure. This pattern aligns with the predictions of expected utility theory, in which risk-averse agents demand compensation proportional to both the probability and magnitude of potential loss. That is, higher insured values not only increase expected liability but also amplify the marginal utility cost of uncertainty for the underwriter, thereby justifying elevated rates. This behaviour reflects the absence of actuarial neutrality in pre-modern insurance and instead signals the presence of risk-adjusted premium elasticities responsive to scale.

Equally important is the evidence of spatially differentiated risk pricing, as captured through the significant variation in destination coefficients. The higher insurance rates associated with Venice – as opposed to Pisa or Ragusa – illustrate how merchants and insurers engaged in geographically encoded risk valuation, incorporating multiple factors beyond mere distance. While piracy remains a persistent explanatory factor in the literature, it is unlikely to fully account for this premium, given that Genoese corsairs were more active in the western than in the Adriatic or Aegean corridors. Instead, the Venetian coefficient likely reflects a composite perception of increased voyage length, heightened exposure to open-sea navigation, the high value and volatility of Venetian-bound cargoes, and the city's involvement in complex regional conflicts. In this light, Venice commanded a risk premium not solely as a locus of danger, but as a node of high-stakes commercial intermediation.

Conversely, the systematically lower rates associated with Ragusa point to the operation of what might be termed a reputational discount mechanism – wherein ports known for institutional reliability, diplomatic neutrality, and navigational familiarity reduced perceived underwriting exposure. Despite its proximity to Venetian spheres of influence, Ragusa maintained a high degree of de facto independence and

was renowned for its strong notarial infrastructure, predictable port regulations, and network of bilateral treaties. These features would have lowered enforcement risk, mitigated uncertainty, and anchored trust-based pricing conventions within the underwriting community.

These findings resonate with theoretical frameworks developed under information economics and market segmentation theory. The observed pricing heterogeneity supports the notion that Joan de Torralba and his contemporaries operated under conditions of asymmetric information, where individual route profiles were priced based on embedded reputation, accumulated merchant intelligence, and the shared epistemologies of the underwriting ecosystem. Torralba's differentiated premiums were not arbitrary but formed part of a rationalised strategy for navigating imperfect and fragmented capital markets, in which contractual monetisation of perceived risk substituted for statistical calibration. While such segmentation lacked the formal stochastic structure of modern actuarial modelling, it nonetheless reflects a pre-modern logic of endogenous risk valuation, rooted in institutional memory and commercial pragmatism.

Finally, the relatively neutral coefficients for Constantinople and Alexandria – despite their considerable geographical distance – suggest a partial normalisation of trade risk in the Eastern Mediterranean by the 1430s and 1440s. This phenomenon may be explained not by proximity or maritime safety per se, but by the existence of stable diplomatic frameworks and durable institutional guarantees, most notably the peace and trade treaties established between the Crown of Aragon and the Mamluk Sultanate. These agreements conferred a quasi-privileged status upon Catalan merchants operating in Alexandria, Beirut, and other Levantine ports, facilitating access to markets and offering effective protection against arbitrary confiscation, port duties, or judicial uncertainty.

In the case of Constantinople, then still under Byzantine control, the persistence of long-standing commercial ties with Western merchants – alongside the continued operation of Latin trading quarters and embassies – may have similarly contributed to a perception of predictable, if complex, trading conditions. In both instances, the risk landscape was structured less by proximity than by institutional predictability and treaty enforcement, which in turn were internalised by underwriters in the form of moderate and stable premiums.

By contrast, Barcelona – Torralba's home base – displays a slight discount in insurance rates, which may reflect informational asymmetries in favour of the insurer, as well as the reduced logistical complexity of coastal or regional routes. Yet the broader contrast remains analytically significant: while the Western Mediterranean was exposed to intense privateering, shifting inter-urban rivalries, and less clearly institutionalised protections, the Eastern Mediterranean – despite greater distance – appears to have been perceived as contractually safer. In this light, the geography of insurance rates reveals not only spatial differentiation but a deeper logic of risk institutionalisation, wherein diplomatic infrastructure and legal foresight translated directly into economic valuation.

8. Conclusions

This study has drawn upon the systematic analysis of Joan de Torralba's accounting registers, focusing on a corpus of 195 maritime insurance operations recorded between 1434 and 1446. These records constitute a granular and internally consistent datasets currently available for examining the institutional architecture and operative logic of marine insurance in the Crown of Aragon during the mid-fifteenth century. The formal structure of the entries varies depending on Torralba's contractual position. As a policyholder, the entries tend to exhibit a high level of informational density – detailing the identity of underwriters, insured values, individual premiums, voyage trajectories, and cargo types. Conversely, when Torralba appears as an underwriter, the notations become terser and more schematic, though still sufficient to permit partial reconstruction of his capital exposure and co-insurance arrangements.

One of the principal findings concerns the composition and geographic profile of the insured–insurer networks. The data suggest a measurable shift towards the endogenous consolidation of underwriting capacity among Catalan merchants, particularly those embedded in the institutional milieu of Barcelona. While Tuscan operators – especially Florentines and Pisans residing in the city – remain visibly active in underwriting roles, their dominance appears increasingly circumscribed. This evolution is best interpreted not as a rupture but as a process of institutional assimilation: a gradual localisation of foreign expertise into Catalan commercial routines, facilitated by contractual standardisation, notarial routinisation, and reputational convergence within a common Mediterranean legal culture.

The spatial distribution of insured itineraries further corroborates this interpretation. Torralba's own policies exhibit a pronounced concentration on Italian destinations – most notably Pisa, Venice, and Ragusa – thereby confirming the strategic orientation of his activity towards the northern Tyrrhenian and Adriatic corridors. At first glance, the documentation reveals a notable predominance of policies covering outbound voyages; however, this does not imply the systematic absence of return insurance. Rather, the structure of several contracts – particularly those with higher premiums or extended temporal coverage – suggests the existence of round-trip policies that implicitly or explicitly covered both legs of the journey. Where such coverage is absent, it remains possible that return voyages were insured via separate contracts executed in the destination ports, or, alternatively, that return cargo was not acquired in sufficient volume to justify separate protection.

This interpretation is reinforced by Torralba's observable reliance on bills of exchange for capital repatriation. The repeated use of such instruments suggests a commercial model oriented towards the liquidation of goods at destination and the subsequent financial transmission of profits – particularly from the sale of wool – rather than the physical reinvestment in return cargo. In this light, the configuration of Torralba's insurance portfolio reflects a hybridised strategy, securing outbound shipments with high merchandise exposure, while using financial instruments to reduce the need for return voyage risk coverage unless required by specific commercial arrangements.

Crucially, Torralba's involvement in the insurance market extended beyond the protective logic of risk mitigation for his own cargoes. He systematically engaged in

underwriting as an investment strategy, transforming informational asymmetries and access to capital into a speculative position within the broader risk economy. The insurance records reveal a diverse set of beneficiaries, overwhelmingly comprised of fellow merchants, with only a single documented instance of a woman acting as an insurer – highlighting both the commercial and gendered dynamics of marine insurance as a financial instrument. Furthermore, Torralba's underwriting activities encompassed voyages departing from a range of Mediterranean ports, often outside his core trading network, indicating a capacity to evaluate unfamiliar corridors using translocal intelligence and reputational inference.

This behaviour reveals a sophisticated exploitation of relational informational infrastructures. The ledgers frequently document incoming correspondence from agents stationed in Genoa, Pisa, Venice, and other critical nodes, suggesting that underwriting decisions were made in response to real-time assessments of political volatility, seasonal risk, and port-specific enforcement reliability. Insurance premiums thus emerged not as fixed market prices but as negotiated assessments of contingent liability – anchored in probabilistic reasoning, institutional trust, and strategic positioning. In some instances, coverage extended beyond cargo to include hull or fractional vessel ownership, indicating both an expansion of insurance as a financial product and a diversification of risk portfolios.

Taken collectively, these findings support the interpretation of marine insurance in mid-fifteenth-century Barcelona as a semi-autonomous financial sub-system, integrated into – but not wholly dependent upon – Italian mercantile hegemony. While the foundational models remained Florentine and Genoese in origin, their replication and adaptation within the Catalan context produced an increasingly endogenous logic of risk intermediation. Torralba exemplifies the dual role of the late medieval merchant as both entrepreneur and insurer, mediating between commercial uncertainty and capital allocation through an emerging institutional infrastructure that transformed subjective risk into monetisable certainty.

Beyond the structural and institutional conclusions detailed above, several further insights emerge from the econometric and relational analysis undertaken:

Insurance as a hybrid instrument of protection and profit:

Torralba's dual role – alternating between insured and underwriter – epitomises the hybrid function of marine insurance in late medieval commerce: simultaneously a mechanism for hedging exposure and a speculative vehicle for yield. From the mid-1440s onwards, his progressive shift toward underwriting corresponds to an increasingly financialised posture, whereby capital surplus and informational advantage were strategically deployed to absorb and price external risk. This behavioural shift aligns with Schumpeterian notions of the entrepreneur as a bearer of uncertainty and anticipates the emergence of the “merchant-financier” archetype that would later dominate early modern trade system (Schumpeter & Swedberg, 2005).

Spatial risk differentiation and merchant rationality:

The regression results offer empirical confirmation that Torralba and his contemporaries engaged in route-specific risk pricing, applying differentiated premiums according to distance, geopolitical risk, and maritime exposure. The statistically

significant premium differential associated with Venetian routes illustrates a rudimentary, yet rational, application of spatial arbitrage and expected utility optimisation. In effect, Torralba's underwriting decisions reflect a form of anticipatory calculation within an environment of incomplete information – suggesting the presence of tacit actuarial logic well before the formalisation of probability theory (Stefansson, 2022).

Partial codification and institutional path dependence:

The heterogeneity in contract formatting – especially when Torralba functioned as insurer – demonstrates the coexistence of evolving notarial conventions with enduring informal norms. While a degree of contractual standardisation is evident in recurring linguistic formulas, premium structures, and routing clauses, deviations persist due to personalised trust mechanisms, idiosyncratic notarial styles. This evidences a path-dependent institutional evolution, in which legal and financial routines crystallise incrementally through localised praxis rather than top-down codification (Acemoglu et al., 2021).

Gendered dimensions of financial intermediation:

Although numerically marginal, the appearance of a female insurer within the dataset – presumably a widow or capital-owning woman – signals the permeability of certain institutional boundaries. In a commercial landscape dominated by male agents, such an anomaly reveals the latent potential for female participation in capital markets, particularly under conditions of inheritance, marital dissolution, or urban property ownership. This observation invites further research into the microhistorical and gendered pathways through which women accessed high-risk financial instruments in the late medieval Crown of Aragon.

Barcelona as a regional hub of contractual innovation:

The results affirm Barcelona's increasing role not as a passive recipient of Florentine or Genoese financial models, but as a dynamic node of adaptation and institutional consolidation. The expanding involvement of local underwriters, the diversity of insured routes, and the formalisation of brokerage and documentation practices collectively suggest the maturation of an endogenous financial infrastructure. While Italian capital remained influential, Torralba's case illustrates the emergence of a structurally differentiated, locally governed insurance market embedded within a broader Mediterranean commercial system. In this regard, Barcelona by the mid-*Quattrocento* may be seen as an early site of financial innovation and cross-jurisdictional contract experimentation.

To conclude, this study was framed around three working hypotheses concerning the structure, function, and embeddedness of Joan de Torralba's engagement with maritime insurance in mid-fifteenth-century Barcelona. Each has been systematically examined through quantitative modelling, archival reconstruction, and contextual historical interpretation.

The first hypothesis posited that Torralba operated within a business model marked by a high degree of strategic responsiveness to macroeconomic volatility and

political uncertainty. This proposition is substantiated by the econometric evidence: premiums were not uniform but varied according to destination, reflecting a differentiated risk pricing system that internalised route-specific threats, commercial expectations, and external shocks. The observed correlations between premium values, routes, and rates suggest that Torralba's underwriting logic was shaped by a historically contingent process of value construction, in which insurance became both an adaptive response to perceived risk and a rationalised financial tool.

The second hypothesis concerned the role of Barcelona as a central node within the trans-Mediterranean commercial-financial system by the final decades of the fourteenth century. While not entirely novel, this assertion has traditionally been obscured by crisis-centric historiography that emphasised the economic decline of late medieval Catalonia. The present findings, in line with recent scholarship, refute this narrative. The evidence drawn from Torralba's accounting books and insurance engagements points to a mature, resilient, and autonomous financial culture. Barcelona, along with Mallorca, appears not only as an early adopter of a *premio* insurance practices, but as an institutional innovator. The synchronisation of local ordinances with Mallorcan and Genoese norms, the density of underwriting activity, and the integration into broader Maghrebi and Levantine circuits all indicate a confluence of factors – geopolitical, commercial, and personal – that positioned the city as a pivotal hub in the evolution of late medieval marine insurance. Whether this prominence emerged from the agency of Catalan merchants, from their intermediary position between East and West, or from the catalytic role of Italian expertise, remains a question that requires further holistic investigation.

The third hypothesis maintained that Torralba's participation in the insurance economy was deeply embedded in overlapping structures of kinship, sociability, and trust. This is supported by the relational patterns discerned in the contracts themselves: repeated underwriting partnerships, reliance on known brokers and money-changers, and consistent references to commercial correspondents suggest a finely grained trust architecture rooted in personal familiarity and reputation. In this regard, Torralba's business model reflects the broader principles of *informal institutional economics*, in which enforcement is not solely legal but also social, and where trust substitutes for formal guarantees in an environment of high transactional risk (Greif, 1997, 2006, 2025). The accounting books – when read not only as financial artefacts but as documentary expressions of social capital – affirm that Torralba's insurance activities were sustained by, and contributive to, an evolving network of informal institutions, whose origins can be traced to the overlapping traditions of Catalan urban mercantilism and the broader Mediterranean culture of contractual flexibility.

Taken together, these findings do not simply reconstruct the insurance activity of a single merchant. They offer a window into the complex interplay between economic rationality, institutional development, and social infrastructure in a late medieval Mediterranean city – an interplay that underpinned the emergence of early financial capitalism well before the advent of modern actuarial regimes.

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«Chi va piano va faro». Risk management of the linen merchants Zellweger from Trogen in the trading triangle Appenzell Ausserrhoden, Lyon and Genoa, 1750 to 1820

0. Introduction

The protestant St. Gallen is known to be *the* city of the eastern Switzerland linen trade par excellence.¹ Although in decline after the Thirty year's War (1618-1648)², there were still 52 trading companies actively participating in the traditional export of linen from St. Gallen to the silk metropole Lyon in France in the eighteenth century.³ Not a single one has left any economical source that would shed a light on how they were organized. Therefore, the substantial remains of the merchants in linen Zellweger from Trogen, a little village nearby St. Gallen in the protestant Appenzell Ausserrhoden, is *the* great exception. The little protestant state Appenzell Ausserrhoden splitted up from catholic Appenzell Ausserrhoden in 1597.⁴ The two places where the «Landsgemeinde» as the highest political authority in the direct democracy as annual meeting of eligible male voters was hold, are located in Hundwil and Trogen. The execution state was also placed in Trogen, which is the reason why the Justice as one of the four cardinal virtues features in the Zellweger coat of arms. The once seventeen trading companies Zellweger⁵ – organised in small unit companies

¹ The linen city St. Gallen released a linen statutes before 1364, cf. Mayer, Marcel: Article «Leinwand». In e-HLS, online-version, 23.05.2012.

² This fate hit many old linen trading cities in the German Empire of the Roman Nation in the linen regions near Konstanz, Augsburg, Ulm and Nördlingen. Exampels found in the trading room Zellweger were Bad Urach, Bibertal, Blaubeuren, Burgau, Elchingen auf dem Härtsfeld, Niederstotzingen, Heidenheim an der Brenz, Immenstadt, Söflingen, Sonthofen, etc.

³ State Archive Zurich (STAZH: Archiv des Kaufmännischen Directoriums Zürich: B. Schweizer Nation zu Lyon: D 145 and 146) Nation Suisse à Lyon: Noms et marques des marchands Suisses inscrits à la Douane de Lyon, vol. 1 (1654-1702) and vol. 2 (1700-1788).

⁴ Witschi, Peter: Article «Appenzell Ausserrhoden.» In e-HLS, online-version, 25.10.2019.

⁵ The great mistake of Bodmer (1959) in claiming a single company Zellweger is copied by all sorts of authors up to nowadays (Deschwanden 2025, 35). In fact, the seventeen trading companies Zellweger founded in 150 years of activity, each based on a company contract with varying durations from six to eight years show the necessary flexibility in the volatile textile trade. After that period, it was up to each partner to decide whether he wanted to extend the contract or take his leave. Each partner contributed with the amount he could afford to the companies' capital. The one who contributed the minimum was usually the appointed director of the branch in Lyon or Genoa. These brief time duration contracts show the importance of flexibility in the volatile textile trade. The longest duration for a single company was held by *Zellweger brothers & Comp.* with 27 years of existence (1747-1774), almost reached also by

led by two to four partners on the base of a company contract with a term of six to eight years⁶ – left behind fifteen letter copy books. All of them were written in Trogen, none in Lyon or Genoa, where the branches were located. They cover about twenty years before (1747-1780) and after (1800-1820) the Industrial Revolution in 1780. In this two periods, which cover only about fifty years of the total of 150 years staying in business (1670-1820), the merchants Zellweger built up a Continental European trading room entertained by writing a minimum of verifiable 40 000 business letters to about 4000 addressees such as suppliers, customers, freight forwarders, bankers and finally their own branches in Lyon and Genoa on about 550 different localities in eighteen countries (Tab. 1).

Tab. 1. Evaluation of the fifteen letter copy books written by the merchants Zellweger in Trogen, 1747-1780 and 1800-1820

Period	1747-1780	1800-1820	Total
Business partners	1099	2856	3955
Business letters	17 360	21 953	39 321
Localities	215	332	547

Not even a single answer from all these 4000 addresses survived to this day. Based on these numbers, I estimate the actual amount of business letters once written in the trading triangle Zellweger between Trogen, Lyon and Genoa on at least 200 000.⁷ Investigating the example of their freight forwarders Salis-Massner of Chur (Graubünden) as bottleneck for exports across the Alps par excellence, I was able to identify a minimum of verifiable contacts to 3955 addresses in 547 locations (1727-1797). This proofs the huge amount of business letters as contemporary standard (Zellweger 2025, 103).

How did the merchants Zellweger manage to survive the extended period of about 150 years in the volatile linen, cotton and cotton ware trade from 1670 to 1820? As the analysis of their business correspondence will show, the answer lies obviously in a strict risk management from 1747 to 1780 overrun by the turbulent changes in politics, economy, demographic and even climatic changes in the period from 1800 to 1820. In this paper, I will present the striking differences in the central outline and structure of their trade as well as their principles in dealing with business difficulties, in short, their risk management before and after the turn of the century.

Zellweger & Comp. with 25 years (1792-1817). However, *Zellweger, Müller & Comp.* (1774-1778) existed only four years of the six years suggested in the contract.

⁶ From at least 17 company contracts, only the two from 1756 and 1778 are verifiable, cf. State Archiv Appenzell Ausserrhoden: Pa.021, Zellweger, Zuberbühler & Comp.: Handelsvertrag für Trogen und Lyon, Trogen, 1754 and Zellweger, Zürcher & Comp.: Handelsvertrag für Trogen und Genua, Trogen, 22.09.1778i.

⁷ Francesco Datini (1335-1410) of Prato left for his trading between Mediterranean, England, Flanders and Crimea the sheer amount of 140 000 business letters und 11 000 private letters (Origo 1985, 8).

1. The «lettre à la maison» in Lyon and Genoa – weekly correspondence enabled and secured long distance trading, 1747 to 1780

Every Monday, no matter what, the merchant Zellweger would sit in his office on the ground floor of his department store and write his «lettre à la maison» to Lyon. Since 1747, each decade emerged one of the seven stone buildings in the modern style of bourgeois Baroque. They served both as living and working spaces. In terms of size, they are more suited to a city than to the village of Trogen. The letter's recipient was the branch manager in Lyon, who answered the letter immediately ensuring weekly correspondence. Although around 2500 of this type of lettre were to be identified, the correct German expression could only be found in one place: «Handlungs-brief».⁸ The loss of a single «lettre à la maison» meant no less than a «fatality», an «annoyance». Amazingly, such a catastrophe took place only twice during the rather long period examined. The first one «flew from the gallows on the wheel» in 1752, what had to be accepted with «patience» unaware of «cause & intention».⁹ Mail robbers caught it, but were caught themselves, not knowing what to do with those abstract exchange letters they found enclosed instead of cash. The second letter went lost while being carried by a mute young postman from St. Gallen to Trogen one Friday evening in July 1754. Johannes Zellweger (1695-1774), usually composed in his writing to Lyon, was panic-stricken by the nonappearance of the expected letter, talking about «the final judgment». The young postman repented deeply, nearly «felt ill and desperate» and «begged for grace and forgiveness».

The aura of tension and stress in connection with the «lettre à la maison» underscores its significance – it was simply *the* thread of life of the Zellweger's long-distance trading between Trogen, Lyon and Genoa. First, it played a key role in the exchange of valuable business papers containing up to six of those precious exchange letters with which the customers used to pay their purchase in the magazine of *Zellweger frères & Comp.* in Lyon. Furthermore, every end of the year the balance sheets as well as the inventory was sent from house to house allowing the yearly due balance sheet business to be done in Trogen. Otherwise, the letters also contained shopping lists, colour lists as well as little examples of threads or pieces of fabrics. Secondly, the information density of its well-structured content shows how important it was. Every single one began with the repetition of the date of the received letter from Lyon/Genoa allowing both sides to keep control. The deeply felt gratitude towards the partner's efforts contributed to the shared business, exposed and traceable in every detail throughout the letter's content, was always politely expressed. The reason was obvious. Without the information carefully gathered by the holding partners in Lyon and Genoa to write and deliver a mere shopping list, the old generation

⁸ Cantonal Library Appenzell Ausserrhoden (KBAR: Fa Zellweger.36.B.39), Zellweger, Johannes (1730-1802): Letter to his first born son Johannes Zellweger (1764-1832) in Bregenz, Trogen 01.11.1798.

⁹ State Archiv Appenzell Ausserrhoden (STAAR: Pa.021-03-01-04), Gebrüder Zellweger & Comp.: Lettre à la maison à Lyon, Trogen, 25.12.1752, 34.

Zellweger responsible for the purchase of the linen in the commercially diligent surroundings of Trogen felt utterly at lost.

To conclude, although they were «marchands en gros», their wholesale in the eighteenth century was not at all what it is nowadays considered as buying massive quantities to be thrown on the market on low single price. Surprisingly, it rather meant the well reflected, thought out purchase of every single piece of linen based on an available order from clients in Lyon and later Genoa and its surroundings. This kind of trade in goods is the safest trade at all and therefore itself a risk management. In case of an unexpected bankruptcy of a client, they went right on spot to put their hand on their goods such as to claim it back out of the bankruptcy estate to sell it to a better house. In 1766, because of a client's bankruptcy and as to minimize their loss, *Gebrüder Zellweger & Comp.* once took on a shipload of Jalap as barter transaction. This root originating in India, was used in Europe as a laxative. Based on this single example, Bodmer concluded erroneously similar barter transactions were done «more often» (Bodmer 1959, 55). In fact, the effort it took to sell at least somewhat of this completely out-of-range medical product was endless. From 1766 to 1769 they tried to sell the Jalap to not less than fourteen pharmacists in Bern, Erlangen und Nürnberg. Not even one of them replied to their offer.¹⁰ It was in this tiring and laborious connection that Johannes Zellweger (1730-1802) stated:

To work for the honour is a system rejected in the trade as well as in the military (alongside: No money, no Suisse [soldiers]). But to work and to sacrifice the own money to render service to others, would make an irreparable hole in the moon. My company [*Gebrüder Zellweger & Comp.*] is still burdened with 8 ballots of Jalap [...].¹¹

1.1 Caution, patience and long-term stability – the three main principles of risk avoiding management

After the detailed enumeration of the exchange letters received from Lyon, the partners in Trogen wrote carefully about their reflections and observations on the actual economic situation and the manifolded risks in purchasing linen in their rural surrounding. The term conjuncture was yet to be known. They talked about «Schläg

¹⁰ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-09-01-01), *Gebrüder Zellweger & Comp.*: Offer of service on jalapp to Christoph Adam Rothkeppel von Erlangen, Georg Jacob Kiessling, Johann Sundersberg, Johann Wilhelm Pflüger, Stellweg & Linder sowie Justus Christian Kiessling von Nürnberg, In Erlangen und Nürnberg, 13.03.1766; *Gebrüder Zellweger & Comp.*: Offer of service on jalapp to Samuel Wagner, Gottlieb Wittenbach, Wittenbach auf dem Platz, Morel beim Rathaus und Wittenbach bey der Gerechtigkeit von Bern, Frau Brunner an der Baarfüsser Gass und Gassmann «bey der Pfisterzunft» von Solothurn sowie an Gartier, Chirurgus, Lutzigen bei Solothurn, Trogen, 24.04.1769.

¹¹ Cantonal Library Appenzell Ausserrhoden (KBAR: FaZellweger.36.B.Hi), original text in French: «Travailler pour la gloire est un system rejetté dans le Commerce aussi bien que dans le Militaire (NB: Point d'argent, point des Suisses). Mais travailler et sacrifier son propre argent en rendant service aux autres, seroit faire un trou à la Lune irreparable. Ma société se trouve encore chargé de 8 Balots de Jalap [...]», in: Zellweger, Johannes (1730-1802): Letter to Johann Caspar Hirzel (1725-1803) in Zürich, Trogen, 12.12.1768.

und Lauft / blow and course». ¹² They wrote on their decision making, on the purchases made by their manifolded competitors such as merchants from Arbon and Rorschach on the lakeside of lake Constance. They also suggested significant alterations and modifications in their workflow such as the furnishing and implication of parts of the textile finishing by means of industrial espionage by the merchants, finishers and dressers Gonzenbach of Hauptwil (Thurgau), etc.

The little town Beaucaire, at that period geographically ideally located on the mouth of the river Rhone and the France Mediterranean coast was of great importance in their reflections. It was mentioned no less than several hundred times. The reason was the annually gathering of the at that time well known annual trade fair «de la St. Madeleine» on Juli, the 21.th to 25.th. By reading the «lettres  la maison», I could identify this trade faire of Beaucaire to be the climax of the annual selling cycle of the Zellweger's linen trade during the eighteenth century. In June, a month before it took place in Beaucaire, the clients came to Lyon to do their purchases in linen in the magazines of the Swiss textile merchants. Then, the clients put their just purchased linen goods on the so called «cloches», little boats specifically built for their effortless river trip downstream. Meanwhile in Beaucaire, a tent city sprang from the ground offering the short-term structure and backdrop for a trade fair mentioned already in 1168, officially founded based on the privilege of Raymond VI (1156-1222) of Toulouse, and visited throughout the eighteenth century by about 100 000 salespersons, buyers and spectators. All of them intended to profit from the two days of tax exemption in trade (Braudel 1990, 90, 92 f.). The merchants Zellweger themselves did not visit the fair trade in Beaucaire on spot. Stationed all year long in their magazine in Lyon in anticipation of the annual rush of the merchants who went for Beaucaire, they can be identified as mere suppliers. In this context, all the anxious reflections on risk make sense. Did they purchase too much or too little linen in summertime? Were they in time or too late with the textile finishing in wintertime due to unpredictable bad and cold weather? Or was there a fatal delay of the bleachers, the dyers or the expeditors to be provided with a considerable assortment of goods just in time in June when the French merchants were expected to do their purchases in Lyon? The difference in the portion of never-ending reflection, organization, preparation, hardship and tiresome work on behalf of the merchants Zellweger responsible for the organization of the transformation from the raw piece of linen into a commercial item by means of bleaching, dying, printing, finishing and sorting compared to the easiness of the purchase in Lyon and transport of the textile goods by a single river trip to Beaucaire on behalf of the French merchants could not be greater. The answer why such an organisation would work out profitably, was obviously the distribution of risk. The «Foire de la St. Madeleine» through its strategic location favoured the trade route between France, Italy and especially Spain from where the goods went into the huge Spanish colonial empire (Iselin, Luthy, Schiess 1943, 55).

From setting foot in Lyon in 1679 to the opening of their own branch *Zellweger & Eugster* on spot in 1731, it took them about fifty years of development. Up to this

¹² State Archive Appenzell Ausserrhoden (STAAR: Pa.021-03-01-04), Gebruder Zellweger & Comp.: Lettre  la maison  Lyon, 19.01.1756, 367.

point as to limit their expenses, they hired a place in the magazine of textile merchants in Lyon to store their linen goods. In 1747 when *Gebrüder Zellweger & Comp.* just opened after the voluntarily breakup from *Zellweger & Eugster*, they had to face another bankruptcy wave in Lyon in which many of their clients were involved. Johannes Zellweger (1695-1774) from Trogen gave his son Jacob Zellweger (1723-1808) a moral sermon. He was the just appointed 25 years old director of the branch in Lyon:

[...] it is an art & trouble to sell, it is even bigger to be done with security and caution, & it is better to trade less & safely instead of trading in uncertainty. God may grant the interested partners patience & preservation of the like. This is the first but valid bankruptcy, in which the current raggion is involved. We wish to escape the disaster not to badly & never ever get into disasters like this again. Amen.¹³

The cautious father suggested to limit drastically the entrusted amount per client. In relation to the company's capital, anything more would lead to disastrous results when confronted by the customer's bankruptcy. As there are no sources left from any of the three branches *Zellweger frères & Comp.*, *Zellweger aîné & Comp.* or *Zellweger père & Comp.* in Lyon, it was tough to identify any specific clients. Nevertheless, a group of customers was called the «Montpellianer». The Languedoc city Montpellier is located on the Mediterranean coast only 85 kilometres west of Beaucaire. Those «Montpellianer» did not do their shopping exclusively in the magazine of *Zellweger frères & Comp.* in Lyon. They visited of course each of the many branches of trading houses of St. Gallen:

What has finally been done bey Mr. Farell & the remaining clients from Montpellier, please let us know, it seems our Swiss houses this time because of Beaucaire have no reason to drive in the coach, patience, thou noble herb!¹⁴

Repeatedly, they forced themselves to maintain patience in their economically liberal surrounding open to the competition of the free market. They were aware of the comfortable trade the citizens of Zurich maintained by oppressing the manufacturers in the surrounding area and forcing them to sell their products to given prices exclusively to them. Johannes Zellweger (1730-1802) commented: «Not all sorts of

¹³ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-03-01-02), the original text in German: «[...] es ist ein Kunst & Müß zu verkaufen, sie ist aber noch grösser, es mit Sicherheit und Vorsichtigkeit zuthun, & ist besser, weniger & sicher als mehr in Unsicherheit handeln. Gott verleihe den Interessenten Gedult & die Bewahrung vor dergleichen]: Föhllen. Dis ist zwahr die erste, aber triftige Faillite, darinn die jezige Raggione Interesse hat. Wir wünschen, nicht gar übel aus der Sach & niemals mehr in dergleichen]: Desastres zukommen. Amen.», In Gebrüder Zellweger & Comp.: lettre à la maison à Lyon, Trogen, 19.05.1749, 232.

¹⁴ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-03-01-02), the original text in German: «Was endlich Mr. Farell & die übrigen Montp[ellianer]: noch gemacht haben werden, biten uns anzuzeigen, es scheint unsere Schweizer Häuser haben dismahl kein Ursach wegen der foire de Beaucaire in der Carosse zufahren, Gedult du edles Kraut!», In Gebrüder Zellweger & Comp.: Lettre à la maison à Lyon, Trogen, 05.07.1751, 548.

merchants are able to set up their businesses as comfortable as the ones in the city of Zurich. Patience! We want to let the complaining to times of lull».¹⁵

In 1749 Johannes Zellweger (1695-1774) gave some advice to his young son as director in Lyon: «when a good house is starting to be guilty 5 to 6000 ld, we consider it enough, because a big slap in the face causes more pain than a little one.» The argument «*nothing ventured nothing gained*» was opposed with an Italian expression: «Chi va piano va faro».¹⁶ In 1751, not being able to buy four balls of the linen article «All-magnettes» at a bearable price was considered a «slap in the face».¹⁷ In 1755 he suggested to continue the purchase in the linen article «Cambrais & Façon mousseline» «pian piano in convenient prices.»¹⁸ In 1774, his younger son Johannes Zellweger (1730-1802) would rather give up on a profit than hurt the company's capital: «It is better to miss a profit than to touch the capital».¹⁹ In 1775, he advised his partner Graf in Lyon to act according to the principle of caution: «You are on spot, do what prudence tells you to do».²⁰ In summary, the wording «patience», «prudence» and «slowness» identifies their preferred stile of doing business calmly by avoiding too great a risk.

It goes without saying that in trading there are always multiple factors beyond predictability. One of them will always be the solvency of the client in whose hands one had to put one's good, believing in his trust- and creditworthiness. The burden of this risky uncertainty left its impact on the mental health of the merchants Zellweger. Almost all of them went through deep psychological and physical crisis. Outsiders described them as «hypochondriacal».²¹ The great encyclopedist Johann Heinrich Zedler (1706-1731) defined hypochondria contemporary as a «difficult illness caused by its mixed up and disgusting coincidences» (Zedler, 13/1732-1754, 761f.). In fact,

¹⁵ Cantonal Library Appenzell Ausserrhoden (KBAR: FaZellweger.36.B.Hi) the original text in German: «[...] nicht alle Kaufleuthe können ihre Sachen so commod einrichten wie die in Zürich. Gedult! Wir wollen die Klagen lassen, wo keine Geschäfte haben.» In Zellweger, Johannes (1730-1802): Letter to his brother-in-law Johann Caspar Hirzel (1725-1803) in Zurich, Trogen, 03.02.1772.

¹⁶ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-03-01-02), the original text in German: «wann E[ure]L[ieben] auf ein gut Haus anfangen 5 à 6000 ld schuldig ist, so achten es für genugsamb, dann eine grosse Ohrfeige macht mehr Schmerzen als 10 kleine». In Zellweger, Johannes (1695-1774): Lettre à la maison à Lyon, Trogen, 26.05.1749, 236-237.

¹⁷ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-03-01-02), Zellweger, Johannes (1695-1774): Lettre à la maison à Lyon, Trogen, 10.05.1751, 524-525.

¹⁸ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-03-01-04), Zellweger, Johannes (1695-1774): Lettre à la maison à Lyon, Trogen, 14.07.1755, 321.

¹⁹ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-03-01-02), the original text in French: «Il vaut mieux manquer un bénéfice que de risquer de perdre ou de voir des fonds accroché». In Zellweger, Müller & Comp.: Lettre à la maison à Gènes, Trogen, 24.10.1774, 40.

²⁰ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-12-01-03), the original text in French: «Vous êtes sur le lieu, faites ce que la prudence vous dites, in: Zellweger Vater & Comp.: lettre à la maison à Lyon, Trogen, 16.10.1775, 284.

²¹ Cantonal Library Appenzell Ausserrhoden (KBAR: FaZellweger. 36cop.B.Hi), Zellweger-Hirzel, Maria (1732-1802): Letter to her brother Johann Caspar Hirzel (1725-1803) in Zurich, Trogen, 1770.

hypochondria was a contemporary widespread diagnosed but hard to define illness in case of mental and physical overreactions.²²

1.2 The two branches in Genoa, 1768 and 1774/78 – forty years of textile trade and cotton import to the Swiss Confederation

Compared to Lyon as their sales market with own branch, it took them about forty more years to open *Zellweger & Honnerlag* in Genoa in 1768. Because of the falling out and deliberate dissolution of *Gebrüder Zellweger & Comp.* in 1774, it was closely followed by the opening of the second branch *Zellweger, Müller & Comp.* (1774-1778) only six years later, renamed four years later in *Zellweger, Zürcher & Comp.* Why would textile merchants from Appenzell Ausserrhoden choose Genoa «La Superba» (Roth 2022) rather than Venice «La Serenissima» as place to be? First, Venice has always been the place of merchants from Germany (Ressel 2022). Second, after a long period of economic decline, Genoa, searching for ways to revive the commerce, turned its seaport into a «porto franco» in 1763 allowing merchants the highly attractive duty-free import and export of trading goods (Piccinno L./Zanini A. 2019; Iodice A. 2017; Costantini C. 1978, Giaccherio G. 1973). Third, in Genoa, *Gebrüder Schläpfer* of Speicher (Appenzell Ausserrhoden) were established since 1740.²³ They were competitors in the purchase of linen in their native region. In 1765 *Schläpfer & Vigo* opened another branch in Genoa. Johann Georg Honnerlag (1743-1820) of Trogen who completed his apprenticeship at *Gebrüder Zellweger & Comp.* in Trogen, was their appointed director from 1765 to 1768. Therefore, the opening of a branch Zellweger was probably some lining up to the Schläpfer's example.

The analysis of the «lettre à la maison» to Genoa revealed another main goal of opening a branch in Genoa. It no longer was the selling of linen alone, but the purchase of raw cotton from merchant ships arriving in Genoa's seaport from Greek, Cyprus, Egypt and the Levantine. Up to the 1750ties, their vendors such as *König* and *Jenisch* in raw cotton all came from Venice, but originated surprisingly from Kempten (Bavaria, Germany) where their main houses were located.²⁴ They brought a late

²² Farner. Claudia. 1963. «Der Bündner Chirurg Johann Ulrich Bilguer (1720-1796) und sein Werk über die Hypochondrie» In *Bündnerisches Monatsblatt*, 281-330.

²³ The company *Schläpfer fratelli* was founded by and belonged to Jacob Schläpfer (1719-1779) of Speicher and his brother Matthias Schläpfer. Its director was Johannes Schläpfer who was not a relativ of the brothers, but the only one with the knowledge of how to do business on the level of far distance trading from Appenzell Ausserrhoden to Genua, vgl. Fuchs, Thomas: Article «Schläpfer, Jacob (1719-1779)» In e-HLS, online-version, 10.06.2010; Holderegger (1992), Schläpfer, Jacob (1719-1779), 49, 92; Jacob Zürcher-Hirzel (1741-1808) of Teufen (Appenzell Ausserrhoden) did his apprenticeship in their branche in Genoa and was their trade servant for years bevor becoming the director and appointed partner of *Zellweger, Zürcher & Comp.* in Genoa 1778. On suggestion of his partner, he married the sister-in-law of his partner, Hirzel of Zürich]. In 1792, because of the founding of *Zellweger & Comp.* as partnership of family members only, he retired and returned to his hometown in Appenzell Ausserrhoden.

²⁴ For example *Gebrüder Zellweger & Comp.*: Letter to Föhr & Sohn in Kempten, Trogen, 05.03.1764, 250; *Gebrüder Zellweger & Comp.*: Letter to Johann Jacob de Matthias Jennisch in Kempten, Trogen, 17.12.1764, 357; *Gebrüder Zellweger & Comp.*: Letter to Johann Jacob Gebhardt in Kempten, Trogen, 29.04.1765, 419.

'Golden Age' to Kempten represented up to nowadays in many impressive town-houses built in the style of bourgeois Baroque (Nebinger 1984, 140-255). The opening of *Zellweger & Honnerlag* in Genoa 1768 put an immediate and ultimate end to the correspondence related to those merchants in cotton from Kempten in Venice. From this moment on, the business correspondence of the merchants Zellweger shows off many service-offers in raw cotton to new clients in eastern Switzerland such as Toggenburg, Rheintal, and Glarus. Even this cotton import based on carefully gathered orders obtained beforehand in the surroundings of Trogen by means of offers written to potential clients such as Jenny in Enneda (Glarus), Luchsinger in Schwanden, and Luchsinger in Mollis.²⁵ At the same time, Johannes Zellweger (1730-1802) requested his partner Jacob Zürcher (1739-1808) as director of *Zellweger, Zürcher & Comp.* in Genoa in 1778/79: «Vous faites très bien d'aller piano dans l'achat des Cottons d'Alta car Mr: *Reck et Laminit* de Venice à qui nous avons écrit exprès nous marquent que les Cottons de Cypre étant sans demande [...]. / You do very well in going piano while purchasing the Alta cotton, because Mr. *Reck & Laminit* of Venice told us the Cotton from Cyprus was of no demand [...].»²⁶ The relevance of the two branches Zellweger in Genoa can be estimated by the radiance of their directors. Jacob Zürcher (1738-18) as director of *Zellweger, Zürcher & Comp.* was on February 16, 1784 in the inn «Santa Marta» the chosen interview-partner of king Joseph II. (1741-1790) of Austria and emperor of the Holy Roman Empire who used to travel under the pseudonym of Graf von Falkenstein in pursue of gathering first-hand information. Matthias Schläpfer-Heidegger (1763-1830) of Trogen, however, the director of *Zellweger & Comp.* in Genoa, was the first Consul of the Swiss Confederation in Genoa from 1819 onwards. He founded the cemetery for members of all non-Catholic religions in Genoa.²⁷

Due to the finale repeal of the alliance between the king of France and the Swiss Confederation in 1783 after having been renewed in 1777, together with the French Revolution turning Lyon in a dangerous hot spot²⁸, the two branches *Zellweger ainé & Comp.* and *Zellweger père & Comp.* in Lyon were finally closed in 1792. Johannes Zellweger (1730-1802), whose three sons were now fully trained merchants, merged the capital invested in France in the newly founded *Zellweger & Comp.* in Trogen and Genoa. This doubled its financial capacity. From this moment on, business in France was done by business travellers only. His older brother Jacob Zellweger (1723-1808), who had been the main force behind the opening of *Zellweger & Honnerlag* in Genoa

²⁵ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-13-01-01), Zellweger, Zürcher & Comp.: Service offering to Fridolin Jenny und Joachim Jenny in Enneda, Johannes Luchsinger in Schwanden and tax officer Luchsinger in Mollis, Trogen, 05.03.1780.

²⁶ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-13-01-01), Zellweger, Zürcher & Comp.: Lettre à la maison à Gênes, Trogen, 07.12.1778, 798; the same, 11.01.1779, 808.

²⁷ Fuchs, Thomas: Article «Schläpfer, Matthias (1763-1830) von Trogen», in: e-HLS, online-version, 13.12.2010; Lätt, A. (Hg.) 1931. Schweizer im Ausland, 1931, 175; Roth, Prisca. 2022. GENUA La Superba. Streifzüge durch die Kulturstadt, Zürich: Hier + Jetzt Verlag, 2022; Schläpfer, Johannes. 1988. Die Familie Zellweger im politischen, wirtschaftlichen und soziokulturellen Umfeld ihrer Zeit. In JbSGF, 107-126.

²⁸ Because of its widespread trade and well-established silk commercial and commerce, Lyon was not a revolution-minded city. Nevertheless, some of the swiss merchants were beheaded in the earlies 1790s.

in 1768, kept the branch. Apart from the two metropolis Lyon and Genoa, the merchants Zellweger never opened a branch on the Atlantic coast. Only former apprentices in Lyon with far-fetched family relationships such as the pastor's son Lorenz Hegner (1731-1807) from Winterthur went for economic dangerous spots such as La Rochelle and establishing *Hegner & Thieriot* in Bordeaux (Lüthy 1943, 187; Künzli 1790-1850, 458).²⁹ Johannes Zellweger (1730-1802) and his first-born son Johannes Zellweger (1764-1832) were the only ones investing parts of their capital in limited partnerships in the sense of «accomandita» (Braudel 1990, 480). In the 1780th he invested in *Walser & Comp.* in St. Petersburg, led and entertained by Johannes Walser (1739-1805) of Herisau (Appenzell Ausserrhoden) (Ebel 1/1798, 274) and its subsequence *Ris, Sulzberger & Co.* in Moskau up to 1802. In the 1790th, he invested in *Guebhardt, Schläpfer & Cie.* in Barcelona. At the end of 1802, *Zellweger & Comp.* from Trogen and the linen merchants *Gebrüder Fankhauser* from Burgdorf (Bern) as limited partners invested each £ 32 000.- as capital in the subsequent company *W.A. Gebhardt & Co.* in Barcelona.³⁰ In October 1814 his son Johannes Zellweger (1754-1832) invested in *Schürch & Comp.* in Livorno fl 15 000.- only to lose it just a year later when the catholic Schürch of Luzern as his limited partner on spot went bankrupt.³¹

2. Five companies Zellweger and a short and sharp ending, 1800 to 1820

The changes in the structure of the trade business observed in the business correspondence of the merchants Zellweger after the turn of the century 1800 were considerable. In comparison to the long-term relationships with suppliers and clients, bankers and freight forwarders in the eighteenth century, the business correspondence after 1800 shows a significant alteration. Almost none of the manifold once long-term stable relationships survived the revolutionary years followed by Napoleon's wars and especially his Continental System (1806-1814). In Trogen, in the meantime, there existed not only one or two textile trading companies Zellweger, but due to demographic reasons no less than five each of them belonging to one of the five cousins Zellweger equally professionally trained as textile merchant in the 1770th to the 1780th. After the death of their fathers in 1802/08, all of them founded their own companies based on the 1 Mio Gulden heritage each one received.

2.1 Business travellers instead of branches on site

The merchant Johann Caspar Zellweger (1768-1855) tried hard to resurrect connections to suppliers in Silesia and Bohemia as former procurement market after

²⁹ Cantonal Library Appenzell Ausserrhoden (KBAR: FaZellweger.36.B.He), Zellweger, Johannes (1695-1774): Letter to Johann Jacob Hegner (1721-1789) in Winterthur, Trogen, 05.01.1756, 364.

³⁰ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-15-02), Zellweger & Comp. von Trogen/Gebrüder Fankhauser von Burgdorf: Kommanditvertrag mit Wilhelm Anton Gebhardt über die Kommanditgesellschaft Guebhardt & Cie. in Barcelona, Burgdorf, 19.12.1801.

³¹ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-17-02), Schürch & Comp.: Company contract, Trogen/Livorno, 25.10.1814.

visiting the devastating trade fair Frankfurt am Main just when Napoléon fought the Battle of the Nations by Leipzig from October 16.th to 19.th 1806. When returning from this wearing business trip, he suffered from a nervous breakdown facing the upcoming fair trade in Bozen as soon as arriving home, starved and utterly exhausted. He then decided to leave *Zellweger & Comp.* his partner and younger brother. Jacob Zellweger (1770-1821) was mainly politically active as the chosen «Landammann» of the direct democracy Appenzell Ausserrhoden from 1803 to 1817, a period of accelerated drastic political, economic, and climatic changes. From then on, Jacob Zellweger shouldered not only the responsibility for the highest government office in Appenzell Ausserrhoden, but also the greatest trading company in the country, and beyond that a family of seventeen children. Having no time to concentrate on business, he completely failed the principles of caution and patience. The generous outline of an extended business travel suggested to his employee Ferdinand Foichtig on his journey through Sicily sheds light on his manner and way of doing business.³² He was described as being «defiant» by his textile printer Johann Heinrich Mayr (1768-1838) of Arbon who commented on the situation:

Business travellers of the house [*Zellweger & Comp.*] crisscrossed half Europe in every direction, huge businesses were made, but never was it possible to gain the overview, considered the limited time left! Merchants fate escapes anybody from the subject, and who dares to risk high stakes, is aware of great losses next to unsure profits. (Buenzli 2010, 1341)

By means of the analysis of the copy letter books I traced down ten commercial employees in the name of *Zellweger & Comp.* on their extended routes crisscrossing Europe as business travellers from 1800 to 1811. Wilhelm Friedrich Rueff of Au (Vorarlberg) was in Trieste, in Frankfurt am Main, in Brescia, Milan, Bologna, Livorno and Naple from 1800 to 1809.³³ Christian Gschwend from Appenzell Ausserrhoden was in Orihuela, Barcelona and Figueres in 1806.³⁴ Carl Philipp Friedrich Lang (1786-1853) from Blaubeuren (dukedom Württemberg) was in Bozen, Leipzig, Dresden, Prag, Chalon-sur-Saone, Tarare, Nimes, Amiens and Lyon from 1800 to 1814.³⁵ Johann Jakob Graf from Appenzell Ausserrhoden was in Venice, Milan, Semigallia, Trieste, Bozen, Verona and Messina from 1806 to 1809.³⁶ Johann Ulrich Zuberbühler

³² State Archive Appenzell Ausserrhoden (STAAR: Pa.021-15-01-05), Zellweger & Comp.: Letter to Ferdinand Foichtig in Messina, Trogen, 13.12.1810, 375.

³³ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-15-01-01), Zellweger & Comp.: Letter to Johannes Rueff in Trieste, Trogen, 13.10.1800, 149.

³⁴ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-15-01-02), Zellweger & Comp.: Letter to Domenico Francesco Abril in Orihuela, Trogen, 17.11.1806, 131 (STAAR: Pa.021-); Zellweger & Comp.: Letter to Bernardino Catala & Co. in Barcelona, Trogen, 20.11.1806; Zellweger & Comp.: Letter to Veuve Denamiel & fils in Figueres, Trogen, 12.11.1806, 132.

³⁵ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-15-01-05), Zellweger & Comp.: 57 letters to Carl Philipp Friedrich Lang in Lyon, etc., Trogen, 1810-1811; (STAAR: Pa.021-17-01-03 to 04), Johannes Zellweger Sohn: 4 letters to the same, Trogen, 1803-1816; (STAAR: Pa.021-18-01-01), J.C. Zellweger: 60 letters to the same., Trogen, 1813-1821.

³⁶ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-15-01-02), Zellweger & Comp.: Letter to Johann Jakob Graf on the way, Trogen, 19.02.1807, 487; xx.02.1807, 513; 02.03.1807, 522; 05.03.1807, 535; 09.03.1807, 545; 16.03.1807, 567.

from Appenzell Ausserrhoden was in Lyon, Nîmes, Perpignan, Girona, Valencia, Barcelona, Madrid, Cartagena, and Frankfurt am Main from 1806 to 1808.³⁷ Amadeo Thormann of Bern was in Naples 1809.³⁸ Ferdinand Foichtig of Rottenburg (duke-dom Württemberg) was in Messina, Malta, Cadiz and Gibraltar in 1810.³⁹ Heinrich Notz was in Livorno, Barcelona, Lyon, Mailand, Ancona, Naples, Leipzig, Hamburg, Königsberg, Prag, Wien, Berlin, Lübeck and Riga from 1806 to 1810.⁴⁰ Johann Caspar Waser of Zürich was in Bellinzona, Lugano and Verona in 1811.⁴¹ Georg Friedrich Krauss (1786-1859) of Augsburg (Bavaria) was more than once in Bayonne, Mallorca, Menorca and Ibiza, in Geneva, Lyon, Limoges, Angoulême, Bordeaux, Bayonne, Bilbao, Vitoria-Gastiz, Valladolid, Madrid, Orihuela and Bayeux from 1808 to 1813.⁴² Traveling three years crisscross Europe on behalf of *Zellweger & Comp.* completed the professional training of a commercial employee. Some of them succeeded and gained the hand of a daughter Zellweger such as Krauss of Augsburg. Some of them failed and got a complaining letter from Trogen filled with criticism, orders and disappointment such as Thormann from Bern. Their large and spaciouly designed travel routes not only show off the enormous will and tremendous effort to build up customer proximity all over Europe. They also point out the limitation of the textile trade on Continental Europe.

2.2 The three bankruptcies from 1814 to 1817

After over 140 years of continuous success in textile trade the end in the 1810th was quick and sharp. From five at the same time existing trading companies Zellweger in Trogen three went bankrupt from 1814 to 1817 (Zellweger 2009, 171-187). The owner of the fourth company left Trogen in 1820 due to legal proceedings because of supposedly committed incest. The fifth company *J.C. Zellweger* based on the fourth mechanical cotton spinning in Switzerland merely existed on after a devastating conflagration in 1814. Its owner Johann Caspar Zellweger (1768-1855), from 1795 to 1802 director of *Zellweger & Comp.* in Genoa and responsible for the purchase of raw cotton in its seaport, became himself client of *Triimpler & Gysi* in Marseille

³⁷ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-15-01-03), Zellweger & Comp.: Letter to Johann Ulrich Zuberbühler on the way, Trogen, 31.12.1807, 22.

³⁸ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-15-01-04), Zellweger & Comp.: Letter to Amadeo Thormann in Neapel, Trogen, 09.01.1809, 45.

³⁹ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-15-01-05), Zellweger & Comp.: Letter to Ferdinand Foichtig from Rottenburg (Herzogtum Württemberg) in Messina, Trogen, 13.12.1810, 375.

⁴⁰ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-15-01-02 to 05), Zellweger & Comp.: 71 letters to Heinrich Notz in Livorno, Barcelona, Rom, Mailand, Ancona, Neapel, Leipzig, Hamburg, Königsberg, Prag, Wien, Berlin, Lübeck und Riga, Trogen, 1807-1811.

⁴¹ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-15-01-05), Zellweger & Comp.: 2 letters to Johann Caspar Waser in Verona, Trogen, 04.03.1811, 590-591 und 11.03.1811, 606-607.

⁴² State Archive Appenzell Ausserrhoden (STAAR: Pa.021-15-01-02 to 05), Zellweger & Comp.: 86 letters to Georg Friedrich Krauss (1786-1859) of Augsburg in Bayonne, Mallorca, Menorca, Ibiza, etc., Trogen, 1807-1811.

under his pear Johann Jacob Trümpler (1768-1845) of Zurich.⁴³ Who would have known that Marseille would become the rising star as the French empire's door to the Mediterranean rather than the French occupied Republic of Genoa from 1797 that simply vanished in 1814? Revolution, war, economic blockade and demographic increase are incidents out of human control developing their own dynamics by means of deep reaching changes. The five cousins Zellweger representing the fourth generation of merchants did not idle around living on their massive heritage. Each of them tried to build up a textile trading company on his own. But the time of the 'marchand en gros' needed as hinge between suppliers and clients was gone. The job profile of the new age after the turn of the century was the manufacturer, who knew himself how to trade his goods. The once so busy village place Trogen desolated in just a few years. Grass grew over the place and figuratively over the story of the textile trade that shaped it throughout the eighteenth century.

3. Summary and research outlook

The example of the linen merchants Zellweger of Trogen demonstrates how, in the 1660ties, long-distance textile trade shifted from the city of St. Gallen to the surrounding countryside. The city provided the knowledge of the merchant's trade, logistical advantages such as access to the postal service and export companies. However, the Zellweger merchants organized all textile finishing in the countryside, completely bypassing the relevant experts in the city. The same movement from the city to the countryside was also undertaken by the Gonzenbach merchants from St. Gallen. They left the city of St. Gallen in a dispute over restrictive guild regulations, to dedicate themselves to textile finishing, such as bleaching and dressing, in the Thurgau countryside, establishing one of the first large-scale manufactory in the 1660s. Initially active in the linen trade, they were among the very first customers of the Zellweger merchants. Later, they were only identifiable as their bleachers and finishers. Zellweger's records from the peripheral perspective on the countryside, shed new light not only on the density of contemporary textile finishing companies. Through countless suppliers, subcontractors, export companies, bankers, customers, and personnel, everything from trade routes, financial flows, goods flows, as well as changes in strategies and processes over the years can be examined and illustrated.

To illustrate the potential of analyzing their business correspondence, let us refer to the city of Augsburg. The Zellweger merchants maintained 72 relationships. Exceedingly intensive were the relationships with the bankers Christian Georg Köpf

⁴³ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-15-01-01 to 05), Zellweger & Comp.: 13 letters to Trümpler & Gysi in Marseille, Trogen, 1800-1811; (STAAR: Pa.021-17-01-03), Johannes Zellweger Sohn: 16 letters to Trümpler & Gysi in Marseille, Trogen, 1803-1809; (STAAR: Pa.021-18-01-02), J.C. Zellweger: 31 letters to Trümpler & Gysi in Marseille, Trogen, 1809-1814.

(1699-1758)⁴⁴, *Johannes Halder*⁴⁵ and *Johannes & Georg Walter von Halder*⁴⁶ for their money exchange business, each of them documented in 260 to over 500 letters. Furthermore, the investigation of their relationship to the successful *Georg Friedrich Zäckelmayer* in Augsburg would be worthwhile. *Zellweger Vater & Comp.* bought the cotton items «Mouchoirs Calencas» and «mi Calencas».⁴⁷ Since around 1770 Zäckelmayer, also referred to as Zaggelmeyer or Zegelmayer in the Zellweger's correspondence, has been one of the largest calico manufacturers in Augsburg. Nevertheless, nothing is known about his origins or his exact dates of birth and death.⁴⁸

Like all old trade fairs such as Leipzig, Frankfurt am Main and Bozen toward the end of the eighteenth century, the trade faire Beaucaire suffered the decline to a mere fair. The phase of periodic, tax-exempted trading was over. At the same time, the institution of linen control in Trogen was closed after 120 years in 1798 to be followed some years later by the several centuries old one in the nearby city St. Gallen. Unlike linen fabric, cotton fabric as the highly sought-after textile item of the new time had never been subject to any inspection. Serious changes in the political relationship between France and the old Swiss Confederacy before, during and after the French Revolution led to the closure of the two Zellweger branches in Lyon after more than a hundred years of presence. The same happened to the two branches in Genoa after forty years of presence in 1808 while the occupied and oppressed Genoa lost its economic importance in favor of Marseille highly celebrated as gate of the French Empire to the Mediterranean.

After the turn of the century up to 1820, a huge number of new names appeared in the registers of the copy of letter books, but each correspondence being insignificantly small, seldomly more than two or three letters. As a result of the political war-like circumstances in trade under Napoleon, three of the five at the same time in the same textile trade participating companies Zellweger went bankrupt from 1814 to 1817. Nevertheless, many of the sons Zellweger completed again their commercial apprenticeship and became merchants. They founded insurances (*Helvetia*, St. Gallen), banking businesses (*Ulrich Zellweger & Cie.*, Paris) or entertained factories in communication technology (*Zellweger AG*, Uster). Some of them traded in cotton (*Zellweger frères*, Winterthur-Le Havre). Their sons served as merchant employees of cotton trading companies (*Gebrüder Volkart* and *Paul Reinhart & Cie.*, Winterthur) up to the middle of the twentieth century.

⁴⁴ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-03-01-01 to 05, Pa.021-08-01-03), Gebrüder Zellweger & Comp.: 503 letters to Christian Georg Köpf in Augsburg, Trogen, 1747-1769.

⁴⁵ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-08-01-03), Gebrüder Zellweger & Comp.: 286 letters to Johannes Halder in Augsburg, Trogen, 1762-1769.

⁴⁶ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-08-01-03), Gebrüder Zellweger & Comp.: 266 letters to Johannes & Georg Walter von Halder in Augsburg, Trogen, 1762-1769.

⁴⁷ State Archive Appenzell Ausserrhoden (STAAR: Pa.021-12-01-03), Zellweger Vater & Comp.: 15 letters to Georg Friedrich Zäckelmayer in Augsburg, Trogen, 1774-1778.

⁴⁸ Mark Häberlein, Michaela Schmölz-Häberlein. 2010.09.03. Article «Zäckelmayer.» In *Augsburger Stadtlexikon online*, Wolfgang Zorn. 1961. Handels- und Industriegeschichte Bayerisch-Schwaben (1961), 55.

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*Expansion of business range and prudent risk taking.
Specht et Gonzébat in Lyon in the early eighteenth century**

Introduction

In his influential work on the sociology of risk, Niklas Luhmann draws a conceptual distinction between the notions of risk (Risiko) and danger (Gefahr) (for the following: Luhmann 1991). This differentiation forms a foundational element of his broader systems theory and his analysis of how modern societies perceive and manage uncertainty. Luhmann draws the line by where we pin adverse outcomes: on our own decisions (risk) or on forces beyond our control (danger).

Risk, in Luhmann's framework, refers to situations in which a system or actor voluntarily engages in a course of action despite not knowing with certainty what the outcome will be. Crucially, if negative consequences ensue, they are attributed to the decision-making process itself. That is, the harm is seen as the responsibility of the actor who made the decision, even if the outcome was unintended or unforeseeable. Risk, therefore, always presupposes the element of choice. It arises when a decision is made in a context of uncertainty, and any negative outcomes are linked back causally and normatively to the actor's own agency. In this sense, risk is internal to the system or person that acts.

According to Luhmann, danger, by contrast, refers to potential harms that do not originate from within the decision-making system or actor but are instead caused by external factors. In cases of danger, the actors are not held responsible for the outcome, as they are seen as passive recipients of external threats. Danger is thus experienced as something imposed from outside. It is a condition that one endures rather than one that results from one's own agency. Natural disasters, accidents, or the unintended consequences of others' actions may all be framed as dangers, particularly when there was no opportunity to influence or anticipate them.

Luhmann emphasizes that this distinction is not fixed or natural but depends on the attribution of causality and responsibility. In modern, functionally differentiated societies, the boundary between risk and danger is mainly constructed and negotiated through communication. Different social systems like the fields of law, politics,

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economics, or science may frame the same event differently depending on their internal logics. What one system identifies as risk, another may treat as danger. This makes the concepts inherently relational and perspectival, shaped by the way systems observe and interpret the world.

Werner Plumpe has repeatedly emphasized that decisions are at the core of any enterprise. Without decisions, it cannot survive. The constant weighing of risks is therefore the most fundamental operation in analysing a company's *modus operandi*. Accordingly, a historical analysis should centrally focus on a firm's decisions (Plumpe 2004, 2014). These, as Reinhart Koselleck argued, are shaped by a «horizon of expectation» that is in turn based on a «space of experience» (Koselleck 2004, 270). In this way, a realistic picture of a company's range of possible actions can emerge – one that has the potential to render the entity of the «enterprise» in the early modern period more tangible (Wadhvani and Lubinski 2017).

Bringing these strands together, we can understand the firm as a site where the boundary between *Risiko* and *Gefahr* is actively produced through decision-making under historically specific temporal horizons. In early modern contexts, the same storm, embargo, or debtor default could move between categories depending on communicative regimes in law, politics, and commerce: force majeure clauses, rules on general average, and insurance premiums were precisely the media through which enterprises reclassified hazards and redistributed accountability. Reconstructing how firms translated uncertainty into sequences of accountable choices, and when, why, and with what instruments they sought to displace responsibility, renders the historical *modus operandi* of the «enterprise» analytically graspable.

In the following, I will look at a company that deliberately took great risks and was very successful with them until an unforeseeable danger shook it to its core. «Specht et Gonzebat» of Lyon was a Swiss-German company that established strong connections between France, Southern Germany, Italy, Switzerland¹ and the Levantine markets, as well as to the colonial French Atlantic. Johann Heinrich Gonzenbach, a merchant from St. Gall, settled in Lyon at the latest in 1710, presumably already much earlier. In 1717, he joined forces with Loth Specht, a German merchant from Ravensburg, to found the company «Maison Specht et Gonzebat.» The firm went insolvent (not bankrupt, as this would suppose fraudulent behaviour in French legislation in the early 1720s) mostly *not* due to the well-documented Law crisis but primarily because of stringent trade restrictions following the outbreak of the plague in Marseille. Following the insolvency, a substantial tranche of company records was seized, yielding detailed insight into its activities between 1710 and 1720.

What stands out in the activities of the company is the vast range of its activities, with business relations up to Denmark, Britain, Spain and the Ottoman Empire. Their core business activities between France, Switzerland, Italy and Germany were complemented by a diverse range of other ventures, facilitated by an extensive network of business partners throughout Europe. A substantial branch of Specht & Gonzenbach's global trade involved a strong connection with the Levant,

¹ Switzerland refers here to the territories of the historical *Corpus Helveticum* and the Republic of Geneva.

surprisingly reliant on German traders in Italy, particularly in Venice. A remarkable sketch of the company, despite only limited knowledge at the time of the publication, was given by Pierre Leon, Jacqueline Fayollet and Maurice Garden in 1969:

A firm like Specht & Gonzenbach operates on a truly global scale, with Lyon as one of its central hubs. Within a vast system that stretches across Europe from the West Indies to the East Indies, certain trade routes are particularly 'privileged': overland trade routes linking northwestern France – the wealthy France of the time – with the Mediterranean region, sometimes bypassing Lyon altogether and instead passing through Geneva and Milan toward the Mediterranean; trade routes that enable the export of cloth from that same northwestern France to Augsburg, Vienna, Leipzig, and the entire Central European region – routes orchestrated by Lyon from afar; coastal routes linking Hamburg to Alicante, Genoa to Spain's eastern coast; trade routes to the Levant; 'northern' routes to Altona, Russia, and Scandinavia via Bordeaux and Rouen; trade routes to the Caribbean, to Canada, Vera Cruz and Lima, Persia, China, and India. It is always Lyon that, even when the goods never touch the banks of the Rhône or the Saône, gives the instructions and secures the financing, relying on its branches in Rouen, Bordeaux, and Marseille. With Specht & Gonzenbach, Swiss-Lyonnais trade reaches a truly universal dimension (Leon, Fayollet, and Garden 1969, 115-16).

The surprise that it was precisely in Lyon – at a time when it was supposedly being replaced by Paris as France's commercial centre – that such a global trade dynamic was achieved by a German-Swiss trading house is clearly evident in these lines. The surprise does not lie in the fact that the German-Swiss partnership was at the vanguard of this development, given that both groups of merchants had been present in Lyon for centuries and thus also stood for a traditional structure of trade. However, with Specht & Gonzenbach, a new element had seemingly arrived in Lyon, marking a significant threshold toward increased globalization – one that may well be worth further investigation.

To better understand the dynamics of this process, this article is divided into several sections. First, the biographical background of the two merchants and the general contexts regarding the development of trade between southern Germany, Switzerland, Italy, and Lyon in the early eighteenth century shall be outlined. Special emphasis will be placed on the significant transformation that assigned a prominent role to the region of Swabia in this context. This is followed by a section on the firm's business dealings with Germany and Switzerland between 1710 and 1714, when it was managed solely by Gonzenbach. The subsequent chapter analyses the company's operations from 1717 to 1721 in Germany and Italy, after Loth Specht had joined. The next section is devoted to the firm's insolvency, which is interpreted here not as a result of bad business practices, but as the consequence of a particularly advanced corporate structure and a propensity towards risk-taking that met due to bad fortune with calamitous events. The conclusion summarizes the findings and attempts to draw conclusions with regard to the initial question about risk and danger in the world of business in the early modern period.

A note on the sources beforehand: At its core, the company papers confiscated by the Lyon authorities consist of incoming correspondence. Of the 2,233 letters in total – addressed either to the Gonzenbach family or to Specht & Gonzenbach – roughly 1,600 are in French, about 600 in German, and around 100 in Spanish or Italian. The distribution is not uniform. In essence, we have surviving material only for the years 1710, 1714, 1717, and 1719-1721, with few exceptions. Therefore, a complete analysis of the company is not possible here. Only the activities in these years and only with regard to Switzerland, Germany and Italy shall be scrutinized. The letters from Switzerland and Germany have already all been inventoried by Willi Schädler, which was of great help for this essay (Schädler 1974). The firm's activities relating to France and the Levant are examined in Jacqueline Fayollet's unpublished dissertation (Fayollet 1966). They cannot be treated in detail here, as this article concentrates on the potential that Germany, Switzerland and Italy offered for the company's activities but are incorporated into the analysis at select points.

Johann Heinrich Gonzenbach and Loth Specht

Johann Heinrich Gonzenbach died in Lyon on December 13, 1740, as Pierre Léon was able to locate the *inventaire après décès* for *Jean-Henri Gonzebat* dated to that day. He appears on various genealogical websites as Heinrich Gonzenbach, born on February 1, 1678, in St. Gall.² In 1706, he married Benigna Zollikofer (1685-1717) in St. Gall, with whom he had a surviving daughter, Elisabeth Gonzenbach (1712-1799). In 1717, he married again – this time Ursula Cunz (1696-1724) in Lyon. His third marriage took place in 1724 in St. Gall, to Barbara Felizitas Mittelholzer (1701-1764).

Johann Heinrich Gonzenbach maintained a regular correspondence with his older brother Anton Kaspar Gonzenbach in Leipzig (referred to in French as Anthony), who died there in 1726 (Kirchhoff 1874, 208, 343; Lendenmann 1978, 110). He is not listed in the common Gonzenbach genealogies. In the correspondence, Johann Heinrich Gonzenbach was addressed as nephew by Heinrich Gonzenbach (1649-1719), who was married to Sara Locher (1662-1733).³ Kaspar Cunz (1655-1719), who lived in St. Gall, also frequently referred to him as nephew. This was because Cunz was the uncle of Benigna Zollikofer, Johann Heinrich Gonzenbach's wife. Additional family ties existed with the commercially very active Scherer and Wegelin families, some members of which addressed him as a cousin in their letters (Fayollet 1966, 21).

Through descent and marital ties, Johann Heinrich Gonzenbach belonged thus to a characteristic alliance of Swiss lineages from the northeastern *Corpus Helveticum* active in linen production and trade with France and Italy. The Locher family had been present in the *Gesellschaft zum Notenstein*, the association of the patriciate of St. Gall, since the seventeenth century. In the early eighteenth century, members of the

² The following information is based on two evidently reliable websites: <https://ad-vit.de> (Strauss Genealogy) and <http://www.hfls.ch> (Historical Family Lexicon of Switzerland, both accessed on January 3, 2025). It should be noted that both sites are privately operated.

³ Johann Heinrich was a 'nephew' only in a broader sense. The two were related only through Johann Heinrich Gonzenbach's great-grandfather, Heinrich Gonzenbach (1585-1650).

Gonzenbach family joined them, followed by members of the Cunz family toward the end of the century (Bodmer 1962).

The Gonzenbach family had a long-standing tradition in Lyon, with a presence there since at least 1636 (Zeller 2023, 254). However, this family added a very specific aspect to their business activities. In the first half of the seventeenth century, the firm departed from the typical model of linen production common in St. Gall. The Gonzenbachs achieved a far-reaching vertical integration of their production processes within a single firm structure, thereby attaining substantial independence from the weavers or by subjecting them to a high degree of dependency. This brought the Gonzenbachs into serious conflict with local guilds and other merchants, which led – or even forced – them to leave St. Gall in 1654. From then on, the Gonzenbachs operated without guild restrictions in Hauptwil, in the Thurgau region under nominal sovereignty of the entire Swiss confederation – which in practice meant that the government hardly interfered in the dealings of the entrepreneurs. The authorities in St. Gall tried to prevent this settlement using their influence in the Swiss Diet. Ultimately, these efforts were in vain: the Gonzenbachs effectively transformed Hauptwil into a large linen production site that shaped the town for over a century (Lüthy 1943, 33-34; Bodmer 1960, 135-140; Menolfi/Bolli 2019, 48-63). Particularly remarkable here is the pronounced vertical integration of the production process, as described by Ernest Menolfi and Peter Bolli:

The innovation also lay in the extensive consolidation of all production facilities and trading operations at one location under unified private management. For Hans Jacob Gonzenbach, the advantages included not only significant cost savings and time efficiency but especially better monitoring and control of all production stages. This allowed processes to be coordinated and rationalized, and careful handling of the cloths helped significantly improve quality and prevent damage during production (Menolfi and Bolli 2019, 76).

One dispute between the Gonzenbachs and the guilds of St. Gall concerned the bleaching and finishing of cheap Swabian linen that could benefit from Swiss customs privileges in Lyon (Lüthy 1943, 33-34; Bodmer 1960, 140-41; Zorn 1961, 71-27). In Thurgau, there were no obstacles to exporting Swabian linen to France, which made Hauptwil (also) a kind of South German bridgehead for exports to Lyon (Bodmer 1960, 173-74). It seems likely that the improvement in sales of such linen through the Gonzenbach network to France drew the attention of several southern German linen merchants to the profitability of settling in Switzerland. Since the later years of the Thirty Years' War, Swiss privileges in Lyon were better than those of the Germans (Ressel 2023, 380-83). Even more important in this regard were the sharp reciprocal trade embargoes enacted between the Empire and France in 1676. The following two years proved particularly disastrous for the French trade of the southern German imperial cities, as evidenced by the significant weakening of the *Nation Allemande* in Lyon (Bog 1959, 88-106; Bog 1962).

In 1688, when embargoes were again enacted by the Empire against France and the French side retaliated, this prompted a number of southern German linen

merchants to relocate to the Thurgau. Most of these merchants settled in Arbon. Structurally similar to the Gonzenbach case, the guilds in St. Gall got the city to oppose the settlement of the southern Germans, who, even after the war, did not leave the Thurgau. Just like the Gonzenbachs, the Swabian linen merchants now operated in a guild-free area of Switzerland and soon began establishing production facilities south of Lake Constance. They pursued source-to-sale vertical integration: southern German production feeding European distribution and overseas demand (Schädler 1971; Ressel 2020, 298). The success of these German «new Swiss» in the Thurgau was remarkable. They directed much of their export business toward Lyon – and beyond. In 1717, the firm Scheidlin and Fingerlin, run by merchants who originally came from Lindau and Ulm, and who now lived in Arbon, accounted for 14.5% of the Swiss linen recorded in the communal contributions of the entire *Nation Suisse* in Lyon (Lüthy 1943, 85, 139; Zorn 1961, 75-76).

Thus, the southern Germans in Thurgau were effectively direct competitors of the Gonzenbachs in Hauptwil. All of them purchased Swabian linen from southern Germany, refined it through bleaching and finishing, also in the Thurgau, and shipped it to Lyon. However, this potentially dangerous competition seems to have led actors on both sides to see an opportunity for synergy. Despite their similarities, the Gonzenbachs in Hauptwil and the southern German merchants in Arbon (just 15 kilometres away) had sufficiently distinct profiles. The southern German merchants had an easier access to the whole of Germany, maintained important partnerships in major centres of bill-of-exchange trade such as Augsburg, and were regularly present at Europe's largest markets – the Frankfurt and Leipzig fairs. Additionally, they had close family ties to the prominent German merchants in Venice. The Gonzenbachs, by contrast, had better contacts to St. Gall and all of Switzerland and maintained close ties not only with Lyon but also with the Swiss community in Marseille, opening channels to Mediterranean and even global trade flows. Their relatives, the Zollikofer family, had been present in Marseille since 1550 (Burrus 2018).

Against this backdrop, it was arguably more natural for a member of a family such as the Gonzenbachs to collaborate with southern German houses than for many other Swiss merchants. The German partner who emerged in 1717 was Loth Specht. Compared to the Gonzenbachs, his mercantile background was at first glance a bit less accentuated, as shown by his family history. His grandfather, Loth Specht the Elder, was a citizen and saddler in Ravensburg. From his marriage to Euphrosina Lormann, Loth Specht the Younger was born in 1641 – the father of our Loth Specht. The latter was a painter and became a member of the Inner Council in Ravensburg in 1686. From his second marriage to Magdalena Schmid came 'our' Loth Specht, born on December 22, 1685, the fourth of twelve children from four marriages (von Kirch/ Nebinger 1967, 272, Fn 117).

However, merchants may already have been active in the family as early as the seventeenth century. In Venice, a Johann Georg Specht (1673-1751) was active from 1705 to 1735 as a member of the German Nation and the owner of a moderately successful firm; he also died in the lagoon city, many decades after his insolvency in 1716 (Ressel 2021, 457-59). His further activities in Venice are unknown, but the fact that he was buried there suggests a certain degree of business success or a new

beginning following the conclusion of the insolvency proceedings. We may strongly presume that he was a relative of 'our' Loth Specht, who most likely also was for some time an apprentice of Johann Georg Specht in Venice. Shortly after the birth of 'our' Loth Specht, the commercial element in the family increased significantly. As early as 1686, his father married Anna Barbara von Kirch (it seems thus likely that Loth Specht's mother had died at his birth). Von Kirch had been born in 1666 as the daughter of Jacob Rudolf von Kirch, a legal counsel and court prosecutor in Lindau, who became a notary in Ravensburg in 1675 and from 1680 onwards in Vienna. One of her uncles was a merchant in Strasbourg. Her cousins were active in Esslingen, Danzig, Thorn, and St. Petersburg. Through her Lindau origins, Anna Barbara von Kirch brought thus extensive connections among the South German merchant elites into the Specht family – especially, it seems, to her stepson. We may assume that he received a commercial education in his youth, likely in various places where his maternal relatives resided. The skills and contacts Specht acquired – extending far into Eastern Europe – must have made him an attractive business partner in Lyon. It fits the picture that the aforementioned Johann Georg Specht in Venice had primarily cultivated connections to Eastern Europe. Thus, the Specht family's ties to the world of international trade were firmly established at least by the late seventeenth century – and remained so for several decades. In 1744, a Georg Specht from Ravensburg began his apprenticeship in Venice (Ressel 2021, 579). Between 1680 and 1750, the Specht family was certainly the most active group in Ravensburg engaged in long-distance trade.

We may therefore speculate that Loth Specht stood in this tradition and furthered it. His association with Gonzenbach in Lyon most likely was preceded by a period of shared business activities, so we may assume he moved to Lyon several years before 1717. In Lyon, he found in Johann Heinrich Gonzenbach a merchant who, as will be shown, was certainly on the lookout for a new partner in the years before 1717.

The prehistory of the firm, 1710-1714

By 1710, Johann Heinrich Gonzenbach had finished his apprenticeship with Anton Locher (1652-1719) in Lyon and may already have been employed there. Around 1700, the Locher firm, together with the Högger firm, was of major importance to France, particularly in the financing of the costly wars between 1688 and 1714 (Lüthy 1943, 112-45). It was likely here that Gonzenbach gained first-rate experience in international trade. Perhaps for this very reason, he chose to pursue independence, and by July 1710, he was no longer employed by Anton Locher. As early as June, Gonzenbach had been sent textiles by a merchant from Saint-Étienne – probably as a sample, marking the beginning of a commercial relationship (Fayollet 1966, 6). This appears to have been Gonzenbach's first transaction as an independent merchant.

In late 1710, the Geneva merchants Gaspard and Tobias Rotmund proposed that the 22-year-old Gonzenbach work for them in their firm as a *serviteur* for three to four years. The Rotmunds had learned that Gonzenbach was no longer employed by

Mr. Locher. From their letters, we learn that Gonzenbach was highly skilled in double-entry bookkeeping.⁴

The earliest surviving letter addressed to Gonzenbach as a (mostly) independent merchant is dated 3 December 1709. It came from Anton Kaspar Gonzenbach in Leipzig, who addressed him in French as *Mon très cher frère*, the remainder of the letter was in German. In the following 21 letters – all dating from 1710 – he consistently addressed him with the informal «du» – the only correspondent ever to do so. The letters also frequently mention their father and various private matters. These details offer insights into the firm's structure. Apparently, the family had positioned two brothers at key nodes in international trade, with St. Gall or Hauptwil almost perfectly in the middle. From the outset, both brothers were not merely commission agents of the parent company but operated independently in their business dealings. For instance, Anton Kaspar ordered taffeta and silk ribbons in various colours from his brother in Lyon – goods that were sourced from Isaac Mirabeau in Nîmes. The volume of correspondence between the brothers was high, and the letters covered many further details of trade, particularly regarding exchange transactions and the Frankfurt fair. Notably, Anton urged his brother to ship via Schaffhausen rather than St. Gall, as it was more cost-effective. This provides another indication of the strong independence both entrepreneurs enjoyed from their St. Gall origins.⁵

A large number of additional letters to Johann Heinrich Gonzenbach in Lyon survive from the year 1710. During this time, he maintained several business relationships with partners in Leipzig, most likely established through his brother living there. Among his Leipzig contacts were Andreas Brentano – who primarily ordered silk ribbons in large quantities – and Jacques and Jean Galhac, who also placed orders for silk. Gonzenbach himself ordered taffeta, silk ribbons, and gloves from Grenoble. Noteworthy are the orders of products that were contemporaneously referred to as *drogues*, i.e., medicinal or apothecary items, such as *theriac*, *alepicerme*, and *tosseinte*.⁶ The surnames of his partners in Leipzig suggest that they mostly came from Italy and France.

All other correspondence from the year 1710 also appears to be connected in some way to Leipzig. For instance, the firm Philippo Nisolo & Comp. in Nuremberg confirmed the dispatch of silk goods to Leipzig.⁷ Jean Jacques Wepfer from Schaffhausen received goods for Lyon from Jacques and Jean Galhac, while in return he sent silk to J.G. Getz, Causid & Malhautier, and the two Galhacs.⁸ Gonzenbach likely also conducted business with the firm Michellet & Fulchicq from Geneva; their letters frequently mention the shipment of silk to Schaffhausen as well as bills of exchange.⁹ The firm Hurter, Ott & Peyer, also based in Schaffhausen, handled the forwarding of crates of silk to Nuremberg – presumably with the aim of further transport to Leipzig. Evidently, Johann Heinrich Gonzenbach had followed his

⁴ Archives Départementales et Métropolitaines du Rhône (ADR), 8 B 1237/5, letters no. 431-435.

⁵ ADR, 8 B 1237/6, letters no. 128-166.

⁶ ADR, 8 B 1237/6, letters no. 114-126.

⁷ ADR, 8 B 1237/6, letters no. 351, 561.

⁸ ADR, 8 B 1237/5, letters no. 606-610.

⁹ ADR, 8 B 1237/5, letters no. 398-409.

brother's earlier advice and increasingly used the route via Schaffhausen for northern shipments.¹⁰ In his dealings with Jacob and Jérôme Schobinger of St. Gall in 1710, the focus appears to have been less on transport logistics and more on the exchange transactions related to trade with Leipzig – that is, most likely the financial settlements for goods traded.¹¹ Our picture of the year 1710 is completed by letters from the firm Jean Henry de Bary in Geneva, which not only comment on the generally bleak economic situation marked by several bankruptcies in Germany and the collapse of the Frères Naville in Geneva, but primarily deal with the settlement of bills of exchange.¹² A request from Johann Conrad Gehr in Nuremberg regarding the availability of ribbons, saffron, verdigris, indigo, almonds, and other goods does not appear to have resulted in an ongoing business relationship, as this letter remains a singular instance.¹³

We can quickly summarize the structure of the firm for the year 1710. Johann Heinrich Gonzenbach clearly focused his activities on trade with Leipzig, where his brother worked closely with him and facilitated the necessary contacts. According to the surviving correspondence, this structure was quite one-sided: in Lyon, goods were primarily purchased, with almost no evidence of sales activity. The product range was dominated by silk goods and dyes, complemented by drogues and high-quality foodstuffs. At this stage, the Lyon branch of Johann Heinrich Gonzenbach's firm can largely be viewed as a subordinate outpost of the family's main operation in Leipzig. What stands out is the dominance of Leipzig as a hub for merchants of Swiss origin (including key partners such as the Galhac family, likely from French-speaking Switzerland), while St. Gall played a minimal role and was even secondary to Schaffhausen as a logistics hub. This may reflect longer-term consequences of the Gonzenbach family's seventeenth-century withdrawal from St. Gall, as discussed above.

By the year 1714, however, the structure of Johann Heinrich Gonzenbach's business dealings had changed markedly. Leipzig was scarcely mentioned any longer in the correspondence. Instead, Silesia had come into focus. If Leipzig appeared at all, it was merely as a transit point for the firm's main product sourced from Silesia: linen. This was now joined by linen from St. Gall, which also emerged as a relatively prominent export good. It seems likely that Johann Heinrich Gonzenbach sought to enhance the standing of his firm within the Gonzenbach family's international trade network by importing linen into France. Given the Gonzenbach's rather weak ties to St. Gall, and with family members operating (or having operated) in both Lyon and Leipzig, this branch was especially well positioned to source linen from faraway Silesia.

Johann Heinrich Gonzenbach began exporting linen to France no later than 1712. In June of that year, Panchaud & Comp. (later Panchaud & Mandrot) from Morges ordered several bales of linen from St. Gall to be sent to Lyon; soon

¹⁰ ADR, 8 B 1237/5, letters no. 557-561.

¹¹ ADR, 8 B 1237/5, letters no. 3-14.

¹² ADR, 8 B 1237/5, letters no. 266-289.

¹³ ADR, 8 B 1237/6, letter no. 197.

thereafter, they did the same via Zurich.¹⁴ Although the business relationship between Panchaud and Gonzenbach ended in 1714 following some disputes, the basic structure of the trading route remained intact.¹⁵ That same year, Hans Rudolf Hofmeister from Bern sent what appears to have been a routine shipment of linen from his home canton to Lyon.¹⁶ Similarly, the firm Schlapriz & Schobinger from St. Gall delivered linen to Gonzenbach¹⁷, as did Christoph Wegelin from St. Gall, who supplied both fine (*tönne*, meaning German: *dünne*) and raw linen in substantial quantities.¹⁸ Other names associated with the Swiss linen trade also appear in the correspondence, including Laurenz Kunckler (Elter & Söhne), from St. Gall.¹⁹

One might be tempted to view the sale of Swiss linen in Lyon as a typical activity of members of the *Nation Suisse*, the local community of Swiss merchants, upon which much of their presence in Lyon traditionally rested (Wild 1909, 29). However, Gonzenbach went far beyond such typical patterns. Through Nikolaus Zollikofer of St. Gall, he sourced large quantities of linen from southern Germany – referred to as *Schwabenwahr* or *Überscher*, indicating origins «from across the sea» (i.e., Lake Constance) – especially from the linen fair at Immenstadt. Zollikofer also arranged shipments of Swabian linen from Arbon. These South German textiles were primarily destined for Marseille and Genoa, and thus likely intended for overseas markets – somehow fitting for ‘overseas’ wares from beyond Lake Constance.²⁰ They often bore distinct names, such as *Stauben* or *Mousselins*.²¹ Payments frequently took the form of bills of exchange settled via Amsterdam, underscoring the highly international nature of this commercial relationship.²²

It seems likely that this particularly international trade in Swabian linen for overseas markets – conducted via Gonzenbach in Lyon – was a legacy of the family’s earlier close ties to Leipzig. The same may apply to the expansion of business beyond Saxony into Silesia. In 1714, Gonzenbach conducted extensive trade in *platilles*, a particularly fine variety of linen, sourced from Silesia.²³ The supplier was Tobias Anders from Hirschberg, with shipments handled via Alexandre Brugier in Hamburg – his surname suggests Huguenot origins. The intended destinations were either Cádiz, to the firm of Martelli, or Alicante and Cartagena, to the merchants Pavia & Rizzo. Further correspondence – including with these very partners of Specht & Gonzenbach – reveals that the ultimate destination was in fact Madrid.²⁴ In this case,

¹⁴ ADR, 8 B 1237/5, letters no. 74-76.

¹⁵ ADR, 8 B 1237/5, letters no. 77-87.

¹⁶ ADR, 8 B 1237/5, letters no. 613-620.

¹⁷ ADR, 8 B 1237/5, letters no. 152-155.

¹⁸ ADR, 8 B 1237/5, letters no. 157-167.

¹⁹ ADR, 8 B 1237/5, letter no. 141.

²⁰ ADR, 8 B 1237/5, letters no. 169-223.

²¹ On the “*Stauben*,” a linen product introduced by Swabians to northeastern Switzerland in the late seventeenth century, see Bodmer 1960, 120-1. *Mousselins* were apparently produced in St. Gall only since the mid-eighteenth century, see: Wartmann 1875, 98, 157-160

²² ADR, 8 B 1237/5, letters no. 184, 201, 208.

²³ On the “*platillen*” from Silesia, a fabric particularly suited for overseas trade, see Steffen 2017.

²⁴ ADR, 8 B 1237/6, letters no. 64-75, 432-436, 458.

Johann Heinrich Gonzenbach connected two commercial regions that were otherwise largely independent of Lyon: the Iberian Peninsula and Silesia. We may assume that, in the wake of a long war, the maritime connections between these regions via Hamburg or Amsterdam had become rather tenuous by 1714 and required stimulation from intermediaries who had reliable contacts in both distant trading spheres. However, this seems only to have been a temporary arrangement that ceased soon after the end of the naval war. In Gonzenbach's dealings with Spain from around 1720 onward, Silesian linen no longer appears. Instead, for the Spanish market, there is only a recorded order for *ruanes blancos* and *batistas* sent to Barcelona. These products appear to have been cotton and linen goods from Switzerland, which were sent via Genoa.²⁵

The company also appears for the first time in the metal trade in 1714. Emanuel Faesch in Basel was supplied with metal goods for the Braunschweig fair. The sender was the company Guillemot et fils from Thiers in the Auvergne, a place known for the production of fine metal goods such as scissors, knives, writing instruments, as well as tools and instruments for craftsmen and artists.²⁶ We may assume that such types of products were shipped to Braunschweig (Combe 1957, 49-94).

Trade also worked well along the traditional route, and in 1714, as in 1710, it ran through Schaffhausen. The partners here were once again Hurter, Ott & Peyer.²⁷ One of the products that appears for the first time in 1714 was indigo, which Jacob Blumart obtained for Nuremberg – presumably for further dispatch to the northeast. The same person sent linen from Breslau and Leipzig to Gonzenbach in Lyon, which aligned with the advanced structure of Johann Heinrich Gonzenbach's long-distance trade operations in 1714.²⁸ Trade through St. Gall was also strong in both directions. Here, Jacob Ritz was an important partner for the sale of linen to Lyon and for the shipment of textiles from France to the north.²⁹

In 1714 as well, there was a great deal of exchange, including with Rauner & Münch from Augsburg³⁰, with Gonzenbach's cousin in Geneva, Gaspard Wegelin from St. Gall³¹, as well as with Sellon et Frères Boissier³², and (as already in 1710) with Jean Henry de Bary³³, along with Jean Louis Crug the Younger³⁴ and Jean Henry Rychiner, both based in Basel.³⁵ That year, Johann Heinrich Gonzenbach had a serious dispute in Basel with the firm Thurneysen & Brandmüller, which was related to his brother Anton Kaspar Gonzenbach. Although a reconciliation was achieved

²⁵ ADR, 8 B 1237/6, letters no. 440-442.

²⁶ ADR, 8 B 1237/5, letters no. 20-24.

²⁷ ADR, 8 B 1237/5, letter no. 584.

²⁸ ADR, 8 B 1237/6, letters no. 174-193.

²⁹ ADR, 8 B 1237/5, letters no. 225-237.

³⁰ ADR, 8 B 1237/6, letters no. 25-33.

³¹ ADR, 8 B 1237/5, letters no. 544-556.

³² ADR, 8 B 1237/5, letters no. 441-534.

³³ ADR, 8 B 1237/5, letters no. 290-299.

³⁴ ADR, 8 B 1237/5, letters no. 26-36.

³⁵ ADR, 8 B 1237/5, letter no. 37.

with the firm, no new business contact was established thereafter – despite several attempts.³⁶

A radical strategic turn that followed soon after was likely rooted in conflicts over the firm's collaboration with Anton Kaspar Gonzenbach, who remained in Leipzig and, according to the correspondence, regularly attended the Zurzach fairs. In 34 letters – some of them quite detailed – from his uncle Gaspar Cuenz in St. Gall, which span the year 1714 and end abruptly in August, we read much about serious conflicts within the family business. From these, we also learn of a *Königszahlung*,³⁷ during which 112,000 livres were distributed – most likely a profit-sharing arrangement among participants in a joint investment. There was also correspondence about a bill of exchange worth 18,688 livres involving the brother in Leipzig. Over the course of these letters, the relationship between uncle Cuenz and nephew Gonzenbach in St. Gall steadily deteriorated. Cuenz accused him of negligence in their joint dealings and claimed that the connection to his brother in Leipzig was not sufficiently close. Most notably, he complained about ongoing disadvantages and even exploitation by Johann Heinrich Gonzenbach through unfavourable exchange rate calculations. These involved large shipments of linen from St. Gall to Lyon, which were either undervalued or calculated in a way that always resulted in losses for Cuenz. In August 1714, Cuenz broke off the business relationship and sent his nephew Gaspard Wegelin from Geneva to Lyon to retrieve his remaining goods from the storage facilities.³⁸ Afterwards, Johann Heinrich Gonzenbach appears not to have been in touch with his uncle, brother, or the Wegelin cousins ever again.

The activities of the company in Germany since the partnership with Loth Specht

The termination of business relations with his relatives by Johann Heinrich Gonzenbach can only be explained if we consider that, by 1714, he had already largely emancipated himself from the formerly dominant business model upon which his activities in Lyon had been based. In addition to severing personal ties with his relatives, he explicitly broke away from the trade route structure to and from Hauptwil/St. Gall with his uncle, as well as to and from Leipzig with his brother. By this time, however, he was already actively trading with Spain, Silesia, and Hamburg, and his business relations extended throughout France. The range of traded goods now included not only textiles but also numerous metals and dyes. His greatest asset, however, was likely the substantial trade in Swabian linen via the South German business circles in Upper Swabia and their production centres in Arbon. In this respect, he remained somewhat aligned with the broader Gonzenbach-Cuenz family enterprise, since his uncle had also traded in Swabian linen in addition to linen from

³⁶ ADR, 8 B 1237/5, letters no. 42-48.

³⁷ At the fairs of Lyon, *Payement des Rois* referred to scheduled settlement days for clearing bills and claims. Here, the term may have been used merely for account settlement, rather than indicating any connection with the Lyon fairs.

³⁸ ADR, 8 B 1237/5, letters no. 91-136.

St. Gall. However, this segment of the business had grown so significantly for Johann Heinrich Gonzenbach by 1714 that it must have come at the expense of all Swiss linen producers south of Lake Constance. While the Gonzenbach family had always enriched their exports to France with Swabian linen, their strong ties to Switzerland had led them to also maintain and even expand production in the Thurgau region. Johann Heinrich Gonzenbach may have carried his preference for German partners beyond acceptable bounds, even for a family otherwise amenable to enriching its portfolio with South German goods.

It was likely in this context that the partnership with Loth Specht was established in 1717, although we lack the essential information for the years 1715 and 1716 to confirm this with certainty. Specht represented the connections to southern Germany and, more broadly, to other German-speaking partners of Lutheran confession. This opened up a wide field for trade expansion, since many Central European centres were ideally located for long-distance trade throughout Europe, and significant Lutheran merchant communities resided in Venice and Livorno, as well as Amsterdam and London. Notably, some letters from German partners after 1717 were addressed only to Loth Specht and no longer to Johann Heinrich Gonzenbach at all.³⁹ This alone indicates that, from the perspective of at least some German partners, trade was now being conducted with a company increasingly associated with Germany.

Quite fundamentally, it appears that the company underwent a kind of new beginning in 1717. In the second half of the year, many congratulations were received on the founding of the new partnership. These well-wishes came almost exclusively from Nuremberg, where Specht apparently had relatives.⁴⁰ The firm Riedel (sometimes written: Rüdel) & Huth was the first to send their congratulations in early October 1717 and inquired about indigo and saffron. They also asked about the possibilities of transit trade via Nantes, Bordeaux, and La Rochelle.⁴¹

While a long-term relationship with Riedel & Huth seemingly did not develop, a very intensive connection arose from another congratulatory letter. Johann Egidius Wagner from Nuremberg replied in November 1717 to the circular announcing the establishment of the company. He expressed no interest in verdigris but was keen on marjoram seeds and indigo from Saint-Domingue. He also requested coin silver, presumably for further processing in Nuremberg. In 1718, Wagner received silk taffeta from Gonzenbach in Lyon, which was then forwarded to Breslau. That year, the marjoram seeds also mainly went to Breslau. The paper purchased in Lyon, however, could hardly be sold in Nuremberg or its surroundings, and by 1719, the

³⁹ For example, Johann Ringmacher addressed almost all of his 30 letters from the years 1720 and 1721 from Paris to «Monsieur Loth Specht à Lyon»: ADR, 8 B 1237/1, unnumbered letters.

⁴⁰ In a letter from Johann Egidius Wagner dated October 8, 1718, from Nuremberg, we find private information about an older relative of Specht, who intended to retire in Weißenburg: ADR, 8 B 1237/6, letter no. 387. Additionally, the subsequent letters from many Nuremberg partners contain various pieces of private information, suggesting a close acquaintance between Specht and the Nuremberg merchant circles.

⁴¹ ADR, 8 B 1237/6, letters no. 377, 379, 402, 403.

local market had become oversaturated with verdigris and marjoram seeds. The silk, however, continued to sell well to the firm Amsinck in Hamburg.⁴²

One gets the impression that, up until the first half of 1720, the correspondence with Wagner in Nuremberg – amounting to a remarkable 46 letters – was of great importance and success. Particularly noteworthy is the orientation toward long-distance trade that had become almost standard from Nuremberg, with Hamburg and Breslau serving as additional key points of reference. A similarly fruitful connection existed with Georg Hannibal Braun in Nuremberg, who also extended his congratulations to the new firm in Lyon in November. In this very letter, he inquired about the results of the saffron harvest in Orange. In the following years, he regularly sent gold and silver thread products to Lyon, as well as gold leaf (*traits-faux*, which likely refers to gold of lower purity). In return, he mainly received verdigris, marjoram seeds, and silk goods. Much of this continued via transit to northern regions. Regular shipments of gold from Cádiz were particularly important to him.⁴³

Another remarkable business connection was with Johann Michael Weickmann from Nuremberg, who had already congratulated the partners on their new company in Lyon in April 1717. He sourced marjoram seeds from Lyon and sent copper in return, routed through the transit hub of Leipzig. As of April 1718, the company was run by the late Weickmann's widow, whose actual name is never revealed in the correspondence. She consistently requested especially hard and dry verdigris and repeatedly expressed dissatisfaction with the high moisture content of the delivered product. Presumably for this reason, the business relationship ended in November 1719 following an inquiry into the prices of saffron from the Gâtinais (a region in central France) and marjoram seeds. The corresponding price lists apparently led Mrs. Weickmann to the decision to terminate the relationship with Specht & Gonzenbach.⁴⁴

Another Nuremberg-based company was the newly founded partnership of Mayr and Müller, established in June 1717. Johann Georg Müller Jr., the successor of his recently deceased father, and Johann Michael Mayr were the proprietors. In the following years, they primarily handled consignment sales and the shipment of marjoram seeds, verdigris, cochineal, indigo, almonds, and saffron.⁴⁵

Business relations with Johann Gottlieb Kramer in Nuremberg began only in October 1718, but quickly developed into a particularly intensive partnership. Several greetings in letters addressed to Specht reveal that Kramer was an old friend. Kramer supplied metal goods, particularly sheet metal from the mills in Bohemia and Saxony. In return, he received from Specht & Gonzenbach what was likely the most extensive product range of any of the firm's partners. This included whalebone, indigo (from both Saint-Domingue and Curaçao), gunflint, paper, cochineal, saffron (from the Comtat, a region around Avignon), marjoram seeds, pepper, and coffee. Some shipments of verdigris in 1719 were routed through Altona and Lüneburg to

⁴² ADR, 8 B 1237/6, letters no. 355-406.

⁴³ ADR, 8 B 1237/6, letters no. 199-269.

⁴⁴ ADR, 8 B 1237/6, letters no. 411-426.

⁴⁵ ADR, 8 B 1237/6, letters no. 318-349.

Nuremberg. The letters repeatedly highlight how strong the competition from Swiss merchants in Nuremberg was with regard to these products.⁴⁶

In southern Germany, the concentration of Specht & Gonzenbach's trade on Nuremberg is striking. However, there were also contacts with other partners. For example, the firm Amman in Augsburg was an important connection for trade with Leipzig and Venice.⁴⁷

In 1719, the company extended its range of contacts – precisely into Switzerland, which, since 1717, had played almost no role for Specht & Gonzenbach. We may assume that the firm's success, thanks to its intensive connections through Nuremberg into northeastern Central Europe and, on the other hand, its continued strong presence on the French market, once again made it attractive to Swiss partners. Johann Heinrich Gonzenbach's break with Swiss partners around 1714 had in fact been limited to his relatives, so that other Swiss partners likely had only few reservations about engaging with a firm led by him. Moreover, we can assume there was continuity in business relations with Swiss partners from 1714 to 1717 and beyond. For instance, goods were sent to and received from Nuremberg via the freight forwarding company Hurter & Oswald in Schaffhausen. Northbound shipments included silk, cash, muscat wine, and St. Laurent wine from Morges, while in the opposite direction, Nuremberg wine was sent to Lyon.⁴⁸ Swiss partners also continued to play a role in direct trade. From Jan Meyer of Arbon, we learn that in 1719 he had to halt his cotton purchases from Specht & Gonzenbach in Lyon because warehouses in Zurich were full.⁴⁹ A minor contact was maintained (or re-established) with Gonzenbach and Högger in St. Gall, mainly concerning trade to Ravensburg.⁵⁰ A remarkable contact was established in 1719 with Melchior Muralt in Zurich, who ordered spun silk from Tripoli in Lebanon via Specht & Gonzenbach. In his correspondence, he expressed strong distrust toward French-born partners in France, which was likely the reason he approached this German-Swiss trading house in Lyon.⁵¹ Not only did the company find new partners in Switzerland. Lothar Specht, most likely related to Loth Specht, and Jacob Gradmann, both from Ravensburg, received *keirsch* (cherry brandy) from Lyon via Specht & Gonzenbach, while in return the firm received theriac in Lyon.⁵²

⁴⁶ ADR, 8 B 1237/6, letters no. 275-298.

⁴⁷ ADR, 8 B 1237/6, letters no. 2-18.

⁴⁸ ADR, 8 B 1237/5, letters no. 566-580.

⁴⁹ ADR, 8 B 1237/5, letters no. 16-18.

⁵⁰ ADR, 8 B 1237/5, letters no. 143-150. This was the only identifiable contact of Johann Heinrich Gonzenbach with a partner of the same surname after 1717.

⁵¹ ADR, 8 B 1237/5, letters no. 588-605.

⁵² ADR, 8 B 1237/5, letter no. 428.

The activities of the company in Venice since the partnership with Loth Specht

The firm post-1717 differed significantly from the firm pre-1717. The importance of Germany had increased substantially, and this had led to a very substantial increase of its business range and presumably also its volume of trade. The most important business connection that Loth Specht had brought with him into the company, however, seems to have been his close ties to Italy. More specifically, the key partners in this context were both based in Venice: Daniel Amman from Augsburg and Michael Schürnbrand from Ravensburg.

The latter seems to have been connected to Specht not only via the same place of origin. Even though we have no definite proof, it seems very likely that Loth Specht completed his apprenticeship in Venice together with Schürnbrand under Johann Georg Specht (Ressel 2021, 568). More than just sharing the same hometown, the two were therefore most likely deeply trusting business partners and maybe even very close friends.

The nature of the connection to Amman is somewhat difficult to determine. Born in Augsburg in 1687 and deceased in Venice in 1764, the merchant was active in trade in the lagoon city from 1708 to 1760 (Ressel 2021, 464–67, 543–91). He was thus practically the same age as Schürnbrand and Specht, and it is highly likely that he completed his apprenticeship in Venice at the same time as they did. The assumption of a close friendship between the three partners therefore seems highly plausible. From this perspective, Specht's relocation of his business headquarters to Lyon makes even more sense. It appears to have been a strategic decision made by three close friends and business partners, aimed at gaining improved access to the important French market.

The business correspondence from Schürnbrand to Specht & Gonzenbach is one of the most extensive and dense in the entire letter corpus. Although we possess records only from the year 1720 and partially 1721, they are highly revealing.⁵³ Letters were exchanged on a near-weekly basis and often contained references to the respective other partner in Venice. The letters display a remarkable degree of trust, as they never include any discord, criticism, or even the need for particular formalities of politeness. It is almost the only set of correspondence that extends far into the severe crisis faced by Specht & Gonzenbach – and yet never contains a reproach. Although Schürnbrand and Amman also suffered greatly in Venice from the quarantine blockade in southern France, and their letters from this time are filled with descriptions of problems and requests for alleviation, they never express blame towards Specht & Gonzenbach. At times, for example, they suggested rerouting goods via Rouen and Hamburg in response to the closure between Venice and Marseille.⁵⁴ Yet even in such cases, no accusations were made. The relationship of

⁵³ 63 letters from Schürnbrand and 17 from Amman have survived. Not taken into account here are the also numerous letters from other partners in Italy due to limited space and the aim here to highlight the most important partners in terms of trust and business intensity in Italy, which undoubtedly were Schürnbrand and Amman.

⁵⁴ ADR, 8 B 1237/4, letter from Schürnbrand, 29 November 1721.

trust was evidently fundamentally unshakable, and it was always assumed as a matter of course that Loth Specht was acting as best he could under the circumstances.

In Venice, Daniel Amman belonged to a group that was particularly close to Pietism. This group formed a network of merchants whose especially strong bonds of trust provided advantages in long-distance trade. The reason for this was that members of this Pietist-leaning circle came from various cities across Germany and were thus able to pool their respective trade advantages through this shared network (Ressel 2021, 426-53). Accordingly, Daniel Amman remained throughout his life one of the most successful and affluent German merchants in Venice. A similar assumption can be made for Michael Schürnbrand. For such highly interconnected merchants, a partner in Lyon would have offered an ideal complement to their business model. The advantage of being based in Venice lay not only in its status as a hub for trade and networks. Merchants of the German nation also enjoyed particular privileges granted by the Venetian authorities, which gave members of the *Nazione Alemana* notable advantages in long-distance trade.

The structure of trade between Specht & Gonzenbach and Schürnbrand and Amman can be outlined succinctly. Essentially, it consisted of a procurement structure managed by the two merchants in Venice. They purchased large quantities of cochineal, indigo, saffron, verdigris, and coffee from Lyon. Financial transactions were primarily processed via Amsterdam through a merchant named Scherenberg, and occasionally via London. The most significant product was likely the so-called stamine – garments made of silk – which were regularly shipped from Lyon to Venice. These appeared to meet with almost inexhaustible demand, not only in Venice but also apparently in Germany, to which they seem to have been transported from the Adriatic. It is reasonable to assume that customs privileges made this considerable detour profitable. Silk fabrics, in general, seem to have blurred the line between maritime and overland trade, as they were also frequently transported via Livorno and then overland to Venice. Indigo and cochineal were often re-exported to Smyrna. Many products were also sold on to other parts of Italy, with Bologna frequently mentioned as a central hub for redistribution. The only product mentioned in the correspondence as being traded in the opposite direction was almonds from Como.⁵⁵

The competition from Genoa was frequently mentioned. Prices for the products in question were regularly sent to Specht & Gonzenbach so that they could adjust their shipments accordingly and avoid losses due to market oversaturation. In the case of stamine, attention also had to be paid to the tastes of the clientele. At times, for instance, black stamine could not be sold because a shift in fashion had suddenly created demand for lighter-coloured fabrics instead.⁵⁶

It is illuminating to compare this with the trade structure involving Venice in 1714. At that time, only Gonzenbach maintained a business relationship with only one partner there – namely, Johann Jacob Pommer (1659-1717). This correspondence dealt exclusively with financial transactions. Pommer played a key

⁵⁵ ADR, 8 B 1237/4, letters from Schürnbrand, February 1719 to December 1721; letters from Amman, January 1720 to November 1720.

⁵⁶ ADR, 8 B 1237/4, letters from Amman 13 April 1720, 17. August 1720.

role in handling payments with partners in Genoa, Marseille, London, and Amsterdam. The partner in Genoa, whose surname was Scherer, was clearly Swiss. There is no evidence of intensive trade with Italy during this period.⁵⁷

We can therefore assume that the key advantage of Gonzenbach's partnership with Specht around 1717 lay in gaining a partner with a background in the *Nazione Alemana* in Venice. This affiliation brought with it significant privileges in both the German and Italian markets, as well as a highly resilient network of trust. The partnership with the Ravensburg-born Loth Specht opened the German and Italian markets to Gonzenbach, reaching as far as Hamburg and Breslau. It likewise shaped the firm's Ottoman trade, as after 1717 the company forged more substantial ties with Smyrna and Sidon (Lebanon) (Fayollet 1966, 32-39, 81-84, 113-129, 144). Trade with Spain was also not discontinued as a result of the partnership with Specht.

An insolvency resulting from prudent risk taking?

We may resume: The range of products had expanded considerably around 1720. Now, colonial goods or products from the Levant held a prominent place within the portfolio. The main focus of trade had shifted significantly across all of Germany and Italy, without the traditional sectors of linen and silk trading having been reduced in the process. Even at this point, the import structure was presumably dominated by Swabian linen, available in various grades but above all in large quantities. It was a product at the base of a triangular structure that essentially connected Nuremberg, Lyon and Venice – even though we cannot see it in the latter with the correspondence of Specht & Gonzenbach. We can be nevertheless certain that Schürnbrand imported substantial quantities of linen to Venice and that this was the base of his standing there as the entire area around Ravensburg was strongly dependent on this export business (Zorn 1961, 75, 108). Nuremberg, Lyon and Venice functioned essentially as hubs for large swathes of Germany, France and Italy – and even far beyond. The firm was evidently still in expansion during the first half of 1720, and all signs for continued growth were promising. As late as July 1720, an advance purchase of larger quantities of tinplate was agreed upon with the firm Drusina in Hamburg, along with trade in brandy, French powder, and Provençal oil. Drusina wrote optimistically: «I should think even these general goods would yield a good profit.»⁵⁸ And as late as October 1720, Specht & Gonzenbach received an order from Johann Christoph Neumann & Comp. in Breslau for various kinds of saffron.⁵⁹

However, at this point, the company was already in an extremely precarious situation. The stock market crash in France, ongoing at least since May 1720, had fundamentally devastated the general economic situation by the summer of that year. A brief recap: The Scottish banker John Law reached the height of his influence and power in Paris on January 5, 1720, when he was appointed *Contrôleur général des finances* of France. As is well known, he had established a system of paper money and

⁵⁷ ADR, 8 B 1237/4, letters from Johann Jakob Pommer, June to October 1714.

⁵⁸ ADR, 8 B 1237/6, letters no. 79-102.

⁵⁹ ADR, 8 B 1237/6, letters no. 35-62.

government bonds closely linked to the Mississippi Company. This company was intended to finance colonial ventures in North America and promised immense profits. However, the system led to a speculative bubble, as the shares of the Mississippi Company became massively overvalued. In November 1719, the shares of the Mississippi Company reached their peak value. Already by January 1720, clear signs of significant overvaluation began to emerge, which intensified markedly by March. An official *arrêt* issued on May 21, 1720, reduced the face value of the Mississippi Company's shares and of the paper money by 50 percent in an attempt to curb inflation and speculation. However, this measure did not stabilize the situation but instead triggered a stock market panic. This caused a loss of confidence in paper money, as many investors lost their fortunes, and it directly led to a severe and prolonged economic crisis that would not begin to ease until 1724 (Menning 2020).

For Specht & Gonzenbach, the situation was made far worse by the arrival of another catastrophe: In May 1720, the plague broke out in Marseille, brought in by the merchant ship *Grand-Saint-Antoine*, which had returned from the Eastern Mediterranean. Although the ship had been placed under quarantine, infected goods made their way into the city. The plague spread rapidly and led to one of the last major outbreaks of the plague in Western Europe. In 1721, the *Mur de la Peste* – parts of which still stand today – was erected around Marseille to prevent the spread of the disease to the surrounding regions. Armed guards patrolled the 27-kilometer-long wall, preventing any entry or exit (Ermus 2023).

The consequences of the plague wave were devastating for Specht & Gonzenbach. By the end of 1720 and the beginning of 1721, trade in the south and southeast of France had come to a standstill. On January 21, 1721, Besson & Cie. wrote to the company from Marseille: «The wretched state of our province prevents you from receiving your goods» (Fayollet 1966, 145). Large shipments were now held in quarantine stations (*lazarettos*) and had to air out there for over a year. Even Specht & Gonzenbach's partners in Smyrna reported a disastrous situation – the city had lost 80,000 inhabitants to the plague within just a few years.

Preventive customs regulations varied in strictness depending on the border, but the general trend throughout Europe in 1720 was a steady tightening. Despite France's rigorous internal measures, its neighbours increasingly restricted and often outright prohibited trade with the kingdom by land and sea. The following excerpts from correspondence clearly demonstrate how reactions from within the Holy Roman Empire also hit the company hard. On October 30, 1720, Schweighauser & Brandmüller wrote from Basel regarding a shipment that could no longer be dispatched:

We can no longer find any means or route to transport your goods stored in Amiens through our region via Milan to Italy. Following a stern imperial directive, all commerce had to be prohibited – not only with Costi [Lyon; MR] and all surrounding provinces, but also with Burgundy, the city of Geneva, and the Pays de Vaud – so that neither goods nor persons may pass. No proper quarantine regulation has yet been issued. We are doing everything possible to ease the situation. But if we do not wish to be proscribed in the Empire, we

must comply with German demands. All goods and persons from Switzerland must undergo the usual quarantine before being admitted into Milanese territory or Italy. [...] These are difficult times, and increasing bankruptcies could only make matters worse. May the Almighty graciously protect us.⁶⁰

A second letter from their Basel partners, dated November 9, 1720, again highlighted the catastrophic situation:

If everything is provided with proper *fede di sanità* and the route through Burgundy is avoided, and nothing else intervenes, it seems unlikely that difficulties will arise here – but nothing is certain. For we are being so pressured by both the Emperor and France that one scarcely knows what resolution to take – especially since the cantons of the Confederation cannot agree with one another at all times [...]. A conference has been convened in Baden [...]. Today, we are writing to Lucerne to inquire about the regulations regarding passage and quarantine [...]. Commerce throughout Europe is facing collapse – may the Almighty in His mercy avert any further disaster.⁶¹

The Empire's plague blockade against France and large parts of Switzerland remained in place for many months. On August 12, 1721, the partners in Basel wrote to Specht & Gonzenbach: «The Emperor intends to break off all relations with France and to oblige Switzerland to do the same [...]. Zurich has already agreed».⁶²

This blockade likely would not have severely impacted the company in its 1710 structure – or even that of 1714. Herbert Lüthy, who does not mention Specht & Gonzenbach in his study, wrote the following about the Swiss merchant houses in Lyon in the context of the Law crisis, which he analysed in detail:

The crisis of 1720 put the solidity of the Swiss trading houses in Lyon to a severe test. They passed this test; apparently not a single one had to suspend payments during the particularly critical phase of 'payements'. Nor would their steadfast refusal to liquidate their bank accounts under the terms offered have been conceivable had they been in truly desperate circumstances (Lüthy 1943, 180).⁶³

Lüthy's focus was on the speculative crisis surrounding John Law's system, and he did not take into account the effects of the plague blockade in Marseille. One may assume that Swiss houses were not overly affected, since the borders between the Republic of Geneva, the Swiss Confederation, and France likely remained relatively open even during the plague period.

However, this was not the case with the Holy Roman Empire – and since 1717, Specht & Gonzenbach had become particularly dependent on trade with the Empire or with Venice. This made the firm one of the most vulnerable in Europe to the

⁶⁰ ADR, 8 B 1237/5, letter no. 50.

⁶¹ ADR, 8 B 1237/5, letters no. 58, 72.

⁶² ADR, 8 B 1237/5, letters no. 61, 62.

⁶³ See however on the nevertheless profound losses of the Swiss in Lyon: Sieveking 1914.

radical quarantine restrictions between France, the Confederation, and the Empire. What had appeared in 1717 to be an extremely profitable niche – the establishment of a trade route from overseas through the French port cities via Lyon to Central and Northern Europe with a substantial connection also to Italy via Venice – suddenly turned into a dangerous trap in the second half of 1720. The company did attempt to salvage its trade by falling back on its established structures. In practice, this meant trying to ship large quantities of verdigris and marjoram seeds via Altona to Nuremberg in an effort to circumvent the land border closures. But even Altona eventually became inaccessible, and the firm had to reroute deliveries through Amsterdam – whether successfully remains uncertain (Le Gouic 2011, 114-5). In any case, this was insufficient to replace the overland trade, and the long-term costs of such alternatives proved too high.

From the second half of 1720 onwards, the surviving correspondence became increasingly dominated by complaints from a wide range of trading partners. These frequently escalated into serious accusations and disputes. It is evident that Specht & Gonzenbach were unable to improve their situation significantly, despite cancelling business transactions from January 1720 onwards and deferring payments with reference to the problems caused by the plague quarantine measures (Fayollet 1966, 147-8). Thus, the firm's post-1717 strength – its expansive network of trusted trading partners – became its Achilles' heel.

No further correspondence survives beyond the year 1721. However, it can reasonably be assumed that the company ceased all commercial and financial operations in the second half of the year and initiated insolvency proceedings. These led to a process that extended over several years and concluded with the submission of a final balance sheet on 4 April 1724. Specht & Gonzenbach were by no means the only firm to collapse during this period; business failures occurred across the continent (Faure 1977, 521-52).

From the final balance sheet, produced in 1724, we can see that Specht & Gonzenbach had suffered only minor losses from stock speculation. The central problem had been the paralysis of trade in the wake of the plague epidemic, which had led to many dishonoured bills of exchange and prevented numerous textile sales. Remarkable is the intensive partnership with Johann Christoph Kick in Marseille that comes only to light in the final balance, although he does not appear in the surviving correspondence. Kick, originally from Lindau but a citizen of St. Gall, was one of the very few Lutherans in Marseille (Burrus 2018). Through him, we once again see how transcontinental trade connections were facilitated – connections that the Lutheran Loth Specht from Ravensburg on Lake Constance had established for his partner Johann Heinrich Gonzenbach in 1717.

However, since both partners were liable only in proportion to their share in the company, both Gonzenbach and Specht had a good chance of making a fresh business start. As noted at the outset, contemporary French law distinguished between *banqueroute* and *faillite*. *Banqueroute* meant fraudulent conduct, whereas in the case of *faillite*, the business had failed due to external circumstances and without fault on the part of the owner (Coquery/Praquin 2008). Accordingly, *banqueroute* was prosecuted criminally, while in the case of *faillite*, a fresh start was possible after the insolvency proceedings and partial repayments to creditors. The

case, based on the available documents, clearly appears to be one in which external circumstances ruined what had otherwise been a very well-functioning enterprise. The French authorities seem to have seen it this way. It is thus small wonder that both Johann Heinrich Gonzenbach and Loth Specht could make a fresh start after the conclusion of the proceedings. Gonzenbach died in Lyon in 1740, and according to the inventory made upon his death, he again possessed a substantial amount of goods (Léon 1976, 409). Loth Specht was naturalized in London in February 1735, thereby becoming a British citizen (Schulte Beerbühl 2007, 423). We may assume that after the bankruptcy in Lyon, he moved to England and used his contacts to achieve renewed business success. The fact that he was naturalized in Britain suggests that he indeed succeeded in doing so.

The insolvency of Specht & Gonzenbach was not caused by any commercial misconduct. In their already frequently cited article, Léon, Garden, and Fayollet identified an insufficient capital base as a structural problem of Swiss firms in Lyon around 1720 (Leon/Fayollet/Garden 1969, 117-8). However, this claim is based on very fragile data and is most likely incorrect. The capital contributions visible here can be compared with those of Frankfurt firms from the first half of the eighteenth century. In doing so, it becomes evident that Specht & Gonzenbach can be counted among the firms of their time that were above average in terms of capital resources (Dietz 1925, 737-52).

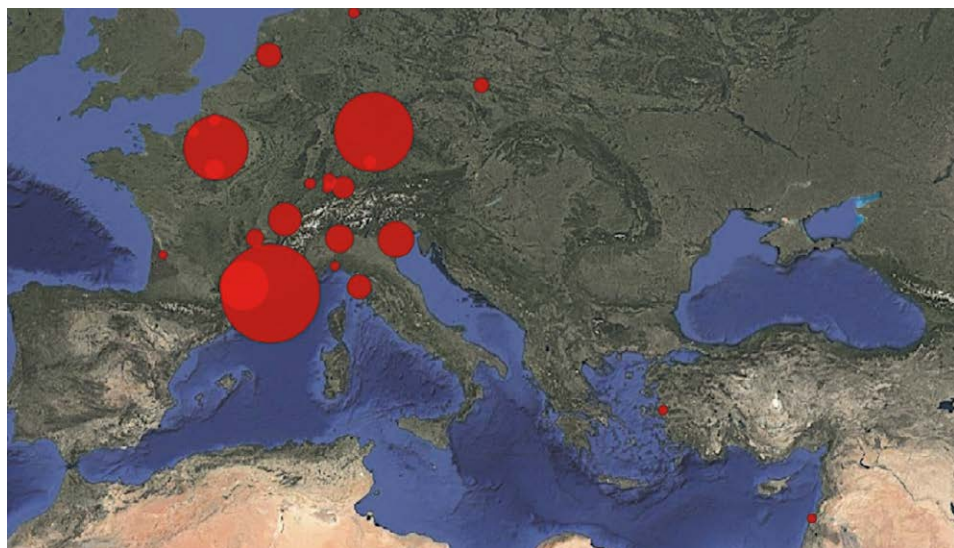
The core problem of the firm was likely the boldness of its operations – but a boldness that seems to always have been bound in realism and rationality. Between 1710 and 1714, Johann Heinrich Gonzenbach became increasingly dissatisfied with the limitations imposed by his role as a commission agent in Lyon closely tied to his family's firm. He personally witnessed the growing problems facing the Swiss linen trade while based in Lyon. During his time there, the share of Swabian linen in the Lyon trading market increased year by year. Gonzenbach came from a family that had already begun loosening its ties to its former home of St. Gall by the mid-seventeenth century. For a person like him, the move toward full independence and the associated shift toward Swabian linen – and thus the broader Central European trade network – was a radical but consequential step. Through long-distance trade with Silesia and Spain around 1714, and through the use of partners in Hamburg, he had already taken significant steps in this direction. However, as a Swiss national, he lacked a suitable partner to further expand his trade network and fully capitalize on the opportunities in Central Europe.

He found such a partner in 1717 with Loth Specht. Specht's origins in one of the most active merchant families of Ravensburg recommended him for many reasons. The city was closely connected to the Upper Swabian linen-producing region and had maintained, for centuries, a dense tradition of trade – especially with France. The partnership with Loth Specht from Ravensburg brought about a radical transformation of the Gonzenbach firm. Innovative though the company already was – with links to Leipzig and Spain – only the 1717 partnership triggered a truly rapid expansion into long-distance global trade. Direct contacts with Silesia became standard, and Leipzig turned almost into a mere transit hub. The product range expanded to soon include nearly the entire spectrum of colonial goods known at the time, along with numerous products from the Mediterranean region.

Specht & Gonzenbach thus represent a significant transformation in the structure of production and distribution within the trade corridor stretching from Lyon to Nuremberg on the one hand and to Venice on the other, with far-reaching extensions beyond. During this period, it seems that only the partnership between a South German and a Swiss merchant was capable of conducting operations on such a wide scale. The Lutheran from Ravensburg brought with him connections to Nuremberg, opening access to substantial parts of Central, Northern and Southern Europe for trade. Meanwhile, the Reformed Swiss partner provided entry into Lyon, and likely also into Huguenot France and its overseas networks. A visualization of their correspondence networks for the periods 1710 to 1714 and 1717 to 1721 illustrates this dynamic (see Figure 1).

Fig. 1. Visualization of the origins of all surviving letters addressed to Gonzenbach from 1710 to 1714 (top) and to Specht & Gonzenbach from 1717 to 1721 (bottom), including only locations with six or more incoming letters. If the inventory listed partners whose period of correspondence overlapped both timeframes, the relevant data were included in both visualizations. This slight inaccuracy is negligible for the purposes of the visualization, as such cases are rare.





Source: Created by Magnus Ressel using QGIS, based on Léon 1976, 407-21, with 32 size interval levels.

The illustration immediately reveals a marked shift in focus toward the German-speaking world following Gonzenbach's partnership with Specht. Nuremberg now stands out prominently, while Breslau appears for the first time. Leipzig, by contrast, disappears – previously, Gonzenbach's main partners there had been Swiss. The overall importance of Switzerland declined significantly, with minor exceptions such as Schaffhausen, which gained relevance as a shipping hub. Hamburg, on the other hand, emerged more prominently. Venice became significantly more important due to the presence of a strong group of Lutheran merchants with whom Specht maintained close connections. Contacts with Spain and England disappeared. However, at least in the case of Spain, this was only apparent – around 1720, the firm exported a range of goods from Nuremberg to Spain. Additionally, new locations in the eastern Mediterranean, such as Smyrna and Sidon, began to appear.

The findings allow for the formation of further hypotheses. Since the activities of Specht & Gonzenbach, a new dynamic has been emerging among the German merchants in Lyon and Venice. It is also only since then that the presence of Germans in Marseille and Bordeaux has become particularly noticeable (Carrière 1973, 929; Buti 2012, 69; Weber 2004, 160-79). It seems plausible that the activities of Specht & Gonzenbach provided some impetus for the reorientation of South German firms towards long-distance trade via France. It is also striking that a number of the firm's French partners adhered to the Reformed confession.⁶⁴ It does not seem unlikely that this was true for the majority of the firm's French-speaking partners. Accordingly, the hypothesis of a connection between Lutheran and Reformed

⁶⁴ See the significance of the firm's central correspondent in Montpellier, Daniel Troussel, as an important figure of the Reformed Church in Southern France: Gaussent 1993.

networks within the firm of Specht & Gonzenbach – and the associated linking of two particularly efficient long-distance trade networks – seems quite plausible. The company had likely preserved its connections to Reformed partners from its earlier structure before 1714. However, the numerous Huguenot partners found throughout Europe were, after 1717, no longer located in Leipzig, but rather in Montpellier and other places.

The eventual insolvency of the company curiously confirms its innovativeness through its shift in regional focus and expansion of its trading radius. As the company was primarily dependent on international long-distance trade, it was particularly vulnerable to disruptions in that domain. The Swiss firms in Lyon, which limited themselves to trade between their homeland and France, were able – as Lüthy has emphasized – to weather the severe crisis of the 1720s. A «conservative» approach to trade, which was not geared toward expansion, retrospectively proved to be the more advantageous strategy in light of this crisis. However, one could hardly call that future oriented. Swabian linen remained a structural feature of the French market in the eighteenth century, and accordingly, firms that used Lyon as a hub for long-distance trade were able to succeed there primarily through this product. The Upper German firms active in Lyon in the second half of the eighteenth century frequently engaged in global long-distance trade (Briand-Barralon 2014).

Conclusion

Returning to the conceptual frame set out at the outset, this case lets us watch, almost in slow motion, how a firm actively produced the boundary between risk and danger through sequences of decisions taken within historically specific spaces of experience and horizons of expectation. The 1717 partnership was not a leap but a structured enlargement of the decision space: by coupling Upper German and Swiss experiential repertoires, Specht & Gonzenbach expanded the range of admissible choices and the informational reach that made those choices defensible. In day-to-day practice, the house translated uncertainty into accountable risk by means of combining the respective networks of each partner. Ronald Burt speaks of structural holes between such networks and the brokers that connect these are, according to him, typically quite successful (Burt 1992). This could be confirmed here.

Seen in this light, the cordons sanitaires of 1720-21 mark a paradigmatic shift from risk to danger in Luhmann's sense: an abrupt, exogenous reclassification of harm that lay outside the firm's operative horizon of expectation and thus beyond what contemporaries could reasonably attribute to their own decisions. Ex post indictments that ascribe the collapse to «excessive risk on thin capital» mistake this attributional switch for managerial failure. A stricter decision-analytic reading – grounded in the correspondence and the firm's staged reorientation after 1717 – shows calculated sequencing rather than speculative exuberance: diversification across Germany and Italy without abandoning core competences in linen and silk and the measured expansion into longer-distance trades only once complementary partners and channels were in place.

Instead of judging outcomes, we should reconstruct decision sets and the contemporary attribution regimes that defined what counted as risk – and what as danger. Under that lens, Specht & Gonzenbach look less like a morality tale of overreach than like a laboratory of early-modern risk engineering: they yoked Lutheran and Reformed trust networks, spanned maritime and overland corridors, and used contractual technologies to internalize hazards – until a public-health regime instantaneously moved the goalposts. Their insolvency thus becomes evidence not of failed prudence but of how far their model had advanced the frontier where private calculability met sovereign redefinition of danger. The innovative conclusion is clear: early-eighteenth-century «globalization» was not reckless expansion but the construction of communicative mechanisms that made expansion thinkable – mechanisms whose limits appear precisely where states could, in a stroke, reclassify the world.

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Pratiche e contenziosi

Practices and litigation

*Pour une approche globale des faillites florentines: premiers éléments d'analyse sérielle des procès devant le tribunal de la Mercanzia (1329-1350)**

Introduction

L'historiographie des faillites florentines est déséquilibrée et fragmentée, alors que l'ampleur européenne de l'impact des faillites des années 1340 donne une fausse impression de familiarité. Les études de cas priment, prenant souvent appui sur le cadre d'analyse approfondi d'Armando Saporì (Saporì 1926), bien qu'il ne concerne que les faillites des Peruzzi (1343) et des Bardi (1345). Les faillites des Frescobaldi en 1312 (Kaeuper 1973; Tognetti 2014), des Scali en 1326-28 (Borsari 1994, 85-111; Fryde 1996), des Buonaccorsi en 1342 (Luzzati 1969; Luzzati 1971) ou d'autres compagnies toscanes (lucquoises et siennoises en particulier: Del Punta 2002; Piccinni 2009) complètent le tableau.

Quant aux historiens du droit médiéval, ils ont analysé les procédures et les sources du droit des faillites (Santarelli 1964; Kuehn 2011) mais, aussi extensifs qu'ils puissent être, ces travaux se cantonnent à l'analyse de la doctrine juridique sans étudier la résolution pratique devant les tribunaux. En somme, l'historiographie florentine concentrée sur la résolution pratique de cas exceptionnels s'oppose à une historiographie juridique favorisant une analyse systémique déconnectée de la résolution concrète des conflits.

Une analyse globale des faillites florentines, similaire à celle qui a été tentée pour Venise (Mueller 1997, 121-51), manque donc, malgré les synthèses existantes (Tanzini 2018; Feniello 2013, 217-48; Goldthwaite 2009, 453-58; Najemy 2006, 141-44). En effet, plusieurs indices prouvent l'imbrication des faillites. À Sienne au tournant des XIII^e et XIV^e siècles, la faillite de la *Gran Tavola* des Buonsignori entraîne dans son sillage celle des Forteguerra, des Malavolti, des Gallerani et des Tolomei, avant que les débuts de la Guerre de Cent ans n'entraînent une seconde série de faillites dès 1338 (Piccinni 2009, 229). Dans le cas florentin, Giovanni Villani évoque les faillites en série des compagnies et des artisans, entraînés dans la chute des Peruzzi (1343), des Bardi et des Acciaiuoli (1345).¹ Pour Armando Saporì, la faillite des artisans dès 1341 précède même celles des grandes compagnies (Saporì 1926, 140), dont les

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¹ Giovanni Villani, *Nuova Cronica*, XII, 54.

créanciers proviennent de toutes les couches sociales (Brucker 1962, 17; Saporì 1925, 168 *sq.*). Ces éléments justifient donc une étude sérielle des faillites florentines, qui surviennent par «vagues».

Le mécanisme classique d'explication des faillites en séries des années 1340 – surtout après 1345 – peut être précisé (voir notamment Tanzini 2018, 7-60): les compagnies florentines, courroies principales de transmission du crédit dans toute l'Europe, font faillite en raison de leurs trop grandes accointances avec les dirigeants politiques, ce qui les expose à prêter des sommes colossales à haut risque, en particulier en finançant des guerres perdues.

En réalité, ces risques politiques se situent à différentes échelles. Au niveau européen, les trois «Super Compagnies» (Hunt 1994) accordent des prêts considérables – trois fois les recettes annuelles de la commune florentine entre 1337 et 1340² – à certains royaumes: l'Angleterre, la papauté et le royaume de Naples. Ils prêtent aux rois d'Angleterre afin de bénéficier du monopole d'exportation de laine qui fait la fortune de Florence: la banqueroute de la Couronne (1339) affaiblit les compagnies, même si celles des Bardi et des Peruzzi furent explicitement traitées à part. Ensuite, elles avancent les sommes correspondantes et transfèrent les dîmes collectées par la papauté dans toute l'Europe. C'est pourquoi l'exclusion des Bardi et des Peruzzi du groupe des compagnies utilisées par le pape (1341) érode leur fiabilité aux yeux des déposants, avant que le renversement d'alliance représenté par l'alignement de Florence avec l'internationale gibeline ne cause la panique parmi les déposants guelfes du royaume de Naples.

À l'échelle italienne et toscane, les compagnies finançaient les guerres de la commune – contre Mastino della Scala, dont les territoires menaçaient d'encercler ceux de Florence (1336-1338), puis l'achat de Lucques (1341) au détriment de l'ennemi pisan – en avançant d'importantes sommes dans les prêts forcés en échange de places dans les commissions chargées d'organiser la collecte des taxes sur la consommation (gabelles) permettant de rembourser ces prêts – garantissant ainsi aux compagnies des profits considérables.

Le destin des dettes communales et de celles des compagnies était donc lié. C'est pourquoi le soutien politique des compagnies à la seigneurie de Gautier de Brienne sur la ville (1342-1343) a sans doute retardé les faillites, bien que la décision de rembourser uniquement les intérêts (février 1345) prive les compagnies d'une source importante de revenus.

Avant d'être un évènement personnel ou commercial potentiellement catastrophique selon l'ampleur de l'échec économique – nouvel objet d'histoire (Coquery – de Oliveira 2015) –, la procédure de mise en faillite est réglée par une série de tribunaux qui mettent en place une routine juridique, que nous analyserons dans un premier temps. Ensuite, nous défendrons une approche longitudinale et sérielle des faillites florentines, seule à même d'analyser à la fois les grandes et les petites faillites pour espérer en retirer des signes d'évolutions conjoncturelles (Hautcoeur 2008). Pour cela, nous nous appuyons sur le repérage systématique – grâce à un logiciel d'HTR – des occurrences de faillites dans 95 registres représentant plus de 34 000

² Plus d'un million de florins entre 1337 et 1340, à comparer aux 300 000 florins de revenus annuels pour la commune.

pages d'actes judiciaires entre 1329 et 1350. Enfin, deux listes d'individus en faillites, l'une chronologique (1329-1340) et l'autre alphabétique (1333-1346), nous permettent d'esquisser une sociologie du groupe, en cherchant à localiser leur origine et leur domicile, mais aussi en caractérisant leur activité.

1. La routine juridique: l'évolution du droit des faillites

Le règlement des faillites est partagé entre plusieurs tribunaux florentins. Ces derniers sont eux-mêmes mis en concurrence avec les cours ecclésiastiques de Florence (Tanzini 2018, 74-78; Tanzini 2020; Borsari 1994, 90-91)³ et avec la Chambre Apostolique (Renouard 1941, 565-566, 587-88 et 599-600; Saporì 1926, 160; Panella 1913, 280-81),⁴ ce qui ne manqua pas de provoquer un grave conflit lorsque Florence tenta d'interdire le for ecclésiastique (Panella 1913, 281-83, texte édité: 327-39; Saporì 1926, 193 *sqq.*; Baldasseroni 1913). Pour des raisons de concision, nous ne pourrions les détailler ici.

1.1 Les conséquences juridiques et politiques des faillites

Commençons par la fin: quelles sont les conséquences d'une faillite et pourquoi leur gestion est-elle cruciale pour les autorités?

Tout d'abord, toute personne en faillite est considérée comme un voleur et traité comme tel. Le capitaine du peuple ou le podestà doivent l'arrêter et peuvent la torturer (Lupi 2019). Contrairement à ce que pensait Alessandro Lattes (Lattes 1884, 319, note 7), la sanction principale est le bannissement de la cité (Lupi 2022), qui a des conséquences étendues: en principe, l'expulsion physique de la ville, l'interdiction d'aider le banni ou de s'associer avec lui, l'expulsion des Arts, qui entraîne la perte de la citoyenneté, du droit de voter ou de devenir officier communal (Lupi 2019, 222, note 80), ainsi que la perte de la capacité à agir (comparaître pour se défendre, être assisté par un avocat) et à être protégé en justice (ses attaquants ou meurtriers ne seront pas inquiétés). Le tribunal de la *Mercanzia* applique ces dispositions communales (statut de 1312, rub. 14, 23 et 31).

En outre, être déclaré en faillite suppose une inscription sur des listes et la confection de peintures infamantes sur les bâtiments publics (Lupi 2019, 221-23). Elle peut également être brandie comme menace pour hâter les remboursements et éviter les représailles (Bonolis 1901, 35 et 40).⁵

Mais les conséquences rejaillissent aussi sur la famille et les associés du marchand. En effet, les fils et frères (*fratres carnales*) non émancipés vivant sous l'autorité paternelle et pratiquant la même activité, ainsi que les agents des compagnies (facteurs et employés), sont mis en faillite et doivent rembourser les créanciers, tandis que les descendants ayant rejeté les dettes de leurs ascendants (depuis 1287) et les associés extérieurs ne sont pas concernés (Lupi 2019, 218-19; Quertier 2025).

³ Giovanni Villani, *Nuova Cronica*, XIII, 43.

⁴ Archivio di Stato di Firenze (ASF), *Capitoli*, 33, c. 146r.

⁵ Citant *Balià* de 1308, rub. 4 et Statut de 1312, rub. 14 et 23.

Les faillites menacent de déclencher le cercle vicieux des représailles et fragilisent donc le commerce de toute la ville. Les autorités florentines cherchent à les limiter au maximum: l'émission des lettres de marques est régulée par les autorités (Quertier 2022, 423-25; Tanzini 2009; Lupi 2019, 225, qui cite Del Vecchio – Casanova 1894 [réimpr. anast. 1974], 71) et leur mise par écrit permet une réactivation ultérieure lors d'une phase de guerre économique (Tanzini 2009).

1.2 Les procédures du droit des faillites dans les tribunaux communaux

Comment sont alors déclenchées les mises en faillites et qui est compétent pour le faire? Tout d'abord, certains Arts comme la Calimala (1332, I, 85 et I, 86; Emiliani Giudici 1866, 270-72), le Change, la Laine et la Soie⁶ disposaient d'un tribunal compétent en la matière, qui pouvait être remis en question par la commune (Lupi 2019, 208, citant Doren 1939, vol. 2, 220).

Car l'importance économique des faillites explique que les plus hautes juridictions communales – podestà et capitaine du peuple en 1322-1325, 1355 et 1415 – y consacrent de larges parts de leurs statuts. Le statut du podestà aborde rarement le sujet,⁷ même si certaines rubriques attestent une juridiction depuis 1288-1292.⁸ Au contraire, le statut du capitaine du peuple, en vertu de sa fonction de défense des artisans et des marchands contre les magnats, consacre la quasi-totalité du livre II et certaines rubriques du livre V aux faillites.⁹

Les deux statuts définissent les opérateurs économiques en faillite comme étant *cessantes et fugitivi cum pecunia aliena*. Il doit donc y avoir une relation causale entre la condition économique – l'impossibilité de rembourser, l'état juridique de *decoctio* – et la situation géographique – la fuite avec les biens d'autrui (Lupi 2019). Originellement, la fuite devait être effective, mais elle devient la métaphore de l'impossibilité de rembourser ses dettes, avant de devenir une preuve de faillite frauduleuse après 1415 (Lupi 2019, 214 note 28). Le caractère notable du marchand doit ensuite être établi: pour cela, il doit être membre d'un Art, sur témoignage des consuls de ce dernier. Cette seconde condition pose la question de la mise en faillite des personnes non inscrites dans un Art (Lupi 2019, 212-17).

Dans le statut de 1322-1325, le déclenchement de la procédure débute par le dépôt d'une pétition qui impose à l'endetté de se présenter devant le tribunal pour se défendre et rembourser ses dettes avant une certaine date. Le but est ici d'enregistrer par précaution le montant de ces dernières, qui peut être contesté, mais le déclenchement de la procédure ne passe pas nécessairement par une décision judiciaire (Lupi 2019, 215, citant Santarelli 1964, 37).

⁶ ASF, *Arte della lana*, 1, Statut de 1317, II, 67; *Arte della Seta*, 1, Statut de 1335, 54; *Arte del Cambio*, délibération du 16 juin 1349.

⁷ I, 11; II, 38; III, 85; V, 30; V, 54; V, 91, dans Pinto – Salvestrini – Zorzi 1999, t. 2, 35, 107, 117-118, 218, 349-350, 360 et 379.

⁸ II, 57 (janvier 1292) et V, 30 (mai 1288), respectivement dans Pinto – Salvestrini – Zorzi 1999, t. 2, 117-118 et 350.

⁹ II, 24-62, dans Pinto – Salvestrini – Zorzi 1999, t. 1, 96-121; voir aussi I, 7; I, 53-54; V, 28; V, 131, dans Pinto – Salvestrini – Zorzi 1999, t. 1, 17, 42-52, 216 et 292-294.

Ensuite, le but est d'inventorier les biens et de vérifier les dettes: tous les biens de l'endetté sont saisis et inventoriés; les sommes qui lui sont dues doivent être remboursées dans les 3 ou 8 jours; les syndics perçoivent ses créances et annulent les transactions des trois mois précédents (Lattes 1884, 320 note 14).

Si le défendeur ne se présente pas devant le tribunal, qui recourt à la procédure sommaire, il est publiquement déclaré en faillite; ses biens sont transférés aux créanciers qui reçoivent un remboursement proportionnel (*solutio per soldum et libram, pro rata creditorum*) et il doit payer une amende. La dot fait figure d'exception: d'après le droit romain, elle devrait pouvoir être récupérée en cas de dissolution du mariage, mais cela entre en contradiction avec la dépossession de l'opérateur en faillite de la capacité de gérer ses biens qui, par ricochet, ferait perdre à son épouse son droit légal à être prioritaire sur les créanciers (Lupi 2019, 217-18; Benizza 2018). Or, en dépit de la dépossession progressive des femmes florentines du contrôle de leur dot et de leurs biens non-dotaux (Chabot 2011, 11-26, 175-86), tous les juristes s'accordent sur les possibilités légales de recours des femmes contre leur mari insolvable (Kirschner 1985, 269-75). Pour autant, les femmes florentines sont parmi les moins libres de disposer de leurs biens et leur droit de récupérer leur dot auprès d'un mari insolvable n'est pas formellement inscrit dans le statut communal avant 1415 (II, 74, d'après Kirshner 1985, 293). Pour autant, l'inventivité juridique des acteurs permet à la fois de contourner les dispositions statutaires pour que les maris obtiennent l'usufruit des biens non-dotaux de leurs épouses (Chabot 2011, 179), et à ces dernières d'être capables de produire les preuves écrites de leur patrimoine (Chabot 2011, 181-86; Gallasso 2025), tout en jouant sur les ambiguïtés du *ius commune* et du *ius proprium* florentin (Kuehn 1991, 238-57).

1.3 La construction de la centralité du tribunal de la Mercanzia (1308-1350)

Cependant, le tribunal de la *Mercanzia* tend à accaparer le règlement des faillites, soit par sa juridiction directe, soit par sa fonction de tribunal d'appel en dernier recours. Dès la *ballià* de 1308 (rub. 4, 5 et 6), la faillite est l'une de ses compétences centrales (Bolonis 1901, 31, 37-38, 48-49, 55 et 65). Elle n'est pourtant pas prise en compte dans les travaux sur le droit des faillites (Santarelli 1964; Lupi 2019; Lupi 2022) ou sans inclure la résolution pratique des procès (Kuehn 2011).

La compilation statutaire de 1324 stabilise la norme jusqu'aux réformes de 1393-1394. La procédure de gestion directe des faillites par la *Mercanzia* est d'abord précisée. Le seuil des 100 livres – fixé depuis 1319 (rub. 6; Bonolis 1901, 63) – à partir desquels le tribunal peut déclarer une personne en faillite, est maintenu (statut de 1324, rub. 44, aussi abordé rub. 9 et 14);¹⁰ sa juridiction directe est limitée aux dix

¹⁰ ASF, *Mercanzia*, 3, c. 38r; rub. 9, c. 12v-13v; rub. 14, c. 19r.

Arts majeurs¹¹ et une condamnation par contumace doit se faire après vérification de l'Art d'appartenance (rub. 9).¹²

Pour récupérer les sommes dues, il peut s'attaquer aux héritiers, aux frères vivant sous le même toit et exerçant la même activité, aux dépendants (associés et familiers) et à la femme du failli, même s'il ne peut s'attaquer aux dots des femmes et aux héritages des membres de la famille.

Le statut insiste surtout sur le contrôle de l'activité des syndics (rub. 18).¹³ Le juge doit en tenir une liste depuis 1302, avec la possibilité de les révoquer ou d'annuler leurs actions. Il peut revenir sur leur gestion des biens du failli et s'occuper directement de ses biens (collecte, estimation, transaction) pour les redistribuer. Pour cela, il a le droit d'utiliser la procédure sommaire, d'enquêter et de faire citer à comparaître les créanciers, les endettés et les dépendants de la commune. Une fois ces personnes rassemblées, le montant des dettes vérifiées et le pourcentage des sommes à rembourser fixé, il peut distribuer les sommes disponibles aux créanciers.

L'action de la *Mervanzia* vise à fluidifier le règlement judiciaire des faillites. En effet, afin d'accélérer la redistribution des biens, le juge peut contraindre tous les types d'usufruitiers (travailleurs, colons, locataires, possesseurs et détenteurs): il peut faire estimer ces biens, les forcer à quitter les lieux ou à accepter de nouvelles conditions de loyer, de salaire ou de rente, en complément du changement de propriétaire (rub. 19).¹⁴ De même, afin de limiter les recours judiciaires indus, toute personne intervenant en faveur du failli doit déposer 300 florins d'or et exhiber une preuve écrite (rub. 27).¹⁵

Enfin, plusieurs mesures concernent les étrangers. Pour les dettes supérieures à 100 livres, le juge peut d'abord poursuivre les étrangers et les déclarer en faillite, même s'il n'est pas compétent pour les cas de change et d'usure. Il peut enquêter et disposer de leurs biens s'il fait appliquer une sentence des consuls des cinq Arts majeurs, du podestà ou du capitaine du peuple; sur requête d'un habitant, il peut aussi saisir les biens et mettre en prison leurs fils émancipés, leurs femmes et leurs familiers (rub. 14; Bonolis 1901, 38);¹⁶ mais il ne peut agir contre les débiteurs des débiteurs des étrangers (rub. 45).¹⁷

Cependant, l'action du tribunal est plus efficace lorsque les Florentins sont endettés auprès des étrangers. Alors, le juge doit à tout prix éviter les représailles, en réservant la moitié des actifs aux créanciers étrangers, qui sont rapidement informés des montants qui leurs seront remboursés (rub. 20).¹⁸ Mais afin de simplifier les

¹¹ Calimala; Change; Laine; Por San Maria; Medici, speziali et merciai; Peaussiers; Beccai; Calzolari; Fabbri; Rigattieri.

¹² ASF, *Mervanzia*, 3, c. 12v-13v.

¹³ ASF, *Mervanzia*, 3, c. 23v-26r.

¹⁴ ASF, *Mervanzia*, 3, c. 26r.

¹⁵ ASF, *Mervanzia*, 3, c. 32r.

¹⁶ ASF, *Mervanzia*, 3, c. 19r-21r.

¹⁷ ASF, *Mervanzia*, 3, c. 38r.

¹⁸ ASF, *Mervanzia*, 3, c. 26r.

procédures et de protéger les Florentins, les recours judiciaires des étrangers en cas de rachat de créance sont rejetés (rub. 29).¹⁹

1.4 Les réformes des années 1340, suscitées par les faillites en série

Or, dans les années 1340, la juridiction de la *Mercanzia* sur le règlement des faillites se renforce. Dès 1340, le juge de la *Mercanzia* peut rattacher les défendeurs à la juridiction d'un Art proche de leur activité, afin qu'aucun opérateur économique n'échappe à la justice (Bonolis 1901, 77; Astorri 1998, 145).²⁰ Cela va de pair avec l'enquête sur les faillites des dix précédentes années (26 juillet 1340).²¹

Devant l'augmentation des faillites, plusieurs mesures sont prises en 1344. Afin d'éviter les représailles, une première *provisione* (20-21 avril) autorise le juge de la *Mercanzia* à contrôler l'action des syndics et des trésoriers depuis dix ans: il doit forcer les faillis à rembourser en argent comptant et les syndics à rembourser les étrangers (Bonolis 1901, 77-78).²²

Devant la multiplication des risques induits par la faillite de la «Super Compagnie» des Peruzzi, deux *provisioni* (5-6²³ puis 24-26 juillet 1344²⁴) représentent un transfert de la gestion des faillites des grands marchands à l'ensemble du corps politique (Astorri 1998, 148-49; Najemy 1979, 62-63; Luzzati 1969, 230; Saporì 1926, 201; Bonolis 1901, 78-79). En effet, le contrôle des faillites est dévolu à une commission composée des cinq conseillers de la *Mercanzia*, émanation des cinq Arts majeurs, et de douze *buonomini*, représentant l'ensemble du tissu économique de la ville, puisque trois d'entre-eux sont élus par quartier par les cinq conseillers de la *Mercanzia* et par les consuls des 21 Arts. Cette commission accélère la procédure en faisant office de syndics quand ils n'ont pas encore été désignés (saisie des biens, expertises, signature d'accords), rend plus rigoureuse l'action des syndics en place (révocation des concordats et des syndics contestables) et se défend contre les interférences des autres magistratures. De plus, les étrangers doivent prêter serment de se contenter de leur remboursement, délivrer une quittance, ne pas attaquer les autres créanciers et ne pas émettre de représailles. Durant cette phase de gouvernement populaire, les grands marchands, qui disposaient de pouvoirs considérables dans les années 1330 voient donc leur pouvoir limité par les douze *buonomini* populaires.

Cependant, les discussions séparées des conseillers de la *Mercanzia* et des *Buonomini* ralentissent le règlement des faillites et augmentent les risques induits par les représailles (Astorri 1998, 148-49),²⁵ à tel point que la *Mercanzia* est forcée de les censurer suite à un appel lancé par les crieurs publics aux créanciers (15 avril 1345)²⁶ et

¹⁹ ASF, *Mercanzia*, 3, c. 33r.

²⁰ ASF, *Mercanzia*, 3, c. 49r dans les deux cas, 2^e décret.

²¹ ASF, *Mercanzia*, 3, c. 90v, 26 juillet 1340.

²² ASF, *Mercanzia*, 3, c. 82r-84r.

²³ ASF, *Mercanzia*, 3, c. 86r; copie de *Provisioni registri*, 34, c. 27.

²⁴ ASF, *Mercanzia*, 3, c. 90r; copie de *Provisioni registri*, 34, c. 34.

²⁵ Une *provisione* du 20 janvier 1346 appelle au respect des règles des statuts sur les représailles, signe de tensions persistantes; ASF, *Mercanzia*, 18, c. 42r.

²⁶ ASF, *Mercanzia*, 11303, c. 3v, 15 avril 1345.

comme l'attestent les difficultés mentionnées dans les lettres de l'institution en 1345-1346 (Tanzini 2018, 66-74). Pour accélérer les choses, une magistrature de 16 citoyens remplace cette commission le 20 juillet 1345 (Luzzati 1969, 230).²⁷ Sa pérennité est cependant débattue. Armando Saporì considérait qu'elle avait été dissoute car elle menaçait la bonne conduite des affaires et car la *Mercanzia* opérait un retour au statut de 1324 en juillet 1347 (Saporì 1926, 202-203). Mais, selon Michele Luzzati, une *provisione* du 12-13 octobre 1347²⁸ impose aux syndics sur les faillites des Bardi, des Acciaïoli, des Buonaccorsi, des da Uzzano et d'autres compagnies de se soumettre à un collège similaire (Luzzati 1969, 231). Le règlement des faillites par une plus grande part des forces sociopolitiques que les seuls grands marchands semble donc avoir été plus long que prévu. Il paraît pourtant difficile que cette commission élargie ait résisté au retour en force des grandes familles en août 1348, lorsqu'elles réduisent de 14 à 7 les Arts mineurs (Brucker 1962, 121-22; Astorri 1998, 150). Cette réaction aristocratique parallèle au maintien d'une grande fréquence de faillites jusqu'en 1349 – comme nous le verrons ci-dessous – s'accompagne d'un renforcement des prérogatives de la *Mercanzia* (Bonolis 1901, 79-80).²⁹ L'enquête sur la production de normes devra toutefois être approfondie, pour examiner les *provisioni* florentines et pour déterminer à quel point les grandes faillites font évoluer le droit. Il importe désormais d'analyser l'importance des faillites dans l'activité judiciaire concrète du tribunal de la *Mercanzia*.

2. Une étude sérielle: banalité des faillites et mesure de la conjoncture

S'il importe de réintroduire la «banalité» des faillites dans la vie économique florentine, une procédure judiciaire banalisée et standardisée avant d'être exceptionnelle, il est nécessaire d'étudier à la fois les grandes et les petites faillites pour espérer en retirer des signes d'évolutions conjoncturelles (Hautcoeur 2008 ; Hautcoeur – Levratto 2008). En effet, la focalisation sur les seules grandes compagnies a un effet occultant: les grandes compagnies, dont les membres disposent d'un fort capital social et sont membres de l'élite économique et politique d'une ville gouvernée par et pour les marchands, sont dans une position exceptionnelle, à la fois juges et parties.

2.1 Une étude sérielle des faillites par HTR

Afin d'obtenir une vision globale des faillites florentines entre 1330 et 1350, nous avons utilisé un modèle d'HTR sur la plateforme *escriptorium* de l'EPHE – PSL,³⁰ afin d'accélérer le dépouillement de 95 registres des *Atti in cause ordinariè*³¹ et des *Atti in*

²⁷ Citant ASF, *Provisioni, Duplicati*, 5, c. 94.

²⁸ ASF, *Provisioni registri*, 35, c. 25v-30.

²⁹ ASF, *Mercanzia*, 3, c. 98r (juridiction sur les vols survenant à Florence). ASF, *Mercanzia*, 3, c. 106r (contrôle des clés de la sacristie de Santa Croce où sont entreposées les livres de compte et les avoirs).

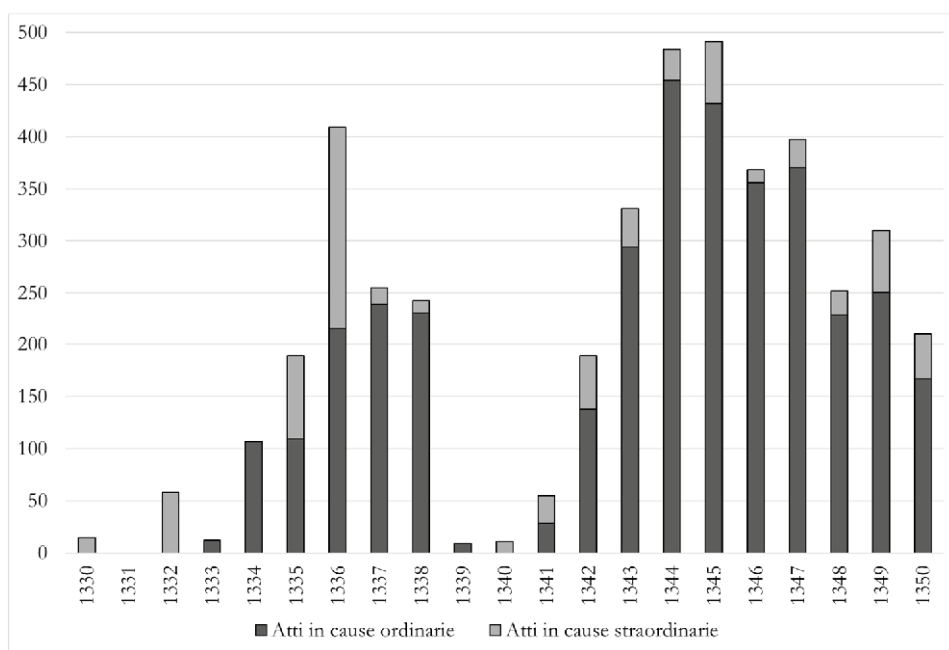
³⁰ <https://escriptorium.inria.fr>; <https://escriptorium.readthedocs.io/en/latest/>.

³¹ ASF, *Mercanzia*, 1043-1110 (les volumes 1043, 1044, 1048, 1051, 1052, 1055, 1057, 1063, 1064, 1067, 1069, 1071, 1072, 1074, 1075, 1078, 1080, 1085, 1091, 1103, 1106 sont perdus/*irreperibili*).

*cause straordinaria*³² conservés pour ces années-là. Avec Pierre Brochard, nous avons utilisé un modèle de transcription automatique de l'écriture documentaire de la période (Torres Aguilar et Jolivet 2023). Malgré son taux relatif de reconnaissance, il arrive à reconnaître efficacement le *pattern* “cessante et fugitivo”, expression utilisée dans les statuts et les procès florentins pour évoquer les faillites.

Nous avons alors extrait les occurrences de “cessan*”, ce qui a permis de repérer 3 642 occurrences parmi les 18 630 pages des *Atti in cause ordinaria* et 753 occurrences parmi les 15 704 pages des *Atti in cause straordinaria*, soit un total de 4 395 occurrences sur 34 334 pages traitées (voir Graf. 1). Les *Atti in cause ordinaria* nous renseignent donc plus massivement : 19,5 % des pages sont concernées, contre 4,8 % pour les *Atti in cause straordinaria*. Précisons qu'un long procès avec de nombreuses pétitions, recours et contestations offre plus d'occurrences de “cessan*” : il ne s'agit pas d'un indicateur du nombre de sentences pour faillites. Si la méthode mérite d'être affinée, elle offre un panorama appréciable.

Graf. 1. Occurences totales de “cessan*” dans les registres de la Mercanzia

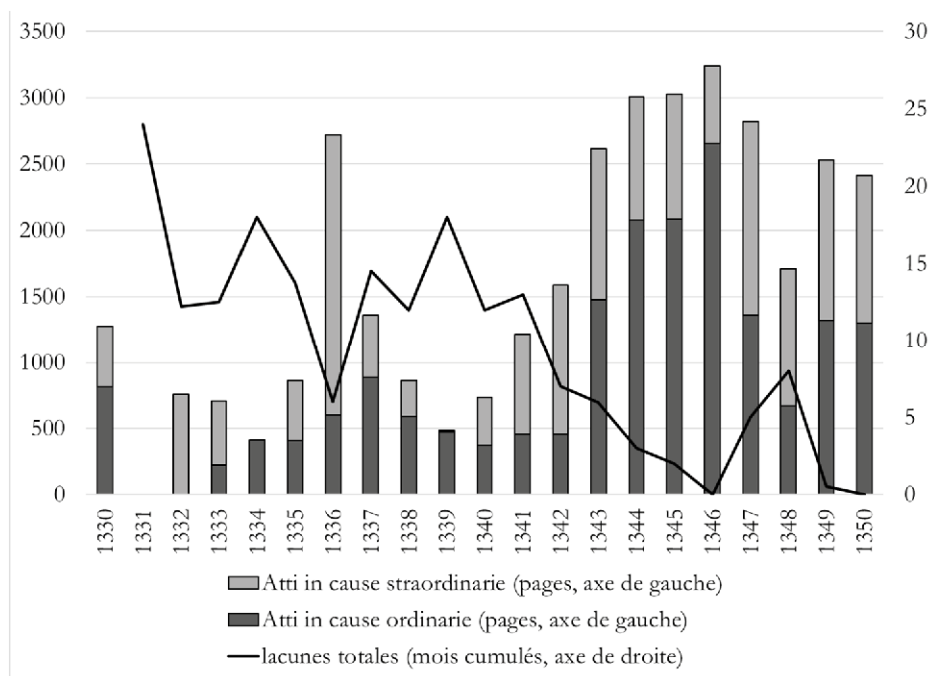


³² ASF, *Mercanzia*, 4127-4192 (les volumes 4127, 4129, 4131, 4136, 4137, 4138, 4140, 4141, 4143, 4153, 4154, 4155, 4157, 4158, 4160, 4162, 4170, 4187 sont perdus/*irreperibili*).

Il est cependant indispensable de tenir compte des lacunes documentaires importantes, en moyenne 4,7 mois sur 24 mois cumulés (voir Graf. 2; 5,4 mois par an pour les *Atti ordinarie*; et 4 mois par an pour les *Atti in cause straordinaria*, soit un cumul moyen de 9,4 mois). Après des oscillations dans les années 1330, elles diminuent fortement dans les années 1340, ce qui dénote sans doute la volonté de mieux conserver les registres.

Cela nous invite toutefois à tester l'hypothèse d'une absence de faillites en 1331 et en 1338-1340 due aux pertes documentaires. De plus, les registres sont mieux conservés lors des deux "pics" de faillite (plus de 2500 pages par an au total) de 1336 et 1343-1347. Dans tous les cas, le pourcentage de faillites augmente légèrement sur la période 1330-1350. L'historiographie et les chroniqueurs permettent d'écarter l'hypothèse de l'artificialité de ces chocs financiers et judiciaires. Un argument statistique vient renforcer cette idée.

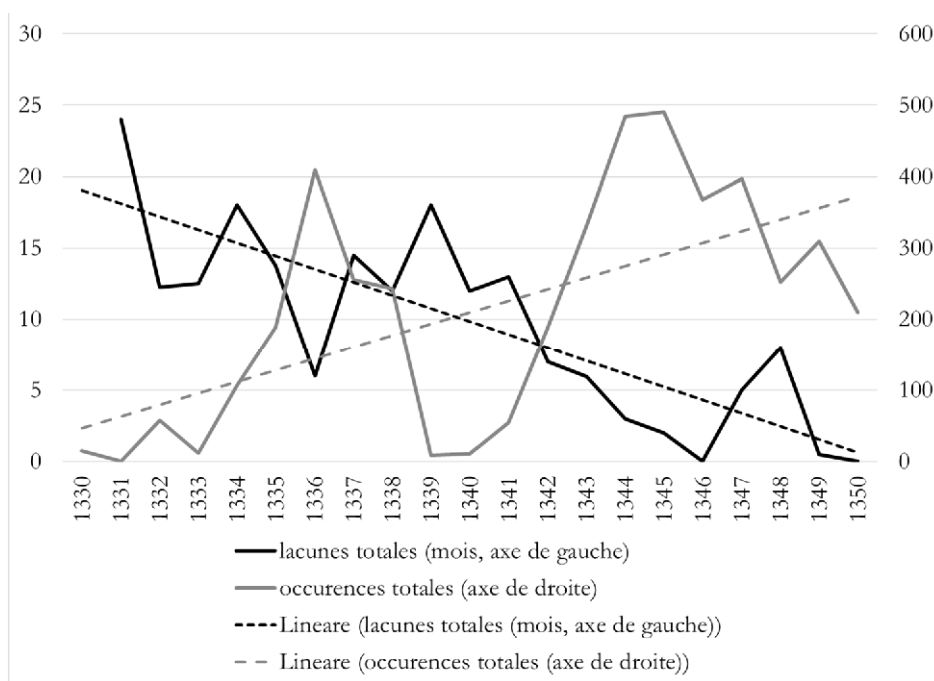
Graf. 2. Activité judiciaire de la Mercanzia: évolutions et lacunes



En effet, les courbes des mois de lacunes et d'occurrences de faillite dans les registres sont fortement corrélées de manière négative (coefficient de corrélation de -0,75, voir Graf. 3). Cela permet de prouver la relation et son sens: plus les lacunes diminuent, plus les occurrences de faillites dans les actes judiciaires augmentent (Graf. 3 et 5), avec une baisse tendancielle des lacunes, plus erratique dans les années 1330, accentuée dans les années 1340. Plus qu'une constatation simpliste – on ne trouve que ce qui est conservé –, des raisons stratégiques peuvent être avancées,

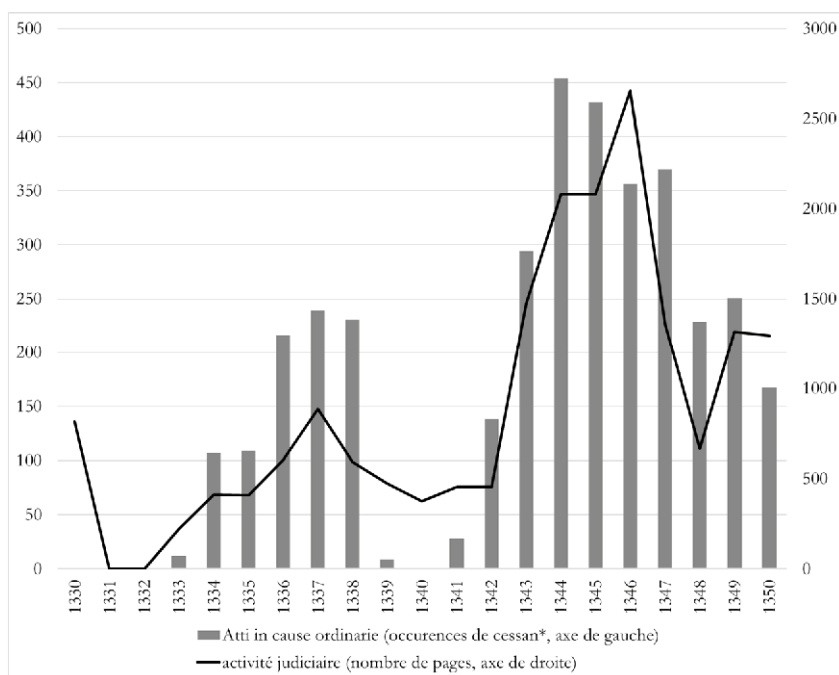
comme la longueur des procédures de recouvrement de dettes, les conséquences politiques encourues pour les marchands et les risques de représailles qui rendent impératif de garder la mémoire de toute la procédure.

Graf. 3. L'importance des faillites dans l'activité judiciaire de la Mercanzia (*Atti in cause ordinaria*)

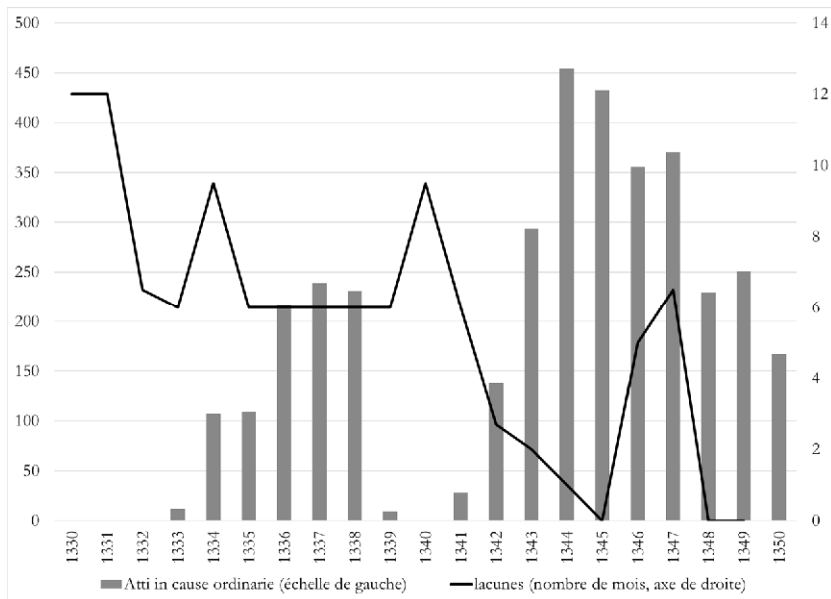


L'examen des seules *Atti in cause ordinaria* fournit d'autres éléments (voir Graf. 4 ci-dessous). On y retrouve la corrélation entre la forte augmentation de l'activité judiciaire et celle du nombre d'occurrences de faillites. Les deux épisodes (1336-1338 et 1343-1347) ne sont cependant pas de même ampleur, puisque l'activité judiciaire de la seconde période représente plus du double de la première (entre 600 et 800 folios chaque année en 1336-1338, contre 1500 à 2000 folios annuels entre 1343 et 1345, voire 2600 en 1346). Mais le choc de 1336-1338 a sans doute été encore plus important que ce qui est documenté, puisque 6 mois ne sont pas documentés durant ces années, contre 2 mois pour 1342-1345 (Graf. 5). D'ailleurs, les lacunes de 1346-1347 (environ 6 mois) rappellent la durée de cette crise judiciaire, avec un règlement des faillites étalé sur plusieurs années, même s'il est en passe d'être réglé en 1348. À l'inverse, l'absence de faillites en 1339-1341 s'explique par l'ampleur des lacunes (10 mois en 1340) et celle de 1329-1330 par la construction de nos données: les registres-dossiers à cette période rendent particulièrement complexe l'établissement d'une chronologie des occurrences; ils ont donc été exclus alors que les listes de sentences évoquées en 2.2. démontrent l'existence d'un pic de faillites pour ces années-là.

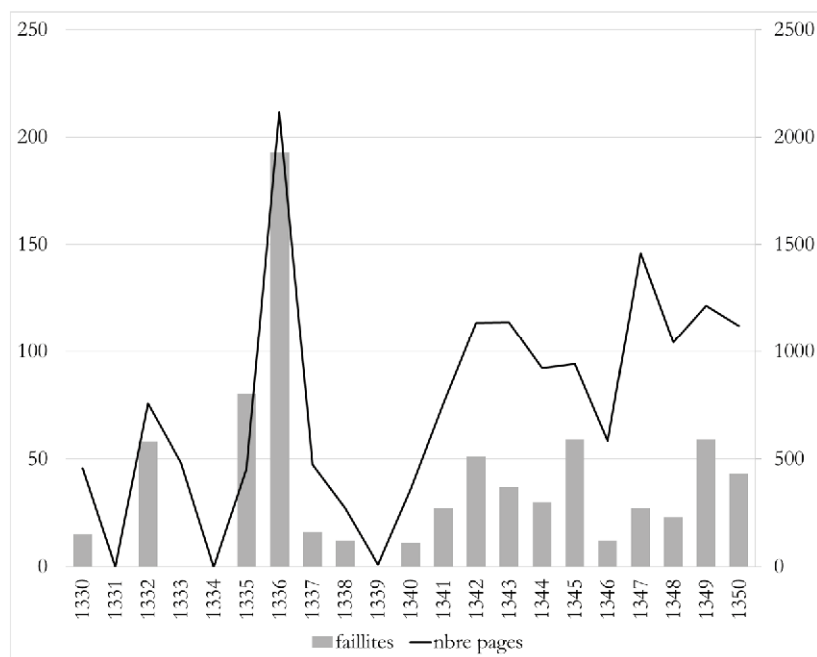
Graf. 4. Occurences de “cessan*” rapporté à l’activité judiciaire (Atti in cause ordinariae)



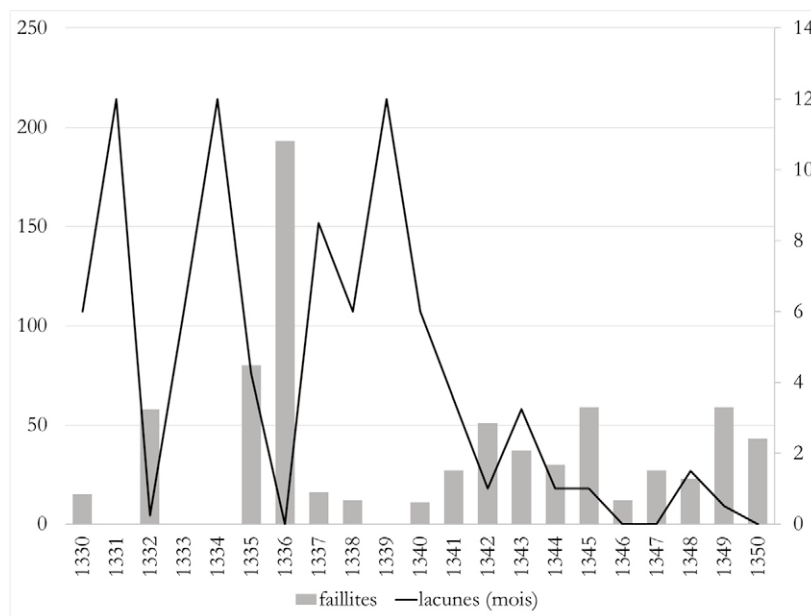
Graf. 5. Occurences de “cessan*” rapporté au lacunes (Atti in cause ordinariae)



Graf. 6. Occurences de “cessan*” rapporté à l’activité judiciaire (Atti in cause straordinaria)



Graf. 7. Occurences de “cessan*” rapporté au lacunes (Atti in cause straordinaria)



Ces observations sont confirmées pour les *Atti in cause straordinaria* (voir Graf. 6 et 7) qui concernent davantage les saisies, bien que les registres soient beaucoup moins bien conservés dans les années 1330. La principale différence tient aux occurrences bien plus concentrées pour l'année 1336, alors qu'elles sont moins fréquentes pour le reste de la période, y compris dans les années 1340 lorsque les registres sont remarquablement bien conservés.

2.2 Liste et séries: les faillites entre 1329 et 1340

Une autre manière de comptabiliser les faillites est de recourir aux rares listes de sentences existantes. Une liste alphabétique recense les marchands en faillite en 1346, mais elle est incomplète et ne permet pas de les dater (voir 3.2. ci-dessous). En revanche, une liste exceptionnelle de 158 sentences pour faillite émises par le tribunal de la *Mercanzia* contre 234 marchands mentionne à la fois la date de la sentence et les parties opposées entre 1329 et 1340.³³ Le croisement avec l'approche précédente permet alors de confirmer ou d'infirmer nos hypothèses.

Cette liste a été compilée le 8 janvier 1340 par ser Gregorio Ghighi de Civitacastello, de concert avec ser Bartolo di ser Neri Ruffiano, ser Tano Ricciardini et ser Francisco di ser Giovanni de Rignana. De plus, les deux ajouts en fin de document datés du 17 et du 20 janvier 1340 ont été effectués par ser Andrea Anforini de Civitacastello.

Le notaire principal, ser Gregorio Ghighi de Civitacastello semble être notaire et scribe de la *Mercanzia*, *iudex ordinarius*, spécialisé dans la transcription des *Atti in cause ordinaria* du tribunal en 1340.³⁴ Il est ensuite payé 8 florins d'or comme *notario deputati super facto Veneciarum* en juillet-août 1341,³⁵ puis il est notaire et scribe d'Angelo de Passarini de Civitacastello, juge et officier étranger de la *Mercanzia* de 1335 à 1340.³⁶ Ce notaire étranger a donc été en charge deux fois dans sa carrière à Florence. Quant à ser Andrea Anforini de Civitacastello, il est le notaire chargé des registres des *Atti in cause straordinaria* en 1339-1340.³⁷ Ser Francisco di ser Giovanni de Rignana est encore plus difficile à documenter en l'état actuel. Cette liste a donc été directement compilée par les notaires de la *familia* du juge de la *Mercanzia*, qui rassemblent les informations présentes dans les registres dont ils sont responsables et celles fournies par les autres notaires.

Parmi les notaires alimentant les notaires principaux, ser Bartolo di ser Neri Ruffiano est un notaire florentin très bien connu (Tognetti 2016, 4-8).³⁸ Né vers 1300, Bartolo appartenait à une famille de notaires issue du Chianti au sud de Florence. Comme nombre de notaires issus du *contado*, il a d'abord des clients à la campagne entre 1324 et 1334 (Tognetti 2016, 3) avant d'élargir sa clientèle aux opérateurs

³³ ASF, *Capitoli*, 22, 137r-140r.

³⁴ Il est qualifié de *iudex ordinarius* mais on ne le retrouve ni comme juge ni comme notaire de la *Mercanzia* dans les registres conservés.

³⁵ ASF, *Mercanzia*, 145, c. 22r, 26 août 1341.

³⁶ ASF, *Mercanzia*, 142-145.

³⁷ ASF, *Mercanzia*, 4159.

³⁸ Les actes de ce notaires sont conservées dans ASF, *Notarile Antecosimiano*, 1714-1722.

urbains dans les années 1340. Dès cette époque, il est devenu un homme connu et influent, puisqu'il est souvent désigné notaire de la Seigneurie (1345, 1350, 1362 et 1371) et qu'il est pendant 23 ans (1349-1371) notaire et scribe de l'Art de Por San Maria, l'un des sept Arts majeurs spécialisé dans la soie (Tognetti 2015, 416-17). Sa proximité avec les milieux marchands explique que la *Mercanzia* le charge de collecter les serments et les sommes versées par 112 compagnies florentines recourant aux franchises douanières dans le port de Pise (1342-1343; elles sont listées dans Tognetti 2015, 424-37), mais également qu'il soit procureur – donc familier des procédures et des faillites – dans nombre de procès de la *Mercanzia* des années 1344-1345³⁹ et qu'il soit employé par le tribunal pour délivrer des actes notariés spécialisés de 1345 à 1348.⁴⁰ Son testament est rédigé le 31 octobre 1367.⁴¹

Quel pouvait bien être le rôle de cette liste particulière ? Elle participe indéniablement du mode de gouvernement par les listes (Milani 1996; Andrieu – Chastang – Délivré 2023; Angotti – Chastang – Debiais – Kendrick 2020; Angotti – Chastang – Debiais – Kendrick 2019), mais seules des hypothèses peuvent être faites pour justifier son écriture. Des listes de syndics existent. Elles doivent être tenues depuis 1302⁴², mais la série *Sindicati* de la *Mercanzia* ne conserve que ceux de la faillite des Dell'Antella (1345-1346) avant 1400.⁴³ Pour autant, la délibération imposant d'enquêter sur les faillites des dix précédentes années date du 26 juillet 1340: elle est donc postérieure à la rédaction de la liste étudiée.⁴⁴ Savoir s'il s'agit d'une liste exceptionnelle ou si de telles listes étaient régulièrement rédigées mais que toutes les autres ont été perdues reste donc une question ouverte.

Cette liste permet une quantification partielle des faillites. En effet, la mention dans le protocole initial d'*infrascriptis sunt omnes et singuli qui reperiuntur condempnatis* (nous soulignons) nous incite à croire que la liste rassemble les personnes *encore* en faillite dans les registres judiciaires au moment de sa rédaction, et non pas tous ceux qui l'ont été auparavant.⁴⁵ La nuance est de taille car les sentences et les noms des faillis peuvent être annulés : ainsi, la sentence prononcée le 5 avril 1329 contre Francisco, Rinuccio, Lapo et Maso, tous fils de Gherardo di Rinuccio Porcellini, a été annulée le 3 juin 1331, après un accord survenu en août-septembre 1330⁴⁶ et n'apparaît plus dans la liste de sentences. Il s'agit donc du «stock» restant des faillis frappés d'une limitation de leurs droits, tel que le laissait apparaître l'état des registres en janvier 1340, et non pas de tous ceux qui ont été déclarés en faillite entre 1329 et 1340.

³⁹ ASF, *Mercanzia*, 1090, c. 16r-17r, 5 janvier 1345; c. 133v-134r, 21 janvier 1345; c. 154v-155r, 25 janvier 1345; il est présent à 18 reprises entre le 1^e et le 19 octobre 1344: ASF, *Mercanzia*, 1088, c. 7v, 8r, 8v, 11r, 13v, 21v, 22r, 32v, 37r, 38v, 39v, 41v, 41v, 49v, 77r, 81r, 81v, 86r.

⁴⁰ ASF, *Mercanzia*, 149, c. 32v, 23 septembre 1345: élection du 23 octobre 1345 au 22 octobre 1346; 150, c. 3r, 15 octobre 1345: paiement d'un florin de salaire; ASF, *Mercanzia*, 154, n. f., 26 novembre 1347: élection du 27 novembre 1347 au 25 novembre 1348.

⁴¹ ASF, *Notarile Antecosimiano*, 5551, c. 145rv.

⁴² Statut de 1324, rub. 18; ASF, *Mercanzia*, 3, c. 23v-26r.

⁴³ ASF, *Mercanzia*, 10860, 28 octobre 1345-4 février 1346.

⁴⁴ ASF, *Mercanzia*, 3, c. 90v, 26 juillet 1340.

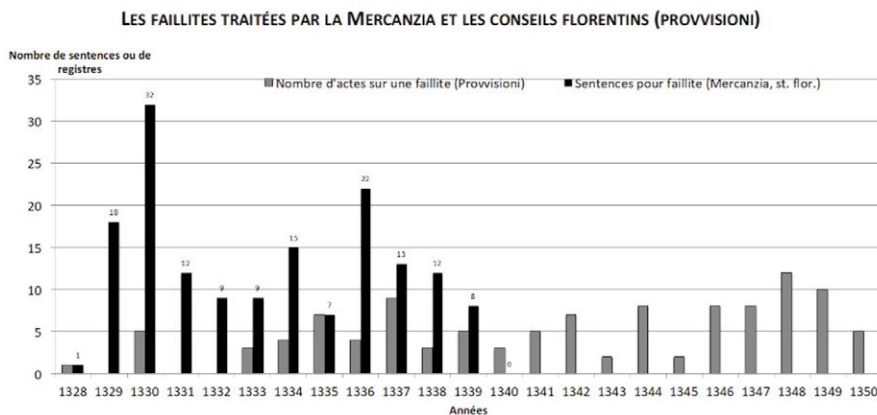
⁴⁵ ASF, *Capitoli*, 22, c. 137r col. 1.

⁴⁶ ASF, *Mercanzia*, 1046, c. 243r-244v.

Ayant à l'esprit ces limites, la liste fournit quelques ordres de grandeur sur l'évolution du nombre de faillites (Graf. 8). On comptabilise 158 sentences pour faillite entre 1329 et 1339,⁴⁷ soit un peu plus de 14 faillites par an durant 11 années, avec un pic en 1329 (18 faillites), en 1330 (32 faillites) et en 1336 (22 faillites). Or, selon quelques sondages effectués, les faillites représentent entre 20 et 40 % des sentences des *Atti in cause ordinarie*⁴⁸ et entre 5,5 et 33 % de celles des *Atti in cause straordinaria*.⁴⁹ Le pic de faillites de 1336-1338 est donc confirmé, ainsi que l'étiage relatif de 1340 lorsqu'on décompte les *provisioni* mentionnant des faillites.

On peut les corrélérer avec la chronologie des guerres en Toscane: le pic de 1329-1330 suit immédiatement la guerre de Florence – à certains égards économique (Sapori 1982) – contre Castruccio Castracani, le seigneur de Lucques et de Pise (1320-1328); et le pic, moins marqué, de 1336 coïncide avec le début de la guerre contre Mastino della Scala (1336-1338), dont les territoires encerclaient Florence et pouvaient couper ses relations commerciales, mais aussi avec le début de la guerre de Cent Ans entre la France et l'Angleterre, qui bouleverse l'approvisionnement en laines anglaises. Les conséquences économiques des guerres régionales sur la vie des compagnies sont donc majeures. Mais il ne s'agit pas seulement d'effets indirects puisque les compagnies financent directement les belligérants. Par exemple, les Frescobaldi accordent des prêts aux communes du Valdarno inférieur pour contrer les velléités expansionnistes de Pise et nouent des alliances matrimoniales avec les familles dominantes (Tognetti 2014, 148-49 et 154).

Graf. 8. Nombre de sentences et de *Provisioni* mentionnant des faillites



⁴⁷ L'année 1328 est exclue, car la seule sentence mentionnée ne la rend pas représentative de l'activité judiciaire de l'année.

⁴⁸ ASF, *Mercanzia*, 1050, c. 1-251, 4 des 10 sentences, entre février et juin 1331; 1066: 5 des 25 sentences, du 7 mars au 2 juillet 1338, le volume 1065 n'en contient pas et le 1067 est *irreperibile*; 1090, 1092 et 1093, c. 1r-111r: 30 des 101 sentences, du 5 janvier au 31 août 1345, le volume 1091 est *irreperibile*.

⁴⁹ ASF, *Mercanzia*, 4132, c. 1-191: 3 des 9 sentences de juillet au 31 décembre 1330; 4156, c. 1-128v: 1 sur 18 sentences, du 3 août au 29 décembre 1338; 4159, cl. 1-156v: 4 des 39 sentences, du 14 janvier au 1^e juillet 1340.

3. Sociologie des individus en faillite

Grâce aux listes d'individus en faillite, il est possible d'esquisser une sociologie du groupe, en localisant leur lieu d'origine, leur domicile et en caractérisant leur activité économique. L'idée sous-jacente est d'évaluer l'importance des petits commerçants et des artisans par rapport aux grands marchands, afin de tester à terme l'hypothèse d'Armando Saporì selon laquelle les faillites des artisans précèdent celles des grandes compagnies (Saporì 1926, 140).

3.1 Les individus en faillite de la liste de 1329-1340: esquisse de sociologie

La liste de 1329-1340⁵⁰ contient 429 noms, ce qui correspond à 395 individus ou collectifs (associés ou héritiers d'une compagnie) différents, car 22 d'entre-eux sont mentionnés à deux reprises⁵¹ et car messer Ridolfo de Bardi et ses associés sont mentionnés à sept reprises. Comme les dénominations renvoient à 24 reprises à un collectif (héritiers ou associés),⁵² le nombre de personnes réellement concernées est donc sans doute encore plus élevé.

En éliminant les occurrences multiples, on détermine que 224 marchands ou artisans différents (dont une seule femme) sont mis en faillite et attaqués par 177 demandeurs (dont une seule femme), tandis que deux procureurs sont mentionnés. Notons que seuls deux acteurs apparaissent à la fois comme demandeurs et comme défendeurs: Fazio Ugolini, domicilié à Santa Felicità (Oltrarno), est ainsi déclaré en faillite le 19 mars 1331 avant d'initier la mise en faillite d'un autre marchand le 21 novembre 1336.⁵³ Nutino di Piero Nuti fait de même le 19 octobre 1331 et le 15 mars 1335.⁵⁴ Ces deux marchands ont donc entre-temps pu rembourser leur créanciers, reprendre leur activité et être rétablis dans leurs droits civiques et judiciaires.

Les indications d'origine ou de lieu de résidence permettent d'esquisser une géographie des acteurs impliqués. Parmi les 234 opérateurs en faillites listés, 142 sont associés à un toponyme, dont 98 à Florence et 44 à l'extérieur de la ville (contado ou étranger). Outre Florence, les localités les plus citées sont Empoli (8), Poggibonsi (4), Signa (3), et un ensemble de lieux cités à deux reprises (Ameras, Borgo S. Lorenzo, Cascia, Pagnana com. Colgonzoli, Pise) ou une seule fois, quasiment toutes en Toscane.

⁵⁰ ASF, *Capitoli*, 22, c. 137r-140r.

⁵¹ Il s'agit de: Banco di ser Bartolo (7), Ser Panuccio di ser Giovanni (10), Lapo di qd. Bono (12), Andrea di Banco Ubertelli *lanifex* (103), Fazio Ugolini (116), Giovanni di Brini del Tosso (120), Nutino di Piero Nuti (135), Lando Sozzi de Sienne (176), Giovanni ou Gianni di messer Alberti (188), Lapo di Lapi *beccarius* (190), Totto Tedaldi (191), Parmigiano di Giovanni (219), Cellino di Celli da Empoli (244), Agostino Ghezzi de Sienne (267), Jacopo di Vanno Antinori (273), Bartolo Cecchi (280), Aghinolfus di Seni Del Bene (291), Vanno Perelli de Pise (318), Mazzino di Simone (327), Antonio Cenni (328), Tommaso di Colonia (377), Armino Ultramontani (386).

⁵² Soit 11 associés (dont ceux de messer Rodolfo de Bardi mentionnés à 7 reprises) et 13 héritiers différents (dont un seul en position de demandeur)

⁵³ ASF, *Capitoli*, 22, c. 137v, col. 2, 19 mars 1331 et c. 138v, col. 2, 21 novembre 1336.

⁵⁴ ASF, *Capitoli*, 22, c. 138r, col. 1, 19 octobre 1331 et c. 138v, col. 2, 15 mars 1335.

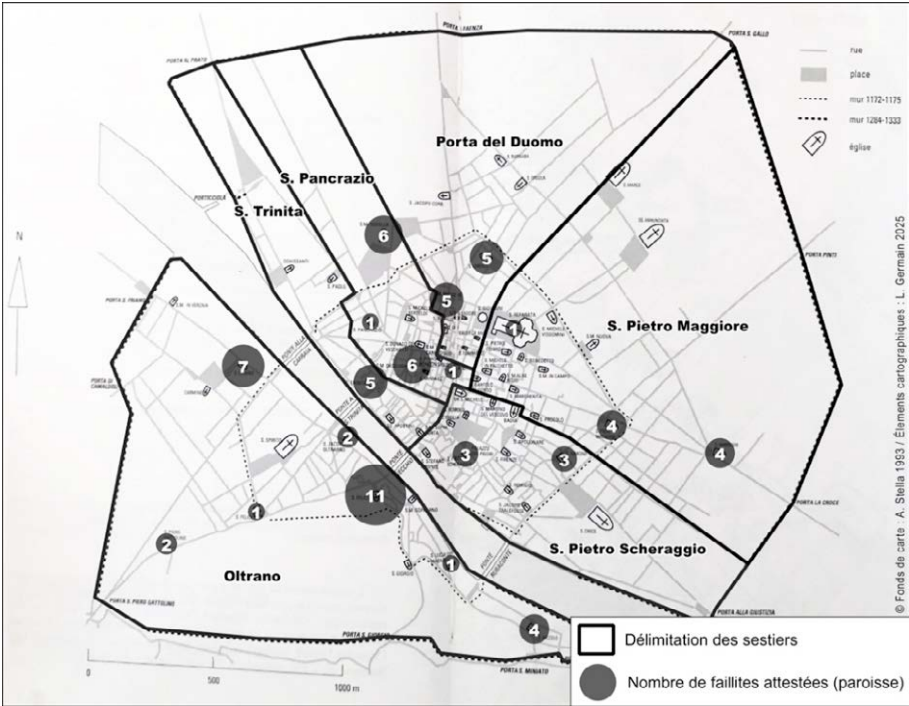
Au sein du groupe des 177 demandeurs, 32 d'entre-eux (soit 18%) mentionnent un lieu d'origine étranger (et 9 une résidence à Florence), parmi lesquels Sienne (5), Empoli (2), Lucques (2), Pérouse (2) et Venise (2) sont les plus présents. La présence de demandeurs étrangers n'est donc pas anodine. Ces derniers, issus de métropoles économiques importantes, parfois traditionnellement ennemies de Florence (Sienne), anciens partenaires économiques (fournisseurs, sous-traitants, acheteurs) des Florentins, sans doute moins liés par des solidarités économiques, matrimoniales et politiques, n'hésitent pas à solliciter la juridiction florentine. Mais ils restent largement minoritaires dans les années 1330, contrairement au discours développé dans les années 1340 d'une Cité du Lys menacée de l'extérieur par des représailles multiples, discours qui devra lui aussi être ultérieurement vérifié.

Ainsi, pour l'ensemble des acteurs, la Toscane (54) domine très largement, suivie de l'Ombrie (5) et d'autres régions présentes ponctuellement (Emilie, Lombardie, Vénétie, Allemagne, France: 2; Marches: 1; localités inconnues: 11). Cette concentration des relations de la *Mervanzia* avec des acteurs étrangers principalement issus de Toscane, et secondairement avec quelques grands centres d'Italie du Nord et d'Europe est en adéquation avec les destinataires des lettres conservées par l'institution en 1329-1330: sur les 27 destinations mentionnées, la Toscane est principalement concernée, suivie de la Vénétie, de l'Émilie-Romagne et de Gênes, alors qu'Avignon et les foires de Champagne n'apparaissent qu'une seule fois.⁵⁵

Quant à leur localisation en ville (tab. 1), elle est incertaine pour une trentaine d'individus en faillite, tandis que l'Oltrarno (28), S. Pancrazio (14) et la Porta del Duomo (10) prédominent. S. Felicità (11), S. Frediano (7) [sestier de l'Oltrarno], S. Maria degli Ughi (6) et S. Maria Novella (6) [S. Pancrazio], suivis de S. Trinità (5) [S. Trinità], S. Maria Maggiore (5), S. Lorenzo (5) [Porta del Duomo] concentrent le plus d'opérateurs en faillite. Les demandeurs, plus rarement localisable, sont plus présents dans l'Oltrarno (4) et dans la Porta del Duomo (4) (tab. 2).

⁵⁵ ASF, *Mervanzia*, 11300-11301.

Fig. 1. Répartition géographique des faillis (liste chronologique, 1329-1340)



Tab. 1. Répartition par sestier des faillis et des demandeurs devant la Mercanzia (1329-1340)⁵⁶

Sestier (supposé)	Nombre d'individus en faillite (1329-1340)	Nombre de demandeurs (1329-1340)
Oltrarno	28	4
S. Piero Scheraggio	6	1
S. Trinità	5	1
S. Pancrazio	14	1
Porta del Duomo	10	4
S. Piero Maggiore	9	0
Incertains (Florence mentionnée sans autre précision ; ou paroisse non précisée)	26	0
Contado/étranger	44	32
	Adinianbi (1), Ameras (2), Incisa (1), contado d'Arezzo (1), Barbanno	Arezzo (1), Bergame (1 contre 6 pers), Bologne (1), Borgo S. Lorenzo (1), Centa (1), Cereto

⁵⁶ Source : ASF, *Capitoli*, 22, 137r-140r.

	(1), Borgo S. Lorenzo (2) , Cascia (2) , Castelfiorentino (1), Castel S. Giovanni (1), Cerda (1), Empoli (8) , Gangalandi (1), Gaiole (1), Leccio (1), Lucques (1), Musignano (1), Pagnana com. Colgonzoli (2) , Petrognano (1), Pise (2) , Pistoia (1), Poggibonsi (4) , Pontormo (2), Quarantola (1), Quarata (1), Signa (3) , Somaria (1)	(1), Colle val d'Elsa (1), Cologne (1), Como (1), Cortona (1), Empoli (2) , étranger (forenses: 1), Gubbio (1), Incisa (1), L'Aquila (1), Lucques et contado (2) , Montepulciano (1), Pérouse (2) , Quarata (1), S. Gimignano (1), Sienne (5) , Outremont (1), Venise (2) , Volterra (1).
Total	142 ⁵⁷	43

Tab. 2. Répartition par quartier des faillis (et des demandeurs indiqués 'd') devant la Mercanzia (1329-1340)⁵⁸

Code Tratte	Sestier	Popoli	Faubourgs	Nombre par <i>popolo</i>	Total par sestier
1	Oltrarno				28 (et 4d)
		S. Spirito			
		S. Jacopo Oltrarno		2 (et 1d)	
		S. Felicità		11	
		S. Maria Oltrarno			
		S. Felice (in piazza)		1 (et 3d)	
		S. Giorgio			
		S. Lucia de Magnoli		1	
		S. Niccolò		4	
		S. Piero Gattolino	x	2	
		Carmine	x		
		S. Frediano	x	7	
		S. Maria in Verzaia	x		
2	S. Piero Scheraggio				6 (et 1d)
		Orsanmichele			
		S. Martino del Vescovo			
		Badia			
		S. Romolo			
		S. Apollinare			
		S. Simone		3	
		S. Cecilia			

⁵⁷ Quatre individus ont une origine étrangère et résident en ville, formant ainsi des doublons.

⁵⁸ Source: ASF, *Capitoli*, 22, 137r-140r.

		S. Firenze			
		S. Piero Scheraggio		3 (et 1d)	
		S. Stefano al Ponte			
		S. Remigio			
		S. Jacopo tra le fosse			
		S. Croce	x		
3	S. Trinità				5 (et 1d)
		S. Trinità		5	
		SS. Apostoli			
		S. Maria Sopra Porta			
		S. Paolo	x		
		Ognissanti	x		
		S. Lucia Ognissanti		(et 1d)	
4	S. Pancrazio				14 (et 1d)
		S. Pancrazio		1 (et 1d)	
		S. Andrea		1	
		S. Miniato			
		S. Piero Bonconsiglio			
		S. Maria degli Ughi		6	
		S. Donato dei Vecchietti			
		S. Michele Berteldi			
		S. Leo			
		S. Maria in Campidoglio			
		S. Maria Novella	x	6	
5	Porta del Duomo				10 (et 4d)
		S. Tommaso			
		S. Cristofano			
		S. Salvatore			
		S. Giovanni			
		S. Maria Maggiore		5	
		S. Lorenzo		5 (et 4d)	
		S. Ruffilo			
		S. Jacopo in Campo Corbolini	x		
		S. Barnaba	x		
		S. Orsola	x		
6	S. Piero Maggiore				9
		S. Piero Maggiore		4	
		S. Procolo			
		S. Margherita			
		S. Maria Alberighi			
		S. Michele in Palchetto			
		S. Bartolo del corso			
		S. Maria in campo			
		S. Benedetto			
		S. Pietro Celoro			

		S. Reparata		1	
		S. Michele Visdomini			
		S. Maria nuova	x		
		S. Ambrogio	x	4	
		SS. Annunziata	x		
		S. Marco	x		
	Non localisés ou incertains				26
	Contado/étran gers				44 (et 32d)
	Total				142

Bien que le métier soit rarement mentionné dans cette liste, le croisement avec la liste des conseillers de la *Mercanzia* – issus des cinq Arts majeurs – permet de préciser le domaine d'activité de 117 individus, soit de 29 % d'entre-eux: l'Art de Por Santa Maria domine clairement (35 occurrences), suivi par la Calimala (18 occurrences), celui de la laine au sens large (16 occurrences), des *Medici e Speziali* (13 occurrences), alors que celui du Change est moins représenté (3 occurrences) que les taverniers (7 occurrences). Cela rappelle la présence de quelques artisans parmi les faillis (outre les taverniers, on trouve 2 *affettatores* (maçons), 2 *corazzaii* (fabricant de cuirasses), 1 *coltellinaio* (coutelier), 1 *ferrainuolo* (marchand de fer), 1 *fornaio* (fournier-boulangier), 1 *rigattiere* (fripiér-brocanteur), ou de métiers intermédiaires (2 notaires, 2 *tintor*, 1 maître de l'art du lin, 2 *beccaii* (boucher), 1 transporteur/douanier (*vectigalis*). D'autres investigations permettraient sans doute de compenser la surreprésentation des Arts majeurs. Pour autant, les raisons de cette répartition par secteur restent encore à expliciter, d'autant que nos hypothèses risquent d'être peu étayées dans la mesure où l'activité de moins d'un tiers des individus est documentée.

3.2. Les individus en faillite de la liste de 1333-1346: esquisse de sociologie

Une autre liste, déjà connue (Brucker 1962, 16-17; Astorri 1998, 144) mais peu exploitée, énumère 377 personnes en faillite entre 1333 et 1346, classées par noms de baptême des lettres A à P et selon les juridictions des Arts, de la Commune et de la *Mercanzia*.⁵⁹

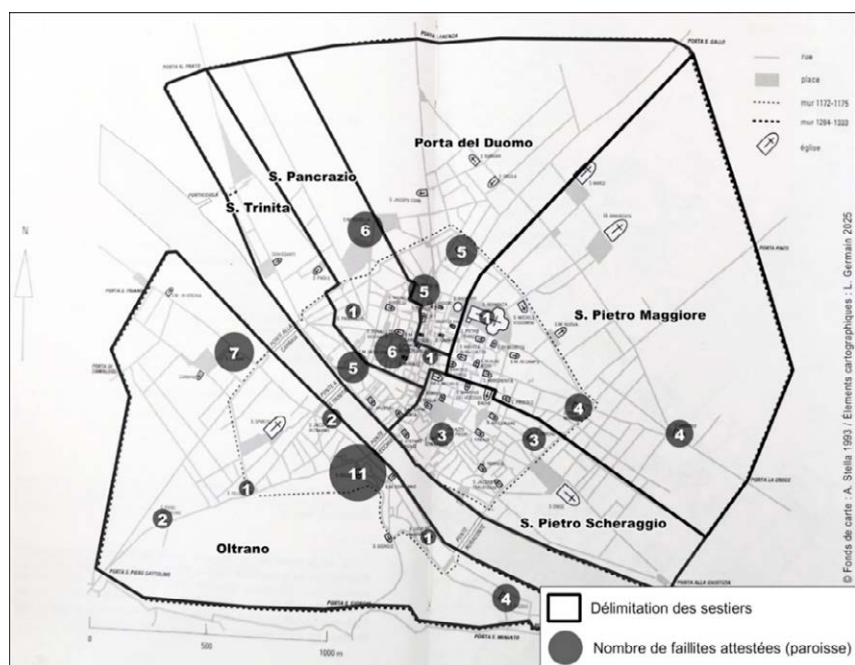
Une première analyse des localisations mentionnées dans la liste fournit des éléments intéressants. Notons d'abord que seuls 31 % des artisans et marchands en faillite sont directement localisables dans la ville (116 localisations sur 377 individus). Parmi eux, le regroupement des *popoli* par sestier d'appartenance, met en évidence la prégnance des faillis domiciliés dans le sud et l'ouest florentin, à savoir dans l'Olttrarno (31 individus), S. Pancrazio (24) et S. Trinità (20), soit les 2/3 du groupe. De plus, 21 individus en faillite sont localisés dans le contado : contado de Florence (1), le Mugello (1), Borgo San Lorenzo (2), Pagnano (2), Linari (1), Poggibonsi (3), Scarperia

⁵⁹ ASF, *Tratte*, 216 (anciennement notée 1155), c. 1-15v / c. 529-642v (2 systèmes de numérotations différents).

(1), Marcialla (1), Empoli (2), Signa (1), Leccio (1), Vertine (1), Lucignano (1), Spugna (1), Cascia (1), Leccio (1). Le degré de précision de la localisation est donc inversement proportionnel à la centralité de leur domiciliation, tant il apparaît évident que les paroisses fournissant le plus d'individus en faillite (S. Lorenzo [10], S. Ambrogio [5], S. Felicità [10], S. Felice in piazza [7], S. Frediano [6], Ognissanti [7], S. Maria Novella [6]) sont situés en périphérie de la première enceinte de 1172-1175 (à l'exception de S. Pancrazio [7], S. Maria degli Ughi [6] et S. Trinità [6]). Difficile d'en inférer que les hommes «nouveaux» qui seraient localisés dans les quartiers les plus récents seraient les plus touchés, puisque les 70% de marchands et artisans en faillite ne sont pas clairement localisés.

On peut cependant élargir l'échantillon en recherchant les noms de la liste dans les *Tratte online* (qui recensent les personnes ayant exercé une charge communale) et dans le fichier prosopographique de Vieri Mazzoni (Mazzoni 2010, vol. 2): soit l'individu mentionné dans la liste a exercé une charge et on peut le localiser, soit on suppose qu'il habite la même paroisse qu'un membre de sa famille. Malgré les incertitudes, 255 individus sont localisables, soit un peu plus des 2/3 (67,6%). Ici, la différenciation se ferait davantage entre le nord de Florence relativement épargné par les faillites et le sud davantage touché, en particulier les sestieri les plus proches du fleuve: Oltrarno (52), S. Trinità (46) et S. Piero Scheraggio (42), complétés par S. Scheraggio (38), qui rassemblent près de 47% des faillis (178 sur 377 individus).

Fig. 2. Répartition géographique (paroisses certaines) des faillis (liste alphabétique, 1333-1346)



Tab. 3. Répartition par sestier des faillis (liste alphabétique, 1333-1346)⁶⁰

Sestier (supposé)	Nombre d'individus en faillite (1346) [certains]	Nombre d'individus en faillite (1346) [supposés]
Oltrarno	31	52
S. Piero Scheraggio	12	46
S. Trinità	20	42
S. Pancrazio	24	38
Porta del Duomo	15	21
S. Piero Maggiore	13	19
Incertains (sestiers mêlés ou paroisse non localisée)	1	16
Contado	21	21
Total	137	255

Tab. 4. Répartition par quartiers des faillis (liste alphabétique, 1333-1346)⁶¹

Code Tratte	Sestier	Popoli	Faub.	Nombre par <i>popolo</i>	Total par sestier (certain)	total par sestier (supposé)
1	Oltrarno				31	52
		S. Spirito				
		S. Jacopo Oltrarno		2		
		S. Felicità		10		
		S. Maria Oltrarno				
		S. Felice (in piazza)		7		
		S. Giorgio		1		
		S. Lucia de Magnoli				
		S. Niccolò		2		
		S. Piero Gattolino	x	3		
		Carmine	x			
		S. Frediano	x	6		
		S. Maria in Verzaia	x			
2	S. Piero Scheraggio				12	46
		Orsanmichele		2		
		S. Martino del Vescovo				
		Badia				
		S. Romolo		1		
		S. Apollinare				
		S. Simone		3		
		S. Cecilia				
		S. Firenze		2		

⁶⁰ Source : ASF, *Tratte*, 216 (anciennement notée 1155), c. 1-15v / c. 529-642v (2 systèmes de numérotations différents).

⁶¹ Source : ASF, *Tratte*, 216 (anciennement notée 1155), c. 1-15v / c. 529-642v (2 systèmes de numérotations différents).

		S. Piero Scheraggio		1		
		S. Stefano al Ponte		1		
		S. Remigio				
		S. Jacopo tra le fosse		2		
		S. Croce	x			
3	S. Trinità				20	42
		S. Trinità		6		
		SS. Apostoli		3		
		S. Maria Sopra Porta		1		
		S. Paolo	x	3		
		Ognissanti	x	7		
4	S. Pancra- zio				24	38
		S. Pancrazio		7		
		S. Andrea				
		S. Miniato				
		S. Piero Bonconsiglio		2		
		S. Maria degli Ughi		6		
		S. Donato dei Vecchietti				
		S. Michele Berteldi		2		
		S. Leo		1		
		S. Maria in Campidoglio				
		S. Maria Novella	x	6		
5	Porta del Duomo				15	21
		S. Tommaso				
		S. Cristofano				
		S. Salvatore		1		
		S. Giovanni				
		S. Maria Maggiore		4		
		S. Lorenzo		10		
		S. Ruffilo				
		S. Jacopo in Campo corbo- lini	x			
		S. Barnaba	x			
		S. Orsola	x			
6	S. Piero Maggiore				13	19
		S. Piero Maggiore		4		
		S. Procolo				
		S. Margherita				
		S. Maria Alberighi				
		S. Michele in Palchetto				
		S. Bartolo del corso				
		S. Maria in campo				
		S. Benedetto				
		S. Pietro Celoro				
		S. Reparata		1		

		S. Michele Visdomini		3		
		S. Maria nuova	x			
		S. Ambrogio	x	5		
		SS. Annunziata	x			
		S. Marco	x			
	Non localisés			1	1	16
	Contado				21	21
	Total			116	137	255

On peut donc conclure à la banalité de la procédure de mise en faillite, installée de manière continue durant le Trecento florentin, bien que des lacunes documentaires et les évolutions du droit des faillites expliquent les variations importantes dans sa chronologie. Ces variations s'expliquent surtout par des chocs exogènes, de nature politique, lorsque les prêts de sommes considérables aux souverains s'avèrent des calculs perdants, ou quand les guerres coûteuses sont perdues. La seconde vague de faillites dans les années 1340 ne se limite pas aux seules années 1343-1345, mais perdure bien jusqu'à la fin de la décennie, qui confirme son caractère catastrophique pour l'histoire florentine (Tanzini 2018). À l'avenir, nous espérons pouvoir mieux décrire les relations de crédit entre acteurs florentins et mieux comprendre le rôle de ces faillites dans la reconfiguration interne des compagnies florentines.

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1. Introduction

«Audaces fortuna juvat timidusque repellit, vj looten», Fortune favors the bold and repels the timid, six lots. This so-called proze or lottery poem is an allusion to Seneca the Younger's *Medea* (line 159) and translates as: Fortune favours the bold and spurns the fearful. The shorthand versions *Audaces/Audentes fortuna juvat* (Fortune favours the bold), borrowing from Virgil's *Aeneid*, appear in documents of at least four other lotteries organized in the Low Countries between 1555 and 1596. The anonymous ticket buyer from Delft had this poem registered by ticket seller Everart van Lodensteijn for the six lottery tickets that he or she purchased in the lottery organized in 1562-1564 by the city authorities of 's-Hertogenbosch, now in The Netherlands, back then in the Duchy of Brabant, one of the provinces of the Habsburg Low Countries (van Dijck 2003, line 1631). Priced at three and a half stuivers per ticket, our anonymous buyer spent between 3.5 and 5.25 daily wages of a 's-Hertogenbosch master builder or construction labourer respectively (Hanus 2014, 160).

This short poem which, like all other tickets in the lottery, was read out loud at the draw, illustrates several key elements of what I would like to call the risk culture of Low Countries lotteries. I borrow the definition of risk culture from Jeffrey Toner's work on risk in the ancient Roman world: «what constitutes a risk reflects a range of ideological, structural and social-psychological elements in a given social situation. Societies can in these ways be seen as revealing themselves by how they deal with dangers. They have what can be described as specific risk cultures» (Toner 2023, 10). Risks do not necessarily have to be a bad thing: «embracing risk can be a way for the individual to get richer, to improve his or her social status and generally move up in the world» (Toner 2023, 13). In this sense, late medieval and early modern lottery playing fits into what Mary Beard has called an aleatory society: «[ancient] Rome was a culture that looked danger in the eye. It did not attempt to avert or calculate danger, but rather to assert (almost celebrate) the uncertainties, chances and dangers of human existence. [...] They [the Romans] were not simply the dupes of Fate, they 'managed' danger by repeatedly reminding themselves to face it head on» (Beard 2011, 98). The refreshing works of Toner and Beard show that historians of premodern risk can certainly learn from their colleagues in ancient history.

The key elements of the risk culture of Low Countries lotteries are the following. First, lotteries were a very common method to raise money for city authorities,

churches, charitable institutions, the central government and private entrepreneurs from 1441 onwards, the year in which the city government of Bruges organized the first lottery in the Low Countries. Between 1441 and 1696 (my research project ends in 1700) 450 lotteries were organized in the Low Countries. Second, lotteries could bring substantial profit to the organizers but this profit was not guaranteed as it depended on the size of operational costs and the number of tickets sold. Third, a rather trivial amount of money as ticket price could yield the participants a substantial prize in silverware, money or luxury goods. These fairly low ticket prices allowed broad segments of society to participate in the lotteries. Fourth, the corpus of around 27,000 lottery prozen or poems from 17 lotteries reveal at least some of the motivations and strategies of the ticket buyers and the nomenclature of risk used by them. Fifth and last, interesting differences can be seen in the risk-behaviour involved in the lotteries: the players and the organizers.

In earlier work I have shown differences in the discourses of players and organizers, using the lottery poems for the players and various documents of lottery organization and regulation for the organizers (Puttevils 2017). In this paper I make use of a far larger set of lottery poems and I go deeper in the concept of risk and how it was performed by players and organizers. Can the players be described as risk-seekers or risk-lovers and the organizers as risk-avoiders?

2. Risk-lovers: the lottery players

An announcement for the 1480 Bruges city lottery distributed in Mechelen was very explicit in that sense: «one should know that everyone, cleric or laymen, citizen or stranger, old or young, can put in as many lots as they please».¹ Note the absence of a reference to gender here: clearly men and women were equally welcome as ticket buyers. So, who were these lottery ticket buyers? For two sixteenth-century lotteries we can determine the socio-economic profile of the ticket buyers: the Leiden city government lottery of 1504 and that of 's-Hertogenbosch of 1564, from which the opening quote of this paper comes. For the Leiden lottery we have what must have been one of several subscription ledgers, which contains the registered tickets of those ticket buyers whose first name started with an A up to the letter M. 8,960 tickets were purchased by almost 1,400 individuals.² Lottery participants bought 6.5 tickets on average (costing one shilling Flemish per ticket), the median was 2 tickets. Half of the ticket buyers thus bought two or more tickets, with several buying more than 100 tickets (with a maximum of 162). Among the identifiable ticket buyers we find 787 men and 536 women. The group of men accounts for 70% of all tickets sold, leaving the remaining 30% for the women. Women thus purchased a lower numbers of tickets on average in Leiden. This 30% in fact is very close to the share of female investment in annuities (one third of the annuities market), one of the important methods of investment in the premodern Low Countries.

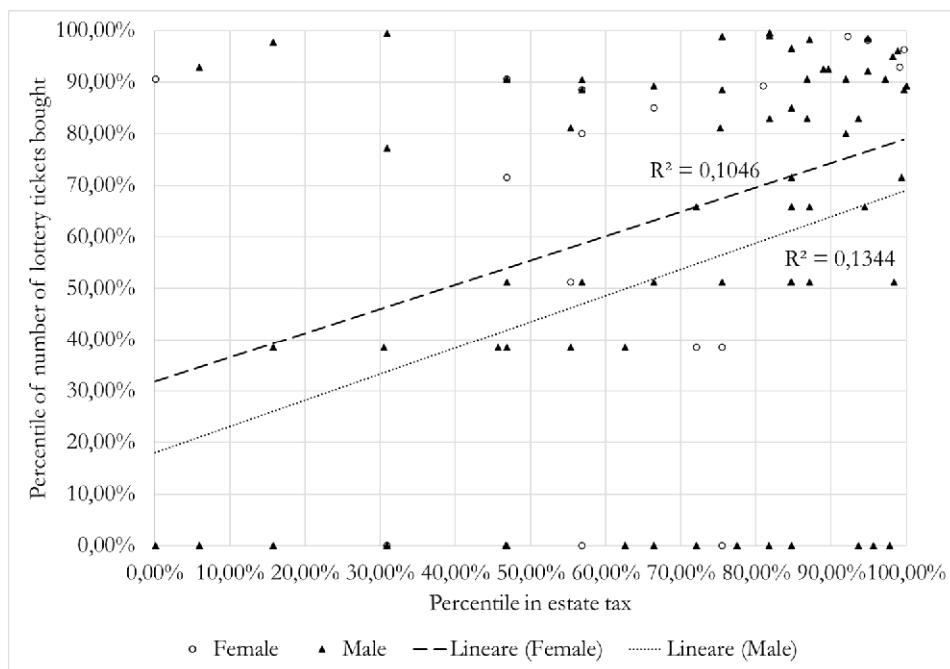
¹ City Archive Mechelen, Oud archief, 6, burgerlijke zaken, IV, nr. 212, 1. This very open invitation to participate in the lottery became a common phrase and found its way into lotteries in the Holy Roman Empire as well (Delle Luche 2018, 564).

² Regional Archive Leiden, Archief der secretarie van de stad Leiden SA I, 986.

In this lottery, intended to sanitize the finances of the Leiden city government, ticket buyers could pay their tickets in cash and in money owed to them by the city government (usually for delayed annuity and loan payments). The majority of the lottery participants went for the second option, with women preferring this option even more than their male counterparts (83% vs. 77%). Apparently, these ticket buyers thought participation in the lottery was a better option than to wait even longer for the uncertain repayment of their investments in Leiden's city government debt.

The registers of the 1502 estate tax, another method used by the Leiden city government to raise money, can be used to socially benchmark the Leiden lottery ticket buyers. 1,441 heads of family were taxed on their estate. I was able to match almost 100 individuals between the estate tax registration and the preserved A to M lottery tickets buyers ledger.

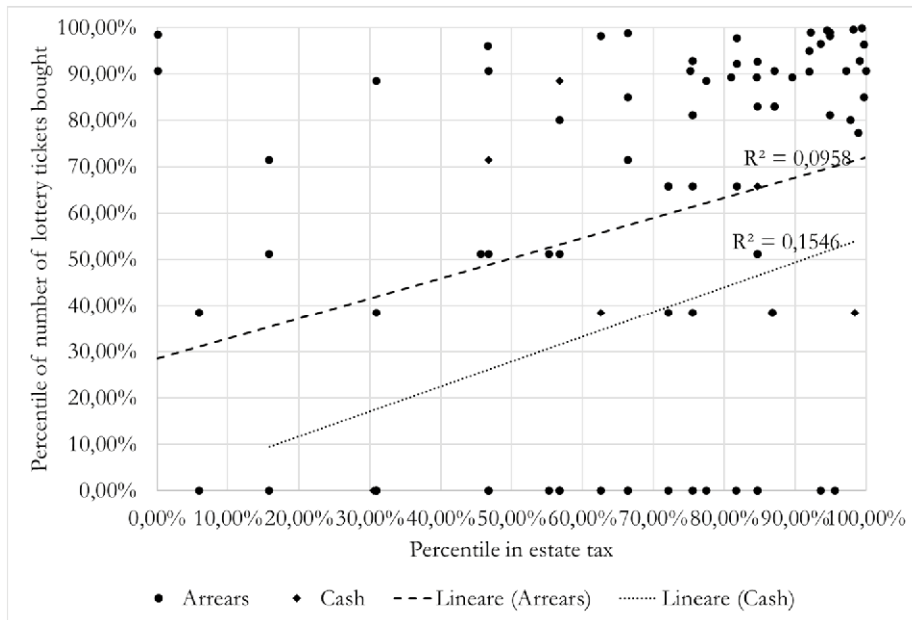
Graph 1. **Relation between fiscal position, gender of the ticket buyer and the number of lottery tickets bought, Leiden, beginning of the sixteenth century**



Source: database based on Regional Archive Leiden, Archief der secretarie van de stad Leiden SA I, 986 <https://oudleiden.nl/werkgroepen/jan-van-hout-archiefonderzoek/vermogensbelasting-1502-lening-1508>

The above graph shows that those inhabitants of Leiden who were taxed more bought more lottery tickets. There is no visible gender difference in the relation between taxable wealth and lottery ticket buying.

Graph 2. Relation between fiscal position, the number of lottery tickets bought and the type of payment, Leiden begin of the sixteenth century

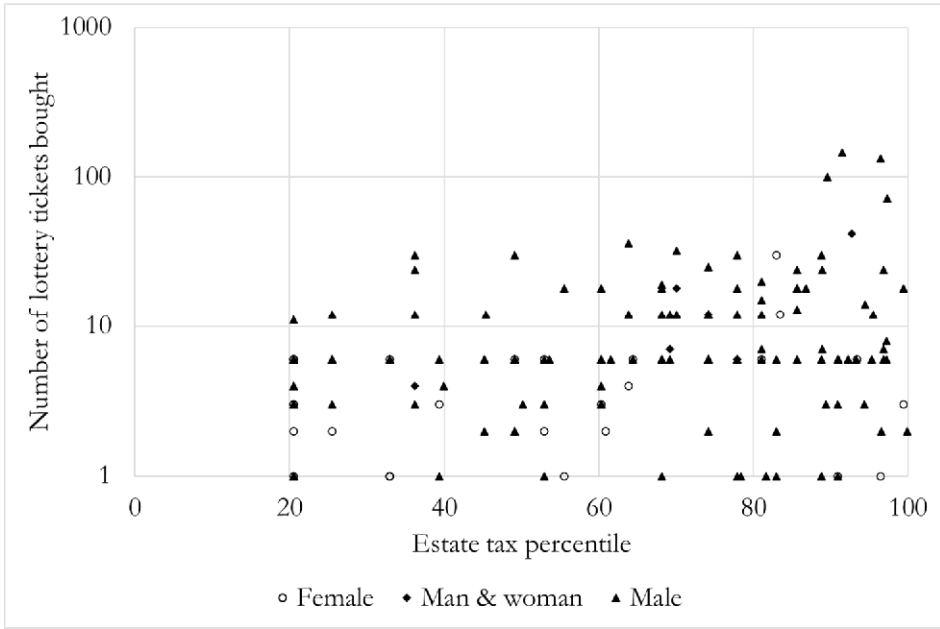


Source: database based on Regional Archive Leiden, Archief der secretarie van de stad Leiden SA I, 986
<https://oudleiden.nl/werkgroepen/jan-van-hout-archiefonderzoek/vermogensbelasting-1502-lening-1508>

The few participants who bought their tickets in cash are more evenly distributed over the fiscal scale, those who paid with arrears owed to them usually come from higher up the fiscal ladder, as is demonstrated by graph 2. That the richer would have participated in the city lottery is not unexpected. A more important finding is that those of the lower middle class also bought lottery tickets, albeit for lower amounts and more often paying in cash. Moreover, there was no real gender difference. This points to a fairly wide accessibility.

For the city lottery of 's-Hertogenbosch of 1564 I was able to identify 166 lottery participants in the 1557-1558 income tax.

Graph 3. **Relation between fiscal position, gender and the number of lottery tickets bought, 's-Hertogenbosch around 1560**



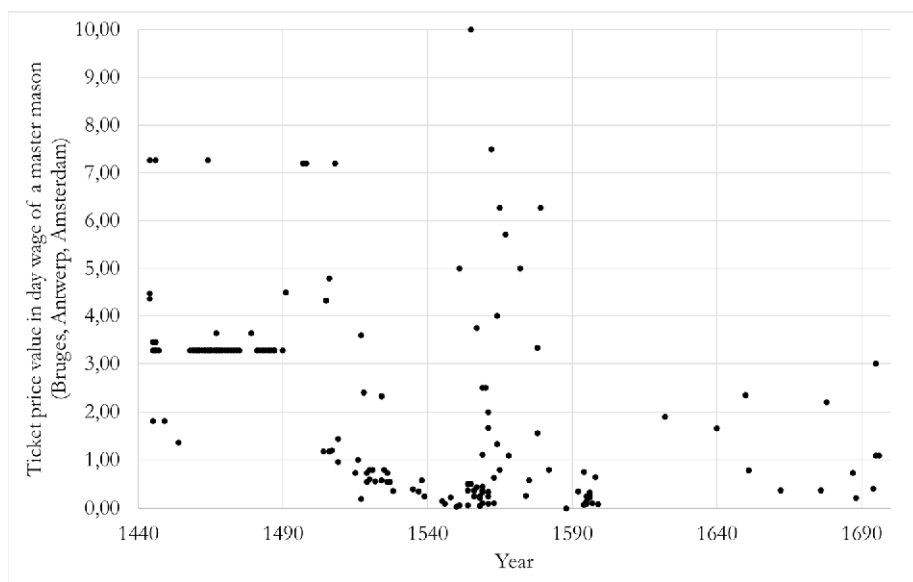
Source: database based on G. C. M. van Dijk, *De Bossche loterij, 1562-1564* & database on fiscal data of dr. Jord Hanus

In this lottery there is no clear relation between the taxed income and the number of tickets bought. Individuals lower on in the tax distribution were able to buy as many tickets as richer inhabitants of 's-Hertogenbosch. Only among the richest 10 percent do we see a few individuals who bought substantially more lottery tickets. No clear gender difference is visible here. An increase in accessibility of lottery play has clearly taken place since Leiden's 1504 lottery, fifty years prior to that of 's-Hertogenbosch. Sociologists have shown that modern-day German lotteries are highly regressive socially: players with lower incomes contribute to lotteries to a significantly higher degree than players from higher income groups. Expenditure on lotteries takes out a relatively larger bite of their budget (Beckert and Lutter 2009, 2012). This observation only partially holds for the evidence we have from the lottery of Den Bosch. More highly taxed Den Bosch individuals are more numerous and they buy similar number of tickets, whereas more middle income class individuals are less well-represented in our sample. However, these middle class and lower class individuals buy similar numbers of lottery tickets like the higher fiscal classes, except for the richest 10%. The budget of lower and middle class buyers was obviously smaller and thus lottery participation weighed more on their expenditures relatively, which is line with the research on modern-day German lottery players.

Ticket prices play an important role in the accessibility of lotteries to different

income groups. For 176 lotteries organized between 1441 and 1700 the price of one ticket could be found. The median ticket price was 1.4 daily wages of a master mason, the mean 3.29. The lowest ticket price was half a stuiver, a small fraction of one daily wage. The highest ticket price was 78 times such a daily wage, this lottery was organized by the city of Amersfoort and deliberately high end. One had to pay the ticket price in bank guilders of the Wisselbank of Amsterdam, a currency to which only elites had access to.³ But this was clearly an exception: more than half of the ticket prices was at or below the equivalent of three daily wages.

Graph 4. **Chronological evolution of single lottery ticket prices, expressed in terms of daily wages**



Source: author database, daily wages based on John H. Munro's timeseries
<https://www.economics.utoronto.ca/public/workingPapers/UT-ECIPA-MUNRO-04-01.pdf>
 & those of Robert C. Allen
<https://www.nuffield.ox.ac.uk/people/sites/allen-research-pages/>

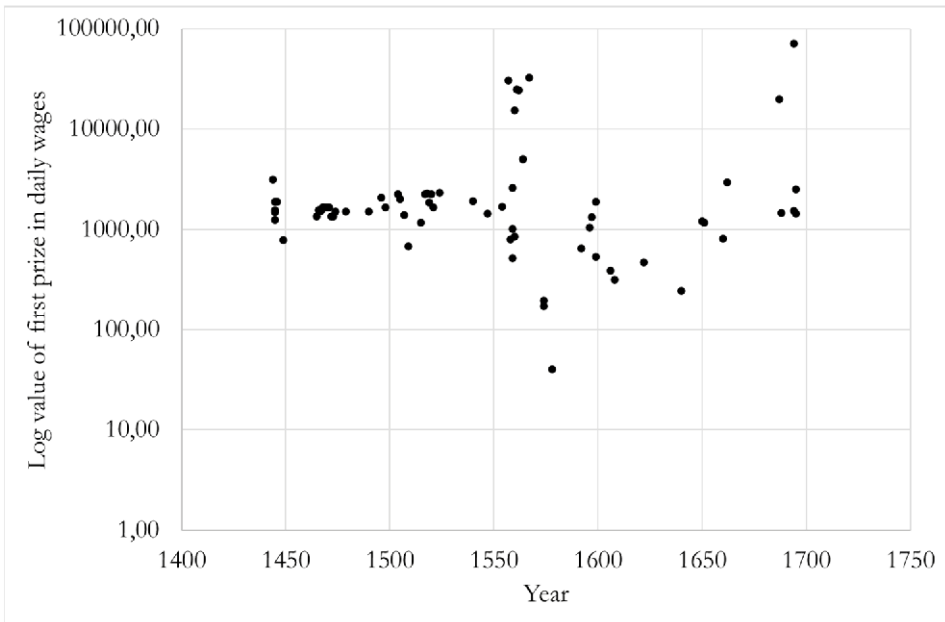
When plotted over time, interesting patterns are revealed. In the first ten years of lotteries in the Low Countries, a process of price discovery was clearly taking place. The price then converged to just above three daily wages for several decades. A few years into the sixteenth century, there is a drop to a ticket price of around or below one day of wages, with some outliers ranging between two to 8 daily wages. This pattern holds until the end of the sixteenth century. The more rare seventeenth-century lotteries range in ticket price between below one and up to three 3 daily wages.

³ [Loterye van verscheyde considerable soo heerlyke als andere vaste goederen ... - Google Boeken](#)

Lottery organizers clearly must have seen that it made sense to price the tickets low enough so that it became possible for almost anyone to acquire a single ticket.

What would player's risks get them in case of winning? It is beyond the scope of this paper to discuss the variety of prizes that were offered and how this changed over time. In summary, in the fifteenth-century lotteries city offices, such a city clerkship or the revenue from the intra-urban transport of wine, and money were offered as prizes. This changed at the end of the fifteenth century when expensive pieces of silverware became the main prize. In the second half of the sixteenth century, together with private entrepreneurs such as merchants, art dealers and craftsmen setting up lotteries, luxury goods such as paintings, furniture and clothing were added as prizes (Vande Sompele 2015; Raux 2018). For this paper the size of the first main prize is what interests us. What was the value of the item or the amount of money that one could win with a lottery ticket? Using accounts, lottery advertisements and lists of prize winners, we could find out the first prizes of 71 lotteries. Their estimated monetary values were calculated into the daily wages of a master mason in Bruges, Antwerp or Amsterdam (dependent on the time and place of the lottery).

Graph 5. **Chronological evolution of the log value of the main lottery prize in daily wages**

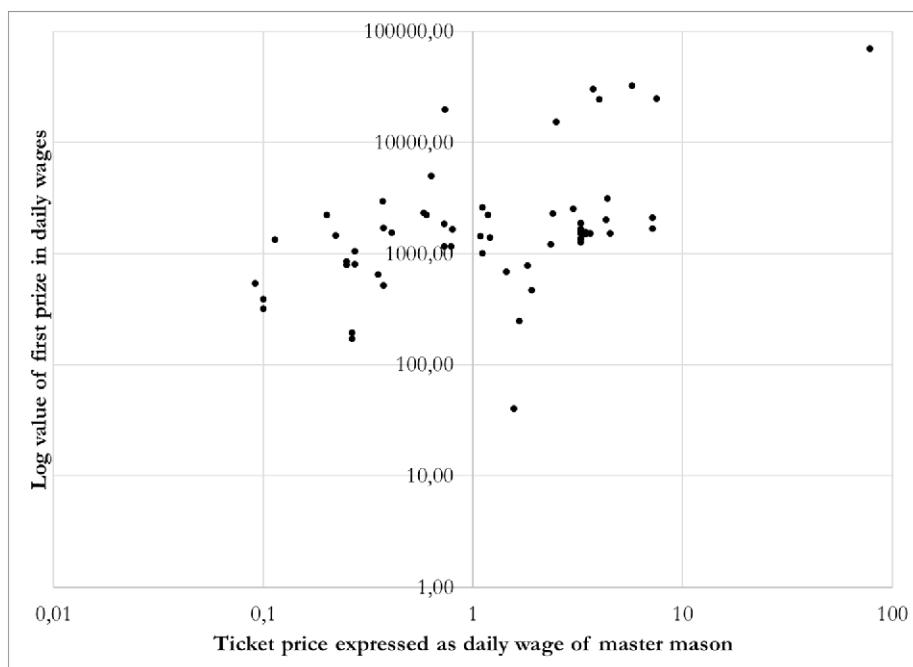


Source: author database, daily wages based on John H. Munro's timeseries
<https://www.economics.utoronto.ca/public/workingPapers/UT-ECIPA-MUNRO-04-01.pdf>
 & those of Robert C. Allen
<https://www.nuffield.ox.ac.uk/people/sites/allen-research-pages/>

There is no clear change visible in the size of the main prize over time. With the exception of two clusters of lotteries with very valuable first prizes in the early 1560s and at the end of the seventeenth century: these main prizes were worth around 30,000 and 70,000 daily wages respectively. The mean was 4,449 daily wages as main prize, or 18 to 21 annual wages of a master mason. The largest main prize was the equivalent of almost 300 annual wages. Between five and ten years worth of wages was the most common main prize value. Although most main prizes were not astronomical, they would have meant a transformative experience for the winners. And this is just the first prize... Prizes further down the prize hierarchy could still be very substantial.

As for the relationship between differences in the main prize to be won and the ticket price, as can be seen from the graph below, more expensive lotteries in terms of ticket price did indeed offer even grander main prizes. But even in the segment of cheap lottery tickets (below one daily wage), many lotteries offered main prizes that were the equivalent of over a thousand daily wages.

Graph 6. Relationship between the ticket price (as daily wage of a master mason) and the log value of the first lottery prize (as daily wage)



Source: author database, daily wages based on John H. Munro's timeseries
<https://www.economics.utoronto.ca/public/workingPapers/UT-ECIPA-MUNRO-04-01.pdf>
 & those of Robert C. Allen
<https://www.nuffield.ox.ac.uk/people/sites/allen-research-pages/>

3. Fortune favours the bold: lottery poems and risk-taking

It is not easy to determine the decisive motivations of the players to buy a ticket. Ticket buyers could have a range of motivations to participate in a lottery: hope of material gain, improving one's social status by winning money or items which belong to upper class material culture, the enjoyment of sponsoring a charity, sensation and leisure, patriotism, social pressure among members of an organization and moral pressure from the church... Many ticket buyers also did not pay for their tickets in cash but converted money owed to them, usually by town governments, into tickets, a debt-for-chance-swap. Trading in lottery tickets could even be an entrepreneurial strategy: the sixteenth-century entrepreneur Daniel de Bruyne attracted investors and borrowed money to buy a large batch of lottery tickets from different lotteries at sub-nominal prices and then resold them, pocketing the difference.⁴ Tickets were continuously resold, especially the ones which were not drawn yet during an active draw. Lottery players bought tickets together with other people. Sometimes, syndicates or so-called *compagnieën* were formed, for example the «Company of Seven» which invested in a large number of tickets in the 1596 Leiden lottery.⁵ The Company of Seven lost out on winning the prize for the largest amount of tickets purchased: a rich single investor, Johan van Duvenvoorde, lord of Warmond, bought more than double of their inlay. Such lottery play in groups is often called syndicate play and is still a very common practice today. Lottery players bought tickets in more than one lottery, as the common lottery poem «unlucky in lotteries, what is he expecting» demonstrates.

The lotteries held in the Low Countries during the late medieval period and the 16th and 17th centuries were more like raffles or tombolas than today's lotteries. While tickets could be numbered, buyers did not pick specific numbers or combinations like in modern lotto games. Instead, they identified themselves on the ticket with either their name or a short verse – known as a lottery poem or *loterijproze*. These poems acted as both a form of identification and a verification tool: when a ticket was drawn, the town crier would read the poem aloud, allowing the ticket holder to recognize their entry. Because the poems were performed in front of a crowd, they were often humorous or entertaining, especially since most tickets resulted in no prize at all. Many verses played on this common outcome – a blank or *nyet*, meaning «nothing» – as pieces of paper drawn from the urn typically bore either a prize or, more likely, nothing. The poems also provided a level of anonymity (Terwisscha van Scheltinga, Budts, and Puttevils 2024). People could participate in the lottery without revealing their identity using a lottery poem – useful, for example, if they didn't want their spouse to know. The lottery registration ledger does record their name, of course.⁶ However, any anonymity disappeared if the person claimed

⁴ Felixarchief Antwerpen, Chamber of Insolvency, IB 788, Memorial Daniel de Bruyne (1561-1565).

⁵ On the practice of syndicate playing: (Guillén, Garvía, and Santana 2012; Garvía 2007; Zollinger 2006; Murphy 2006, 2009, 2005) On the *Compagnie van Zeven*: (Koppenol 1998, 75) & (Huisman and Koppenol 1991, 46).

⁶ Identity could be cross-checked with the ticket purchase registers and/or with the receipts ticket buyers received.

their prize in public, either on stage or at the lottery office. Indeed, the public draw turned the lottery into a social event, where players could witness the draw, hear the poems being read out loud and in fact play together. This mirrors the highly social nature of Mary Beard's aleatory society (Beard 2011).

The content found in lottery subscription ledgers is remarkably diverse. Verses touch on both Christian and pagan themes, and despite some level of censorship, there's still a noticeable presence of politically charged or risqué material. Topics like *caritas* (charity – since many lotteries supported charitable causes), Heaven, God, saints, and, naturally, the prizes themselves, appear frequently. It's also clear that ticket buyers were aware of their slim chances of winning. The recurring phrase «lotery boevery» or lottery villainy appears often in the ledgers, reflecting a certain cynicism or skepticism about the fairness of the draw. Almost 100,000 of these lottery poems are preserved. It is beyond the scope of this paper to fully analyse this corpus to risk behaviour.⁷ The word risk in all its varieties is missing in any case. It is, however, used in documents relating to lottery organisation, where the behaviour of the lottery ticket buyers is described. The term *risicqueren* – to risk – is often used alongside *inleggen*, meaning to subscribe or buy into the lottery. In this context, lottery participants both subscribe and take a risk. The word risk, in its various Dutch spellings (closely mirroring the French forms *resicq* and *risicque*), was typically associated with maritime insurance and trade during the sixteenth century. When it appears, it refers to the possibility of both gain and loss.⁸ In some cases, it's paired directly with profit, forming a conceptual pair – here, *resicq* clearly denotes potential loss.⁹

However, ticket buyers far more often «leggen in», «lay their money in» the lottery (728 poems or 2.6%). They also adventure in the lottery. In the currently available corpus of almost 28,000 digitized lottery *prozen*, *avonturen*/*aventuren*/*adventure* figures in 93 *prozen* (0.3%). A fascinating court case from 1571 between Jan Leys and Gillis De Witte reveals the following story: Jan had received several lottery tickets for Jaspas de Castro's lottery from his debtor, Hans Sgreven. However, Jan preferred certainty over chance, saying he'd «rather have something certain than stand in the adventure of Fortune». He ended up trading the lottery tickets for grey cloth from Gillis De Witte. In one of the case documents, Jan even added, «he'd rather have one bird in hand than ten in the skies», echoing the familiar proverb.¹⁰ The word «aventure» (from the Latin *advenire*) had already taken on the meaning of fate or fortune by the early 14th century.¹¹ By the 17th century, an adventurer referred to a financial speculator – earlier still, it was used for merchants, such as the English Merchant Adventurers (Millikan 2011, 63). Lottery players did not just participate –

⁷ The poems were very diverse in content: prayers, scatological verses, references to sexuality, to winning the lottery, the purpose of the lottery, political statements, jokes, criticism of Catholicism or Protestantism. (Terwisscha van Scheltinga, Budts & Puttevils 2024).

⁸ Felixarchief Antwerpen, *Tresorij*, T1432: «de resterende nombren worden innegeleeth ende gerisqueert». For the different meanings of *risico* in Middle Dutch:

<http://gtb.inl.nl/iWDB/search?wdb=WNT&actie=article&uitvoer=HTML&id=M060264>.

⁹ FA, *Tresorij*, T1433: «250 000 florins quest le quart restan sa Majeste laisseroit au prouffict et risicq dicelle ville».

¹⁰ FA, *Processen Supplement*, 288 # 3912, pieces of evidence J & K.

¹¹ On the meanings of *aventure*:

<http://gtb.inl.nl/iWDB/search?actie=article&wdb=MNW&id=01968&lemma=aventure>.

they adventured, leaving the outcome up to fate. Prizes were awarded – or not – by adventure. This language was reflected in official documents too. For instance, in the Bruges Hallegeboden, the announcement for the city lottery of 1507 stated that «anyone who has subscribed to multiple tickets can win as many prizes as adventure grants him».¹² But adventure was expected to be fair. In 1576, all lottery organizers were asked to present their official permissions, as some had been granted – or operated – illegally. Several of these licensed and unlicensed lotteries were said to be conducted «by not so fair adventure as it should be»¹³. Whether this referred to skewed odds, lack of transparency in registration, or manipulation of the draw remains unclear.

Twelve lottery poems in French invoke the word hazard/hasart. In other documents than the poems, the word hazard(er) was commonly used in French texts to describe participation in lotteries – for example, phrases like «le hazard de povoir gagner plus que ne porteroit leurdite mise» and «hazarder leur argent» reflect this usage.¹⁴ Hazard is a particularly rich and layered term. Originally tied to dice games, it conveys the idea of chance or randomness, and can suggest both negative outcomes (danger, risk) and positive ones (opportunity, reward). In some cases, hazard appears alongside fortune, as in: «ceux qui y auront mis de la sorte, attendront par dessus ce leur fortune & hazard». Here, hazard seems to imply the potential for loss, while fortune suggests the possibility of gain – what we might now call downside and upside risk.¹⁵

Fortune itself is commonly mentioned in the lottery prozen (2%). What can these lottery poems that reference Fortune tell us about attitudes toward risk and uncertainty? Quite a lot, in fact. Many verses try to identify the kinds of people who deserve to be favored by Fortune. A common quotation is Audaces (or Audentes/Fortes) fortuna juvat – «Fortune favors the bold» – from Virgil's Aeneid. One poem even adds that Fortune rejects the timid. Others suggest that the industrious, the amorous, and virgins of honor are aided by Fortune. The virtuous, too, are said to attract her favor, as expressed in the line: «Vertu conduyct, fortune la suyct» («Virtue leads, Fortune follows»).

Some ticket buyers take a more passive stance in their lottery poem, showing patience or resignation in the face of Fortune's whims. One warns that dealing with Fortune requires a strong heart. Others choose a more active approach, attempting to flatter Fortune by praising her as excellent, refined, wonderful, and beautiful. Many verses pose the question: «What will Fortune grant me?» – often paired with the likely

¹² Stadsarchief Brugge, *Hallegeboden*, register 2, 158v: «Item es voort te wetene dat elc alzo vele prysen winnen zal moghen als hem de aventuere gheven zal naer dat in loten ghenouch ingheleit zal hebben».

¹³ Felixarchief Antwerpen, *Privilegiekamer*, Pk 2276, f. 315v.

¹⁴ Felixarchief Antwerpen, *Tresorij*, T1433: «desdit estatiz se trouveroient asseurez que au pis venir ilz ne pourroient perdre que le quart de l'importance de leurs mises selon quil apperrera par ladite carte montant ledit quart a 225 000 florins retenans ce pendant le hazard de povoir gagner plus que ne porteroit leurdite mise». Algemeen Rijksarchief Brussel, *Chambres des Comptes*, 142, Patent of Pierre Prevost: «beaucoup de belles merceries dont ceux qui y voudront hazarder leur argent nen pouront sentir aulcun prejudice».

¹⁵ Nationaal Archief, Archive of Johan van Oldenbarnevelt, 731: *Tres riche fort avantageuse & generale Loterie*.

outcome: a blank, a *nyet* or *niet*, meaning «nothing.» In these cases, the verse would be drawn and read aloud, followed by the result from the prize urn – typically, nothing.

Fortune is often described as fickle, ever-changing like the wind – a common metaphor. She is also blind, unfaithful, and unreliable. People plead for her favor: «O Fortuna, please favor me». Yet even if she smiles upon you, that luck can vanish quickly. Some poems personify Fortune with companions – Prudence and Concord – perhaps suggesting that balance and wisdom are needed to navigate her volatility. Fortune is also described as «round and unknown,» a reference to the famous Wheel of Fortune. A few verses claim that «Fortune is hard to fathom,» and some go further, portraying her as all-powerful and beyond control: «If Fortune does not hold a man dear, all he begins is lost,» and «Contre la fortune nulz ne peult», «No one can stand against Fortune.» I have written elsewhere about the relation between God and Fortune and about the invocation of Mary and a plethora of saints in the lottery poems (Puttevils 2017).

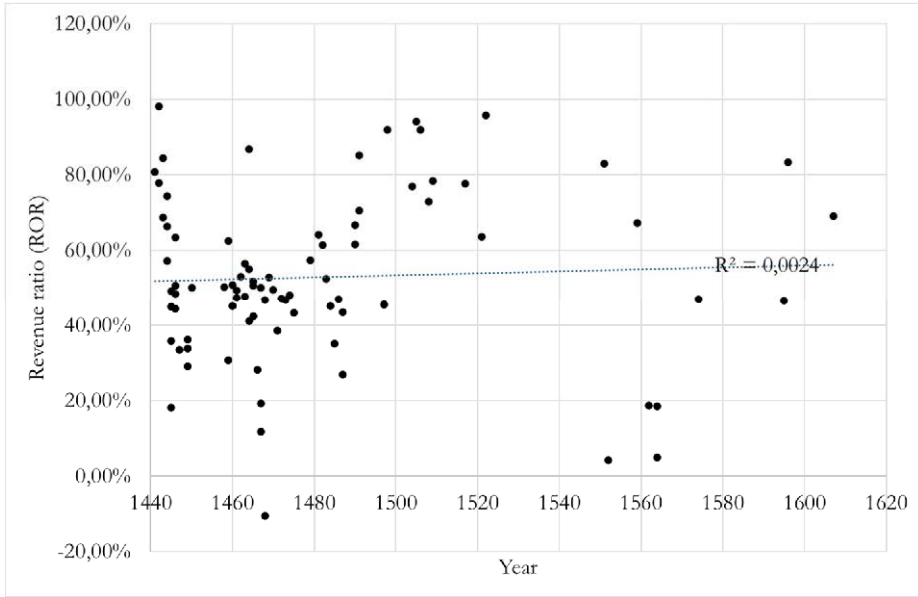
To stay in tune with the other part of this conference, on insolvency and bankruptcy, two lottery poems refer to these issues. Lijsbet Snewater, living in Amsterdam at the Ossenmarkt, bought seven tickets for the 1607 Oudemannenhuis lottery (hospital for elderly men) from ticket seller Cornelis Sijverssoon Bankroet. These seven tickets carried the poem «Die te Amsterdam wyl bedijen Die speel bankerot offe stelt op loterijen» or «who wants to live in Amsterdam, either plays bankruptcy or engages in lotteries». The meaning of the poem is ambiguous (as they often are). One plays the lottery, rather than bankruptcy. Or is Lijsbet perhaps arguing that many Amsterdam bankruptcies are actually feigned? Does a bankruptcy actually allow one to walk off with enough money to live well in Amsterdam? The «opstellen» of lotteries also has a double meaning: put one's faith into lotteries or organize them. If one wins, one can make a decent living in Amsterdam or a lottery organizer can live from the proceeds. An anonymous from Antwerp purchased twelve tickets in the 1564 's-Hertogenbosch lottery with the proze «Souden zy all prys hebben die nae prys haken, die vanden Bosch mochten wel bancqueroet maken» or «if all those who are fishing for a prize get a prize, those of Den Bosch would be bankrupted». In this case the meaning is clear: many want to win and if the city government of Den Bosch would need to satisfy all ticket buyers with a prize, it would go bankrupt. The connection between debt and possible insolvency is a matter that requires more investigation for the Low Countries. There are indications that some private individuals may have received a lottery permit because they were in debt and needed to sell some of their assets and did so through a lottery. Evelyn Welch has shown how even sixteenth-century Roman patricians made use of lotteries when they were experiencing financial difficulties (Welch 2008).

4. Risk-managers: the lottery organizers

In this part we turn from the lottery players to the lottery organizers. A first question to be addressed is the overall profitability of lotteries in the Low Countries. The accounts of city governments, churches, charity institutions, and a rare

private lottery entrepreneur can be used to determine the profits and losses to be made in lottery organization. We calculated the revenue ratio (= revenue minus costs divided by revenue) of 83 lotteries organized between 1441 and 1607.

Graph 7. **Revenue ratio of lotteries over time**

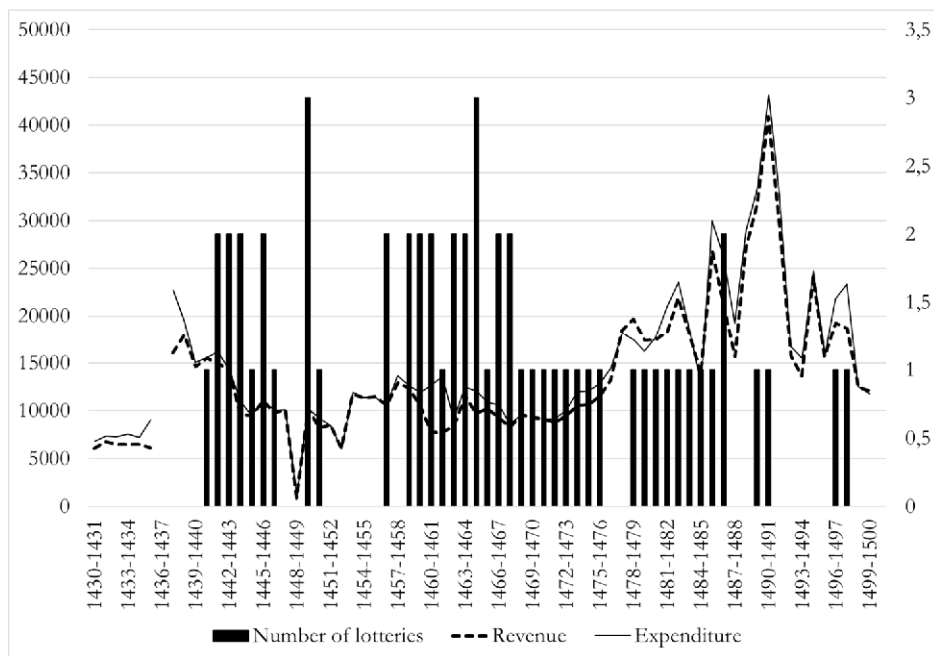


Source: author database.

The above graph visualizes several important findings. First, only one true loss was made on a lottery. The lottery of the Bruges city government in July 1468 significantly undersold, compared to the previous and later lotteries. The city tried to cut costs by spending less money on advertisement through couriers and placards in other towns in the Low Countries. This resulted in lower costs but also in substantially lower numbers of lottery tickets sold, a clear indication of the fact that lotteries sold well beyond the city walls. Bruges did not repeat that mistake: there was increased advertisement and the lottery of February 1469 delivered a handsome profit. Second, some lotteries, like that of 's-Hertogenbosch in 1564 flirt with loss. The 5% ROR of that lottery is explained by the huge investment in large pieces of silverware to serve as main prizes, a much larger cost compared to previous lotteries, and the mediocre response to this by lottery players. It is striking in this case that the city government of 's-Hertogenbosch did not reduce the number of prizes to be won. This was an option to those who had an official lottery license from the central government: if the lottery sold less than a fixed number of tickets, the lottery organizers were allowed to reduce the number of prizes a ratio of number of unsold tickets. At

several times did lottery organizers make use of this option which probably explains the rarity of realized losses in Low Countries lotteries. Third, with a median 50% and mean 53% revenue ratio, lotteries were clearly profitable. For city governments like Bruges in the second half of the fifteenth century, lotteries proved to be a valuable addition to their fiscal instruments.

Graph 8. Number of lotteries organized in Bruges and overall revenue and expenditure of the Bruges city government



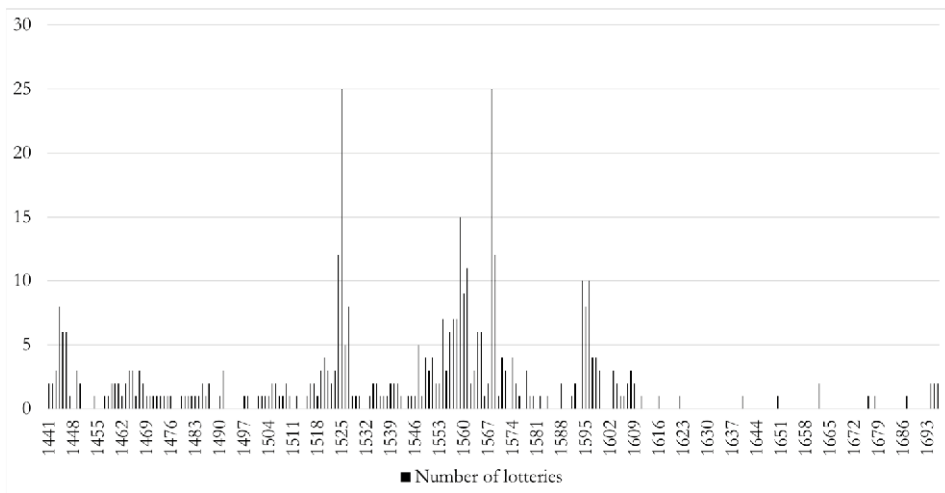
Source: Stadsarchief Brugges, Bruges city accounts, ARB, Rekenkamer, Bruges city accounts, author database.

What chronological patterns emerge out of an analysis of the Bruges lotteries? The first lottery organized in Bruges in 1441 was clearly intended to finance the large rise in expenditure (paying off the ducal fine after the 1436-1438 Bruges Revolt). Gradually, expenditure declined between 1441 and 1451 but this was obviously not only due to the revenue coming from lotteries: the lotteries held in this period contributed between 2.6 and 16% (6.2 % on average) of the city government's annual income. There were no lotteries in Bruges between 1452 and 1456, likely due to the instability during the Ghent Revolt (1449-1453). From 1457 to 1476 the Bruges government held a lottery (or several) almost every year. On average 2.3% of the annual urban government income came from lotteries in these years. The political instability after the death of Charles the Bold may explain the short pause in lottery organization

in 1477-1478. But the steep increase in expenditure in these years quickly turned Bruges to lotteries again from 1478 onwards (1.1% of total revenue). The Flemish revolts against Maximilian of Austria of the 1480s and early 1490s similarly led to growing expenditures. There were no lotteries in years of open war (1488-1489). It was too dangerous to send out messengers and transfer money in these years. But soon after the treaty of Montil-lez-Tours (1489), Bruges started to organize lotteries; these fetched large profits which helped Bruges to face the huge increase in expenditure after the Revolt. It took some time after 1491 for the lottery market to pick up again. But when it did, it paid off handsomely for the city's coffers: 21% of city government revenue came from the 1498 lottery. So, the relative value of lotteries to the city budget could fluctuate between 1% and 21%. It goes without saying that the city aldermen will have appreciated the revenues from this undisputed and voluntary tax.

Fourth, the revenue ratio is very variable, with interesting patterns over time. Some lotteries almost approach 100%, whereas others are at less than 40%. In the first decade of lottery organisation (1440s), there is steep drop in the revenue ratio. Perhaps the first lotteries, because of their novelty, sold really well and interest of the clientele declined quite quickly. The revenue ratio is between 40 and 60% in the next three decades (1450s-1470s). The 1490s, because of the ongoing Flemish Revolt, count substantially less lotteries. However, the few lotteries that were organized at the very end of the fifteenth century did exceptionally well.

Graph 9. **Number of lotteries organized in the Low Countries between 1441 and 1700**



Source: author database.

427 lotteries could be traced in a plethora of archives in and about the Low Countries between 1441 and 1700. This means that every year 1.64 lotteries were organized. But this number also includes the years in which no lotteries were

organized. If we take only the years in which at least one lottery was organized, the mean rises to 2.90 lotteries. 66 years had at least one lottery, 61 years between two and five. Eighteen years counted between 6 and 15 lotteries and the years 1525 and 1568 both had 25 lotteries organized in that year. These peak years were both driven by a substantial number of private lotteries, many of them without an official license.

The frequency of lotteries being organized and their almost guaranteed profitability makes one wonder why either the central government or city governments did not install a more frequent lottery than the one-offs that they were offering. Only Bruges in the fifteenth century organized a lottery on a yearly basis but stopped doing so in the sixteenth century. Did organizers think the market was already saturated? Did they feel it would be immoral to increase the frequency? What is clear is that for such a more frequent regime, weekly or monthly, risk-lovers would have to wait for the French Royal Lottery of the eighteenth century (Stigler 2022). Lotteries, like taxation and the issuing of debt, for example with annuities, were thus usually organized ad hoc to compensate current deficits (Boone 2022).

How did lottery organizers go about estimating the expected revenue of their lotteries? This was clearly a Knightian risk: how many tickets would their lottery sell? With this number in mind they could purchase prizes and gauge the costs of their enterprise. The estimated number could be based on prior experience or the agreement they made with the central government when they lobbied for the lottery license. However, we have seen that the number of tickets offered could be reduced en cours de route, the number of prizes could be reduced or the subscription period could be prolonged (Puttevils 2017, 706-707). It appears that the number of lottery tickets issued was calculated by multiplying the ticket price by the amount of revenue needed to fund construction projects or other intended purposes, after accounting for organizational costs. In this sense, the number of tickets was based less on projected demand and more on the specific financial target that organizers aimed to reach. The goal was to raise a predetermined sum to pay for certain budget tasks or to eliminate a deficit, not to maximize revenue beyond what was necessary. Therefore, ticket quantities were driven by immediate funding needs rather than market-driven estimates of how many tickets might realistically sell.

Interesting insights in ideas about risk and uncertainty in lottery organization can be gained from a trial at the Council of Brabant (the highest court of law in the Duchy of Brabant) at the end of the 1550s and the early 1560s between Jan Tourier and Franchois Van Lare provides. The conflict concerns the transfer of a lottery license and the value of the lottery. Jan Tourier had received a lottery license and had appointed Van Lare to do the administration of the lottery, but Van Lare mismanaged the lottery after having received the license. Tourier, in one of the pleadings argues as follows: «it is untrue that all winnings from lotteries are uncertain because, even if in other lotteries which have to be finished by a certain deadline the winnings are uncertain, the lottery of the plaintiff [Tourier], is different. The plaintiff does not have to have to end the lottery by a prefixed time, he can wait until the number of lots is full. If the full number is not reached, the privilege of His Majesty allows him to diminish the prize, so that he cannot but profit from the lottery and cannot lose». Franchois Van Lare begs to differ: «it is clear and notorious that all winnings and revenue of lotteries is uncertain (onseker)» and «the revenue and winnings of lotteries

are uncertain and hazardous, there might be no sure profit or loss to come from it». Van Lare also argues that the lottery that he received from Tourier was in fact also a lottery with a fixed deadline and as such the profit was uncertain. According to Van Lare, it was also not possible to reduce the number of prizes since this was not announced in the lottery advertisement. Reducing the prizes would enrage ticketholders and scare away potential buyers. Hence, the entire discussion pivots around the issue of risk and uncertainty of profit or loss for lottery organizers, with the number of lots and the subscription period as important variables.¹⁶

Historian of science Lorraine Daston has shown that the relationship between insurance – whether marine, life, or fire – and the development of mathematical probability was far less direct than it might initially seem. Insurance professionals were surprisingly slow to integrate the insights of early probabilists into their business practices. As Daston notes, «despite the best efforts of the mathematicians, the practice of risk was almost wholly untouched by the theory» (Daston 1988, 114). «It is clear that those who ran the lotteries had little to gain from calculating exact probabilities so long as profits rolled in» (Daston 1988, 145). In the case of lotteries, this seeming gap between theory and practice is even more striking – especially considering that several key figures at the forefront of seventeenth-century probability theory, such as Johan De Witt and Christiaan Huygens, were from the Low Countries and explicitly referred to lotteries (Hacking 1975).¹⁷

Recent research, however, has shown that this supposed gap between theory and practice did not exist, contrary to what I have also been arguing in previous work. Historian of mathematics Ad Meskens has found evidence for the calculation of the expected value of a lottery in 1580, so more than seventy years before Pascal and Fermat discussed it in correspondence in 1654 and before Christiaan Huygens defined expected value formally in *De ratiociniis in ludo aleae* (1657) (Meskens 2025). Geeraerd Gramaye (c. 1515–1588), a prominent lottery organizer who was ordered by the central government to set up a major state lottery that would never actually take place, left behind a handwritten booklet dated 1580. In it, he outlined various ideas for using state lotteries to generate revenue for the princely government – while also aiming to recover the fortune he had lost following his bankruptcy, another case of the interlinkage of risk, insolvency and lotteries. Gramaye's notes demonstrate his creativity in leveraging lotteries as a tool to convert the Low Countries' significant public debt or to sell off large, confiscated church properties by lottery. Winners of such estates would also receive the added reward of immediate ennoblement.

His calculations, though dealing with large sums – millions of guilders – are straightforward: he lists the prizes, their relative values, the total number of tickets, and the ticket price. However, he never considers the possibility that not all tickets might sell – a factor that could significantly reduce profits. Nor does he calculate the minimum ticket sales required to ensure that the organizer's share would exceed the costs of running the lottery. But he does calculate the expected value of lottery participation. Gramaye calculates the potential gain when one would buy 4,000 tickets

¹⁶ Rijksarchief Brussel, Raad van Brabant, Procesdossiers Particulieren, 309.

¹⁷ The texts by Huygens and De Witt can be found at:

<https://archive.org/stream/oeuvrescompltesd14huyg#page/64/mode/2up>
& http://www.dbnl.org/tekst/witt001waer01_01/witt001waer01_01_0002.php

for a value of 12,000 guilders. He arrives at an expected value of FL. 5,386, very close to the result of the modern expected value calculation of 5,317 guilders.¹⁸ The error is irrelevant here, it is the attempt and the logics of Gramaye's calculation of the profit one would win with 4,000 tickets that is significant here: there was clearly a connection between the practice of organizing lotteries and probability mathematics. Gramaye's calculation was an early instance of this, probably too early for its potential to be fully realized. Or as historian of the Roman world Jeffrey Toner put it: «Pascal's 1654 discovery of probability represented a significant step forwards in the understanding of uncertainty. But it was a shift along a spectrum, not a sudden change from darkness to enlightenment, from total ignorance to knowledge» (Toner 2023, 5).

5. Conclusion

In the second volume (*Les jeux de l'échange*) of his monumental work *Civilisation matérielle, économie et capitalisme* the French Annales historian Fernand Braudel describes the pre-industrial capitalist sector as a « système clos », something like a bell jar (according to Braudel's English translator, a term picked up by development economist Hernando de Soto) and urges historians to gain an understanding of why it took so long for capitalism to expand and conquer the whole society. Under the bell jar, merchant capitalists and members of the pre-industrial haute finance were at work but they had little impact beyond the realm of wholesale commerce and finance. In premodern times, Braudel's bell jar could be slightly lifted up, allowing the jinn of capitalism to escape to enthrall the world outside the jar. With this paper, I have argued that the lotteries organized in the Low Countries from 1441 onwards did exactly that: they lifted Braudel's bell-jar, attracting lottery players from all social backgrounds into a capitalist system. Whereas banks, annuities, bonds, bills of exchange – often put forward as modern financial instruments – were mostly used by the richer and mercantile layers of society, lotteries, because of the relatively low ticket prices, enticed a socially much more widespread clientele.

Various documents on the lottery phenomenon show that both lottery players and organizers saw the lottery as a form of risk, they «adventured» on it. Some players invested large sums of money and co-operated with one another in syndicates to share their risks. The lottery poems and references in various documents also point out that the players were not irrational fools, an accusation launched at lottery players already in the early modern period and down to today. They were realistic and clearly aware that the chances of winning were slim. If their ticket didn't bring them a prize, at least it contributed to a good purpose, as many said. The lottery organizers risked losing a lot of funds if their lottery did not attract enough revenue to cover its costs. Whereas this conference deals with risk mitigation, lotteries were about the domestication and popularisation of risk, to channel funds from risk-loving lottery ticket buyers towards the coffers of the lottery organizers, whether they be governments, churches, or private entrepreneurs.

Several historians see in the earliest lotteries the seeds of an emerging capitalist

¹⁸ The modern calculation: the sum of the expected values of the different prizes in the lottery, which are the probabilities that one wins one of these prizes.

society (Muchembled 1994). That seems evident: the lottery fits well within the bourgeois, materialistic culture that was developing in the wealthy trading cities. However, the creation of the lottery was far from marking the definitive breakthrough of a fully capitalist economy and society in the late Middle Ages and the early modern period. What it did do, though, was commodify chance. Through the lottery, chance was transformed into an economic product with tangible value – it was given a price, both in the form of the money paid to participate and in the prizes that could be won if Fortuna happened to smile upon someone. As an economic practice, the lottery was therefore one of the commodification processes that laid the foundation for the capitalist economy we know today.

Because of their public nature and the tolerant attitude of the government towards lotteries, lotteries had the capacity to draw far wider and larger social groups into Braudel's bell jar. Recent work by Nicholas Scott Baker on betting on the next pope in sixteenth-century Rome has shown how Italian merchant-bankers combined this business with other banking operations, of the kind that we clearly recognize today. Baker argues that this shows «the diversity and variability of commercial capitalism in the premodern world. It highlights the complexity of the economic culture of the period and argues strongly against simplistic notions of linear progression toward a single form of modern capitalism» (Baker 2024). However, such betting was limited to a much smaller number of people than the large numbers of those who participated in the lottery market of the Low Countries. Hence, the lotteries of the Low Countries as a particular culture of risk were a significant part of the history of capitalism.

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1. A premessa: Angelo Guernieri

1.1. Una trattatistica specifica sull'attività commerciale del legname è figlia di un'epoca prossima all'economia industriale piuttosto che a quella preindustriale. Il caso più esplicito e precoce che conosco in ambito italiano è il *Manuale pel commerciante dei legnami* di Angelo Guernieri, pubblicato a Trieste nel 1862.

Il sottotitolo, nella sua interezza, è una *summa* ragionata dei contenuti: *Con cenni risguardanti l'origine dei boschi, l'analisi d'un albero, i dati per distinguere alcuni alberi da costruzione, i segni per conoscere la buona qualità degli alberi, il taglio degli alberi, il difetto degli alberi e dei legnami, l'incurvazione del legname ecc. ecc. con un piccolo vocabolario delle voci tecniche più in uso*. Il *Manuale* si presenta quindi come un compendio utile ad affrontare la produzione a partire dalla pianta in piedi piuttosto che a predisporre la commercializzazione dei lavorati del legno, benché sempre nel frontespizio si avverta che si tratta di una *Opera indispensabile a chiunque si dedica a questo commercio*. Caratteri più ibridi e pratici sono riversati invece nell'ampio glossario in calce, il *Vocabolario delle voci tecniche più in uso per designare i principali pezzi di legname sia nel primo lavoro, come nell'architettura civile e navale e negli affari comuni nel commercio del legname* (Guernieri 1862, 109-143), dove oltre agli aspetti più propriamente selvicolturali si trattano i segmenti della filiera, dall'esbosco ai trasporti, e si descrivono le pezzature commerciali, soprattutto quelle delle imbarcazioni.

Sei anni prima (1856, e in seconda edizione nel medesimo 1862) Angelo Guernieri aveva pubblicato presso lo stesso editore un altro libro di carattere più pratico: *Cubazioni dei legnami squadrati e rotondi. Con cenni riguardanti il taglio degli alberi ... e cinque tabelle riguardanti le denominazioni e dimensioni di quelli che si vendono a Trieste, Venezia, Fiume, Milano e Roma*, opera che, sempre il frontespizio, definiva *Libro utilissimo agli ingegneri, negozianti, costruttori navali, impiegati boschivi ecc.* Si trattava di un prontuario utile a mettere a confronto pezzature, misure, denominazioni delle qualità commerciali in uno spazio più variegato di quello sul quale tradizionalmente confluiva il legname dell'area alpina orientale, ossia Venezia e il suo scalo.

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Dalla metà dell'Ottocento l'orizzonte degli sbocchi di questa risorsa si era oramai ampliato, nel caso di Trieste soprattutto per ragioni istituzionali e infrastrutturali perduranti: dopo l'apertura del porto franco nel 1719, nel 1857 era stata completata la Südbahn, la Ferrovia Meridionale, che univa il porto con Vienna passando per Graz e Lubiana (Andreozzi 2020; Finzi, Panariti e Panjek 2003).

Non era un caso, dunque, che queste due opere sul commercio del legname scritte dal bellunese Angelo Guernieri – che si definiva «maestro di scrittura semplice e doppia, geografia e corrispondenza mercantile» (Guernieri 1862, frontespizio) – venissero pubblicate dall'editore Colombo Coen di Trieste, ebreo di origini veneziane che aveva aperto una tipo-litografia ed una libreria in città dopo essersi trasferito nel 1848 (Paris 2014, 81). Con questa scelta, Guernieri, che sarà attivo a Belluno anche come tipografo-editore incisore (Buzzati 1890, *passim*) e giornalista per la Camera di commercio (Vendramini 2005, 54-58), avrebbe indubbiamente raggiunto un pubblico di lettori più folto e interessato, in una fase di espansione del commercio del legname e di allargamento degli spazi della produzione.

Il libro di Guernieri può essere accolto come un piccolo episodio da collocarsi sullo sfondo di quel processo noto come '*timber frontier*', l'estendersi verso l'Europa centro-orientale degli spazi della produzione del legname, che caratterizzò la crescita continentale del commercio e dell'economia forestale dalla seconda metà dell'Ottocento, facilitata dalla costruzione della rete ferroviaria che peraltro abbisognava di grandi quantitativi di legname per essere realizzata (Bemmann 2024; Daheur 2024; Bonan 2023).

Per molti aspetti questo processo, avvenuto lungo l'Ottocento, trova dei corrispettivi espliciti nella 'corsa al legname' che aveva caratterizzato la prima età moderna nell'area alpina orientale (Occhi 2020) sulla spinta della crescita della domanda nella Penisola e nei mercati mediterranei, e che aveva allora in Venezia il suo terminale e il principale centro di smercio. La produzione aveva luogo fra le montagne, specie quelle raggiungibili dai corsi d'acqua più adatti a trasportare tronchi e legname sulle zattere. Fra questi vi era indubbiamente il bacino del Piave, al quale l'area del Comelico, del Cadore e del Bellunese, ossia la regione di riferimento di Angelo Guernieri, facevano capo.

Rispetto alla letteratura selvicolturale ed al dibattito sulla scarsa produttività delle selve, interesse principale di una pubblicistica che crebbe in termini qualitativi e quantitativi durante l'Ottocento (Sansa 1997), il piccolo manuale di Guernieri (143 pagine di piccolo formato) rappresenta un caso isolato proprio perché adotta il punto di vista di chi usufruiva di una risorsa peculiare come il bosco per la propria speculazione. Questa prospettiva travalicava e rendeva manifeste le tendenze già emerse nel dibattito settecentesco sulla mancata produttività dei boschi italiani, nel quale le forme di conduzione e di possesso di queste risorse erano state ripetutamente messe all'indice; in particolare, la proprietà collettiva e pubblica, alla quale per la gran parte erano soggetti i boschi, era un bersaglio comune nel dibattito negli antichi stati (Vecchio 1974; Dattero 2024). La critica a quell'«altro modo di possedere» non si sopì durante l'Ottocento, ma la progressiva erosione dei diritti collettivi e comunitari a

favore della proprietà privata, che in montagna fu arginata (Bonan 2019), non riuscì comunque a soddisfare il livello dei consumi senza il ricorso all'importazione. Lo stesso manuale di Guernieri dedica molto spazio all'esportazione dai paesi europei, con particolare riguardo alle province austriache che avevano in Trieste il mercato di sbocco mediterraneo, dalle quali derivava parte considerevole del legname introdotto in Italia.

Anche su questo fronte, e sempre dal punto di vista di Venezia quale scalo mercantile privilegiato del legname lungo l'età moderna, le analogie non mancano. La 'corsa' ai boschi e al legno aveva riguardato i territori imperiali oltralpe, ricchi di conifere, con grande intensità soprattutto dalla seconda metà del Cinquecento, nei bacini dell'Adige e del Brenta, ma pure in quelli dei Piave e del Tagliamento (Occhi 2022; Lorenzini, Occhi 2022).

In sintesi, il manuale di Guernieri trattava la natura degli alberi nelle diverse essenze, insieme ai difetti che le piante potevano presentare; a queste nozioni si univano intrinsecamente quelle del taglio e della predisposizione dei tronchi per l'esbosco, il primo segmento dei trasporti. Da questo passaggio si affrontavano le questioni legate alla gestione del legname, ormai giunto in segheria e lì lavorato: i prezzi comparati fra diverse piazze commerciali; il peso e le formule adoperate per valutarne volumi e costi; le modalità di conservazione. Alcuni capitoli erano riservati al lavoro dei boscaioli e dei segantini ed ai loro salari giornalieri, prima di soffermare il discorso su alcune essenze particolari (come il noce) ed i prodotti derivanti dal legname, come il carbone e la cenere (con la quale produrre potassa). Solo nell'ultima parte del testo si cominciavano a trattare questioni più propriamente legate al commercio: l'esportazione e l'importazione, le diverse modalità di misurazione con relative tabelle per la squadratura dei tronchi, oltretutto, in un capitolo apposito, le stime dei boschi (Guernieri 1862, 68-72).

A ben guardare, il manuale di Guernieri si presenta come un compendio poco lineare, un insieme di brevi capitoli utili a far proprie competenze per investire nel settore. Solo riorganizzando il testo si potrebbe stabilire un percorso coerente alla filiera produttiva del legname e le conseguenti conoscenze necessarie alla commercializzazione dei prodotti che ne derivano. Per le nostre finalità non è di poco conto rilevare come Guarnieri si soffermi ripetutamente sulle molte 'difficoltà' che il commerciante si trovava ad affrontare. Senza sciogliere ogni nodo della rete produttiva e commerciale del legname, il rischio di insuccesso economico era concreto.

1.2. In questo contributo ricostruirò la filiera del legname nell'area alpina orientale durante l'età moderna (§2). Mi concentrerò sulle infrastrutture e il nodo dei trasporti, i fattori più problematici della filiera che i soggetti coinvolti, dalle istituzioni ai mercanti, dovevano affrontare (§3). Per le sue peculiarità il commercio del legname garantiva vantaggi a chi se ne occupava nel tempo: un fattore decisivo e condizionante per l'organizzazione del lavoro e per gli investimenti da adottare in ciascuna fase della filiera. Mi soffermerò infine (e in sintesi) su due casi, due famiglie

di mercanti di legname attive in questo contesto geografico, le cui vicende imprenditoriali e parentali possono contribuire a comprendere come il legname fosse un settore pieno di opportunità e fitto di rischi (§4). Anticipando un elemento conclusivo, possiamo fin d'ora affermare che la tenuta nel tempo dei legami parentali e il mantenimento delle strategie adottate per consolidare l'economia familiare erano fattori determinanti per gestire i rischi in questo settore decisivo per l'economia preindustriale.

2. Il contesto: Venezia, i boschi, i mercanti

2.1. Il rapporto di Venezia con il legname è congenito: si tratta di una città, in parte costruita sul legno, che al principio del Cinquecento era una fra le più popolate d'Europa, con bisogni costanti di energia e di risorse per le costruzioni e per le sue attività economiche (le vetrerie, la zecca). Fra queste l'Arsenale rappresentava uno dei suoi pilastri, anche sul versante simbolico. La potenza della Dominante era stata costruita sul mare e dal mare, e la sapiente costruzione di imbarcazioni sempre più grandi era la precondizione non solo della supremazia sui traffici mediterranei ma del potere stesso del patriziato e del ceto mercantile. Alla base della legislazione forestale pubblica dello Stato marciano, sviluppata a partire dagli anni Settanta del Quattrocento, vi era l'esigenza di preservare gli approvvigionamenti di legname indispensabili all'Arsenale. Si trattava di misure protettive e di riserva che andavano ad intaccare essenze specifiche, come i roveri necessari allo scafo, e boschi interi da dove estrarre piante adatte alle altre parti dell'imbarcazione, dagli alberi ai remi.

I 'bandi' sanciti su alcune foreste servivano a garantire continuità di funzionamento a questa industria e le misure di riserva proseguirono fino agli anni Ottanta del Cinquecento, e furono estese dal Cadore alla montagna friulana, all'Istria e alla Dalmazia (Vergani 2006; Appuhn 2009). Quanto e come l'Arsenale e la Repubblica si siano effettivamente avvalsi di questa risorsa è tema storiografico risalente ma ancora vivo (Vergani 1991; Lazzarini 2021). Non è fuori luogo ritenere che la scelta operata dal patriziato di volgere lo sguardo verso l'entroterra, al principio del Quattrocento, sia stata dettata anche dalla necessità di capitalizzare e ottenere vantaggi duraturi dallo sfruttamento del patrimonio forestale (Vergani 2010), e non solo dalla terra.

Concentrata sulla città e sulle misure di protezione dei boschi, ma pure sul ceto mercantile e marittimo nei suoi legami intrinseci con il governo dello Stato (Cecchini, Pezzolo 2012), la storiografia sulle risorse forestali è stata a lungo viziata da questa prospettiva (Zannini 2012). Uno studio recente di Antonio Lazzarini (2023) dedicato ad uno dei boschi banditi, il bosco di San Marco (noto anche come Vizza di Somadida) nell'area di Auronzo di Cadore, ha dimostrato come nell'arco di oltre tre secoli le difficoltà della gestione pubblica furono molteplici, con scelte spesso del tutto improduttive e pericolose per la sua stessa sostenibilità. A seconda delle congiunture, comprese quelle militari legate alle guerre di Candia (1645-1669) e Morea (1684-1699), la pressione sulle risorse aumentava, comportando tagli

indiscriminati che avrebbero impedito la rigenerazione delle piante (Lazzarini 2023, 53-60). Del resto, il bosco di San Marco era stato bandito proprio per la qualità e quantità di abeti e larici adatti alle alberature delle navi, comprese quelle della flotta da guerra. Non solo: l'esbosco e i trasporti, ai quali contribuivano di persona e in solido le comunità cadorine, erano spesso causa di danni alla rete stradale e agli argini dei corsi d'acqua, quando si decideva di procedere con la fluitazione sciolta dei tronchi. Si tratta di aspetti della gestione delle foreste incoerenti non solo rispetto alle conoscenze selvicolturali coeve (maturate come disciplina scientifica soltanto in tempi successivi), ma pure rispetto ai costi e ai rischi connessi alla salvaguardia del bosco stesso e dei sistemi di estrazione del legname.

2.2. La precoce legislazione forestale veneziana e il ruolo dell'Arsenale hanno condizionato la storiografia sui boschi e sul commercio del legname. Venezia e il suo porto erano uno scalo decisivo per tutto il legname che vi giungeva attraverso la rete fluviale e stradale: i consumi interni cittadini, quelli delle attività produttive e il commercio adriatico e mediterraneo erano governati dai mercanti, gran parte dei quali veneziani, che soprattutto dal Cinquecento cominciarono ad investire in maniera massiccia nel comparto del legno.

La maggior parte dei fabbisogni veniva soddisfatta non tanto (e non solo) attraverso le riserve, che rappresentavano quantitativamente una porzione del tutto marginale rispetto ai boschi nella loro interezza, ma grazie ai mercanti che operavano in un contesto ampio ed esteso oltre i confini della Repubblica, avvalendosi dei boschi della comunità della Terraferma e delle giurisdizioni imperiali che si trovavano oltre e sui versanti delle Alpi.

La parte preponderante dei boschi dei territori veneziani, in virtù della peculiare legislazione statale sui beni 'comunali', era detenuta dalle comunità di villaggio e dai loro aggregati (Barbacetto 2008). A loro spettava il diritto di avvalersi direttamente di queste risorse per gli usi e i consumi interni. Si trattava di risorse ingenti, che travalicavano i fabbisogni delle comunità e che pertanto potevano essere immessi nel mercato attraverso gli affitti; in tal modo, le comunità diventavano soggetti attivi dello scambio. Fra le montagne e oltre i crinali delle stesse, da occidente ad oriente, si estendevano diverse giurisdizioni imperiali ricche di risorse, dalla Contea del Tirolo a quella di Gorizia. In tutti questi territori i tagli dei boschi venivano garantiti dallo Stato per mezzo di concessioni. Generalmente (e semplificando) l'uso dei boschi, pure assicurato alle comunità, era disciplinato dalle magistrature minerarie che concedevano il loro sfruttamento commerciale per tempi più o meno lunghi (Occhi 2015).

La conoscenza di questo fronte istituzionale era cruciale per supportare, limitando i rischi, la rete di rapporti che i mercanti dovevano costruire nella loro attività (Lorenzini, Occhi 2022; Fusaro 2022).

2.3. Questo quadro giurisdizionale aveva un corrispettivo nelle modalità differenziate di governo dei boschi, che possono essere riassunte nei due sistemi di

taglio diffusi: a scelta, maggiormente praticato nell'area veneta, e a raso, per settori, adottato fra le provincie imperiali. Quel che accomunava ogni contesto era una condizione infrastrutturale ineludibile: la possibilità di avvalersi dell'acqua per l'esbosco e per i trasporti, una precondizione per la valorizzazione dei comparti. Ciò determinò una cronologia territorialmente diversificata della 'corsa' al legno, in ragione delle caratteristiche della rete idrografica. Vallate ricche di boschi potevano essere trascurate in favore di comparti meno preziosi ma meglio serviti per i trasporti (Occhi, Lorenzini 2025).

Questi due aspetti, istituzionale e infrastrutturale, sono quelli che maggiormente condizionarono lo strutturarsi della filiera del legname. Per ciascun segmento di essa, i soggetti coinvolti nella sua gestione erano chiamati a rispondere alle diverse gradazioni di rischio connesse alla riuscita dell'impresa.

3. La filiera del legname: il nodo dei trasporti e delle infrastrutture

3.1. Nel riconoscere alla produzione del legname la forma di filiera, si decreta la sua maturità e stabilità, nella quale la valorizzazione delle risorse avveniva grazie ai capitali investiti, al coinvolgimento di lavoratori e tecnici, all'ausilio di infrastrutture consolidate. Così si può ritenere la filiera del legname nell'area alpina orientale dal principio dell'età moderna (Ferigo 2008), quando la documentazione in proposito diventa più solida, sebbene esista anche per il basso medioevo.

In generale, la valorizzazione dei boschi e il mercato del legname implicavano dei rischi fin dalle prime fasi della filiera, ossia la scelta e l'abbattimento delle piante. Per ogni fase successiva (esbosco; trasformazione dei tronchi in tavole; trasporto) i rischi connessi alla riuscita di una condotta si sommavano ma, come vedremo, per come erano organizzate le imprese mercantili non necessariamente si moltiplicavano.

3.2. Il diritto di tagliare un bosco veniva disciplinato dalle concessioni e dagli affitti, per ottenere i quali i mercanti dovevano instaurare rapporti con comunità e magistrature degli stati. Si tratta della fase preliminare alle operazioni di scelta e abbattimento delle piante, il primo segmento della filiera. Talvolta erano formalizzazioni contestuali o addirittura stabilite in forma non scritta (Occhi 2024), ma nel corso dell'età moderna gli affitti cominciarono ad essere sanciti con sufficiente regolarità in forma pubblica dai notai. Raccogliendo e confrontando questi contratti si possono riscontrare alcuni elementi comuni, utili a comprendere come avvenisse la valorizzazione delle risorse boschive.

In sintesi, i contratti stabilivano inizialmente dei confini; non proprio delle estensioni (riconosciute soltanto dai catasti più tardi) ma dei limiti che non intaccassero il possesso altrui, soprattutto di un'altra comunità. Era, questa, causa frequentissima di liti e controversie (Ambrosoli, Bianco 2007) nelle quali i mercanti figuravano fra i principali protagonisti, capaci anzi di condizionare le decisioni assunte in giudizio (Lorenzini 2007).

Nei contratti stabilivano soprattutto i tempi. Raramente un affitto durava meno di qualche anno; preferibilmente, si prolungava per almeno due o tre decenni, ma si sono riscontrati casi anche di sessanta o settant'anni. La durata trentennale corrispondeva a tempi adeguati al rinnovo del manto forestale, in particolare ove il taglio a scelta era la modalità consueta di gestione (Bonan, Lorenzini 2021).

Infine, vi erano le condizioni economiche, stabilite 'a corpo': non era il numero dei tronchi estraibili il riferimento in base al quale fissare il valore di un bosco, ma il tempo necessario ai mercanti per estrarne quelle stesse piante, col vincolo di non abbattere piante giovani, solitamente di un diametro inferiore ai 12 centimetri, che garantivano il rinnovo del manto forestale.

3.3. Queste condizioni costringevano i mercanti ad adottare delle strategie appropriate per vedere garantita la continuità di sfruttamento dei boschi. Ottenere in affitto un bosco significava mantenere buoni rapporti con chi ne deteneva i diritti, non soltanto contestualmente alla stipula dell'affitto ma nel corso dei decenni a venire.

Una delle strategie adottate di frequente erano i doni elargiti alle chiese delle comunità, sotto forma di offerte, acquisto di manufatti e dotazione di altari. Inoltre, i mercanti sopperivano ad esigenze concrete della comunità, come l'approvvigionamento di granaglie e di vino, beni dei quali le montagne erano strutturalmente deficitarie (Occhi 2015).

Nel contempo, ed allorquando il raggio di azione dei mercanti andava ampliandosi, una delle strategie più efficaci e consolidate per stabilire rapporti duraturi con le comunità era quella di risiedervi diventandone parte integrante. Era propria delle famiglie mercantili meglio organizzate la scelta di detenere residenze plurime o, meglio ancora, di suddividere fra parenti i compiti di governo della filiera, dagli spazi della produzione all'approdo dei legnami in Laguna (Corazzol 2016; Occhi, Lorenzini 2023). Questa scelta comportava una estensione orizzontale, non soltanto verticale, dell'organizzazione aziendale familiare, nella quale coinvolgere i fratelli (innanzitutto) ma pure i cognati, non solo i figli. Si trattava di una strategia che conteneva all'origine i rischi della concorrenza: controllando gli spazi della produzione e della trasformazione del legname, si garantiva la continuità delle forniture. Nel contempo, mantenendo residenze diverse e diffuse nel bacino di produzione e commercializzazione del legname, si estendeva geograficamente il raggio d'azione del gruppo.

3.4. Per stabilire il valore di un bosco e raggiungere un accordo sui termini economici dell'affitto, si poteva procedere attraverso una stima. Le competenze necessarie ad effettuarla venivano riconosciute ai tecnici e ai periti, fra i quali si possono annoverare i notai delle comunità. Questo passaggio non era un prerequisito nella stipula dei contratti; tuttavia, la menzione di queste figure nei contratti si può riscontrare sempre più di frequente nel corso del Settecento.

Le operazioni di stima venivano affidate a personale nominato dalle parti e condotte da almeno due persone. Qualora queste non avessero trovato un accordo, era loro facoltà nominare un terzo affinché sciogliesse ogni riserva. Era soprattutto in queste occasioni di mancato accordo preventivo che si palesavano le forme di connivenza nelle decisioni che si andavano ad assumere. Spesso tecnici e periti incaricati delle stime erano persone direttamente coinvolte nel mercato, sia come mercanti che come agenti o servitori degli stessi mercanti interessati ai boschi da stimare. Certo, questo ruolo garantiva loro le competenze tecniche, ma non poteva fornire la garanzia di terzietà nei giudizi. Analogamente a quanto accadeva nelle controversie per i confini (Bragaglia 2015; Pozzan 2013, 165-216) anche le operazioni di stima sbilanciavano a favore dei mercanti i vantaggi derivanti da un affitto (Lorenzini 2018).

Con questo modo di procedere i mercanti, prima ancora di cominciare ad abbattere le piante, limitavano i rischi derivanti da stime troppo puntuali.

3.5. Scelta e abbattimento venivano effettuati con due vincoli principali. Il primo era la grossezza delle piante, alla quale si accompagnava una intrinseca valutazione della loro salubrità prima ancora di far partire i colpi delle scuri alla base dei tronchi. Il secondo era comprendere attraverso quali modalità potesse essere effettuato; era preferibile che ciascuna pianta abbattuta cadesse in modo tale da rendere meno difficile la fuoriuscita dei tronchi dal bosco. Una volta atterrate le piante, si doveva procedere all'allestimento dei tronchi, sramando e scortecciando i fusti per renderli trasportabili. Tanto maggiore era la distanza di concentrazione dei tronchi dall'abbattimento della pianta, tanto più elevati erano i costi.

Entrambe queste operazioni venivano svolte da squadre di boscaioli, impiegati stagionalmente dai mercanti. Dopo i periti, erano i primi lavoratori ad avere un rapporto di lavoro con i mercanti o i loro agenti. I pagamenti effettuati da questi erano in forma mista: in danaro e in beni alimentari (granaglie, formaggio, vino). Questa modalità retributiva, perdurante nei pagamenti lungo tutta la filiera del legname, e non solo in questa fase, andava a netto vantaggio dei mercanti, i quali assumevano in tal modo il ruolo di fornitori di derrate (Occhi 2006, 89-92). In più, oltretutto governare i flussi di merci in uscita come il legname, gestivano i traffici in entrata, come quelli delle derrate e del vino. Con questa strategia commerciale, che li poneva in una posizione di netto vantaggio rispetto ai loro sottoposti, i mercanti limitavano ulteriormente i rischi degli inconvenienti derivanti dai tempi di abbattimento e di prima lavorazione dei tronchi.

3.6. L'esbosco rappresentava una delle fasi più onerose e rischiose della filiera.

Innanzitutto, per contenerne i tempi, si poteva ricorrere alla stagione invernale, sfruttando lo scivolamento dei tronchi sulla neve o sul ghiaccio. In questa fase era indispensabile il ricorso ad animali, cavalli o buoi, coi quali trascinare i tronchi. Qualora questi si trovassero distanti dai corsi d'acqua, o i torrenti non risultassero adatti a trasportarli, si dovevano allestire delle infrastrutture apposite: scivoli (le

‘risine’) composti da tronchi disposti longitudinalmente a formare canali artificiali. Ciò consentiva di abbattere tempi e costi di trasporto.

Una volta raggiunti i corsi d’acqua, in taluni casi, dove i torrenti scorrevano fra pareti rocciose, si potevano allestire le ‘stue’, sbarramenti in legno provvisti di paratie per creare dei bacini artificiali ove innacquare i tronchi. Una volta aperta la ‘bocca’ della ‘stua’, i tronchi precipitavano a valle anche per alcuni chilometri e permettendo di ridurre, anche in questo caso, costi e tempi dell’esbosco (Lorenzini 2023).

L’allestimento di infrastrutture come le ‘risine’ e le ‘stue’, però, era molto costoso e faceva capo solitamente ai mercanti. Inoltre il buon funzionamento e la manutenzione di queste opere aveva bisogno di personale specializzato. Ancora, il loro utilizzo era estremamente invasivo dal punto di vista ambientale: le fluitazioni sciolte, come quelle innescate dalle ‘stue’, compromettevano gli argini dei torrenti a valle. C’era, poi, il rischio della dispersione dei tronchi, che squadre apposite di lavoratori erano chiamate a recuperare sul letto dei torrenti una volta concluso il loro deflusso; tutte operazioni che facevano lievitare tempi e costi.

Il ricorso agli animali per l’esbosco richiedeva competenze ulteriori per i lavoratori e investimenti in foraggio per i mercanti. Derivava da questa necessità l’interesse che diversi di loro dimostravano nei confronti degli alpeggi, i comparti pascolivi utilizzati durante l’estate, dove portare il bestiame adoperato nel bosco e, possibilmente, far produrre il formaggio, merce utilizzata nei pagamenti ai lavoratori (Lorenzini 2011). La diversificazione adottata dai mercanti li agevolava, di nuovo, nel contenere i costi di produzione.

3.7. Giunti i tronchi nelle segherie, venivano trasformati in tavole.

Il funzionamento delle segherie avveniva grazie all’acqua, ma per mantenere costante il movimento delle lame era necessaria la regolarità dei flussi. Si trattava di una condizione non sempre facile da ottenere, visto il carattere torrentizio dei corsi d’acqua alpini e la concomitante presenza di mulini che avevano bisogno della medesima risorsa per funzionare a dovere. Non è infrequente riscontrare, anche alla luce degli interessi propri di chi operava sul mercato delle granaglie, mercanti che possedevano segherie e mulini, oppure che controllavano entrambi (Lorenzini 2024, 204 e 224). Anche questa strategia rientrava nella necessità di limitare le oscillazioni nel funzionamento degli opifici, garantendo continuità di produzione e limitando i rischi delle mancate forniture.

La proprietà di queste macchine, la cui distribuzione era funzionale al sistema dei trasporti fluviali e stradali (Lorenzini, Occhi 2025), era spesso appannaggio degli stessi mercanti, ma non mancavano imprenditori che investivano in questi impianti specializzandosi e lavorando a servizio dei primi.

3.8. Le tavole prodotte in segheria venivano trasportate a valle sui carri o, con maggior facilità e stoccaggio, sulle zattere, chiatte composte da tronchi incastrati e intrecciati e condotte dagli zatterai.

Come per tutti i trasporti fluviali condizionati dalle portate discontinue delle acque (Braudel 1981, 348-52), tanto più in ambito montano, esisteva una precisa soglia di navigabilità delle zattere – oltre la quale era impossibile allestirle (Lazzarini 2007; Occhi, Lorenzini 2025) – che identifica la geografia dei porti e gli spazi adatti a raccogliere il legname ed approntare questo sistema di trasporto peculiare in tutto il continente europeo (Jacob-Rousseau, Jarrige, Langoureau 2023). La difformità nelle portate e il carattere del deflusso dei principali fiumi dell'area alpina orientale – Adige, Brenta, Piave e Tagliamento – era ampia e determinava una corrispondente differenziazione dei costi e dei tempi dei viaggi delle zattere, oltreché rischi di rovina, dispersione e morte dei conducenti. Le zattere potevano giungere nell'area litoranea per poi venire qui disallestite, con il trasferimento del legname in imbarcazioni adatte a raggiungere Venezia; oppure, raggiungevano direttamente la Laguna e i suoi depositi.

I porti di zattera erano punti nodali della rete commerciale, prossimi alla dislocazione delle segherie, e gli uni e le altre erano spazi di presidio puntuale da parte dei mercanti o dei loro agenti: vi si concentravano i flussi di legname in uscita e, nel contempo, i prodotti in entrata, frutto dello scambio montagna-pianura.

3.9. Come si evince da questa rassegna, l'esbosco e il trasporto possono essere considerati i segmenti della filiera più dispendiosi e rischiosi per i mercanti. Entrambi richiedevano la predisposizione di infrastrutture e l'impiego di manodopera specializzata. Inoltre, la dispersione, i furti e i danni provocati dalle fluitazioni erano soltanto alcune delle eventualità alle quali i mercanti dovevano far fronte per riuscire ad ottenere dei vantaggi congruenti con i loro investimenti. Erano tutti fattori che per essere governati richiedevano tempo.

4. Il tempo dei mercanti

4.1. Il governo del tempo – uno dei costi di transazione della produzione e del mercato del legname – costituiva il fattore determinante per riuscire ad ottenere dei vantaggi e contenere i rischi.

In base alle caratteristiche della filiera produttiva, per riuscire a ricavare vantaggi le imprese dovevano garantire un impegno costante negli investimenti, e attendere: a questo proposito la durata degli affitti è un indicatore esplicito e una condizione non negoziabile. In questo settore l'organizzazione aziendale a base familiare si dimostrava particolarmente adattiva anche per riuscire a sostenere questi investimenti pluridecennali. Il coinvolgimento di figli e parenti nelle imprese significava per le famiglie un impegno perdurante per almeno due (o tre) generazioni, come i tempi lunghi di accrescimento dei boschi e degli affitti avrebbero richiesto.

La letteratura sul mercato del legname nell'area alpina orientale si è più volte soffermata sul ruolo dei mercanti, fin dalla fase tardo medievale (Brauenstein 1988; Varanini 1995), classificando questi gruppi in virtù del loro volume di affari. Nel tempo, si possono riscontrare nei bacini forestali numeri significativi di piccoli

mercanti, dediti ad un singolo segmento della filiera (come è il caso, talvolta, dei proprietari di segherie). Invece, le famiglie di mercanti ‘globalisti’ (Corazzol 2016; Bianco 2001), ossia quelli che riuscivano a controllare e governare l'intera filiera del legname e gli scambi fra le montagne e le pianure, erano quelle meglio organizzate per riuscire a mantenere la continuità del loro impegno nel settore, spesso avendo base a Venezia. Per preservare questo loro assetto costruivano nel tempo alleanze matrimoniali fra gruppi mercantili coinvolti nel commercio del legname, adottando una forma di endogamia imprenditoriale e professionale. Ciò garantiva la trasmissione del sapere tecnico e commerciale, ma soprattutto ampliava il raggio d'azione a diversi bacini forestali e consolidava fra le generazioni la posizione di mercato raggiunta.

Come abbiamo anticipato, la diversificazione era una delle strategie adottate per affrontare i rischi della produzione. L'investimento terriero, in ragione della natura degli scambi fra montagna e pianura, era uno di questi, ma possiamo ricordare ancora l'interesse dei mercanti per gli alpeggi, oppure quello per il settore minerario, connesso e affine alla valorizzazione dei boschi (Corazzol 2016, *passim*).

In tutti questi settori gli investimenti richiedevano tempo, non solo per maturare e dare frutto ma per consolidarsi e limitare i rischi d'impresa. La fiducia sottesa ai legami parentali, compresi quelli che si raggiungevano con i matrimoni, era la preconditione necessaria per ridurre i rischi dei legami deboli, come potevano essere quelli con le comunità di villaggio detentrici dei diritti sui boschi; i doni che i mercanti facevano alle comunità e la loro scelta di risiedervi erano strategie adatte a limitare questo azzardo.

4.2. Perarolo di Cadore, situato alla confluenza del torrente Boite nel Piave, era uno degli snodi principali del traffico di legname di tutta l'area alpina orientale. Qui arrivavano sia legnami dai comparti dell'Ampezzano (e del Tirolo) che dal Comelico e dal Cadore, così come dalla alta valle del Tagliamento in Carnia. A Perarolo era possibile allestire le zattere e far defluire i tronchi con maggior agio a valle, dove nel segmento di Piave che raggiunge Longarone si concentrava un numero elevatissimo di segherie. Durante la seconda metà del Seicento, il Capitolo dei mercanti da legname del Cadore, corporazione veneziana che riuniva i mercanti attivi nel bacino del Piave, aveva ottenuto il permesso di costruirvi un ‘cidolo’, sbarramento artificiale grazie al quale concentrare a monte i tronchi e, una volta aperto, farli defluire progressivamente a valle; a Perarolo ne esistevano due, uno sul Piave ed uno sul Boite (Agnolletti 1996).

A partire dal Quattrocento, quando il porto cominciò a consolidarsi, e fino almeno alla Grande guerra, il controllo di Perarolo è stato appannaggio di casate mercantili fra le più preminenti nel settore del legname in tutta la Repubblica di Venezia. Fra le più durature vi erano gli Zuliani.

Il primo membro della casata era giunto a Perarolo da Ampezzo (Cortina) a metà Quattrocento. Faceva il notaio. Già al principio del Cinquecento un ramo della famiglia si stabilì a Ceneda (Vittorio Veneto), nella fertile area collinare a ridosso delle montagne bellunesi, mantenendo legami stretti con Perarolo, e costituendo un fondamento solido nel gioco degli scambi fra legname e derrate alimentari. Esaminando (sinteticamente) la geografia delle parentele acquisite con i matrimoni dai membri di questo ramo, si può affermare che almeno fino alla fine del Seicento si suddivideva equamente fra le montagne – dal Comelico al Cadore – e le pianure, dove si consolidò durante il Settecento: Conegliano, Oderzo, Sacile... fino a Venezia.¹ Nel 1713 un altro ramo della famiglia fu aggregato al Consiglio di Ceneda, ottenendo in tal modo un titolo patrizio, forte del possesso di terre accumulate nel tempo che garantivano loro ampie rendite (Maierotti 2003). Nel mentre, il ramo di Perarolo – o, meglio, i due rami principali che vi convivevano – consolidavano i legami con altre famiglie mercantili del luogo e del Cadore. Dal principio del Settecento le parentele cominciarono ad estendersi a sud, verso Belluno e Venezia.

L'interesse commerciale sui boschi da parte degli Zuliani fu precoce e, alla luce di ciò, azzeccata la scelta di stanziarsi a Perarolo. Negli anni Settanta del Cinquecento i fratelli Giacomo ed Andrea Zuliani chiesero di poter costruire una 'stua' per estrarre legname dai boschi pubblici cadorini (probabilmente nell'area del bosco di San Marco).² Con la metà del Seicento, e con la concessione per la costruzione del cidolo a Perarolo avanzata da Matteo Zuliani alla Magnifica Comunità di Cadore nel 1668,³ l'interesse sul legname divenne predominante, anche se non esclusivo nei loro affari. Negli anni Ottanta del Seicento avevano da tempo consolidato interessi verso oriente, in Carnia, nell'alta valle del Lumiei, dove possedevano un'abitazione a Sauris (Lorenzini 2024, 160). Dal 1713 Valentino Zuliani, e i figli Antonio, Osvaldo, Agostino ed Andrea ottennero la concessione di sfruttamento della miniera di ferro di Cibiana di Cadore e, successivamente, quella di Sappada, estendendo questo interesse (almeno fino agli anni Settanta, probabilmente in concomitanza al loro esaurimento) anche alla lavorazione dei metalli nelle fucine (Da Col 2022, 345-346), una delle attività indispensabili alle attività nella filiera del legname. Inoltre, avevano maturato interessi nei comparti pubblici e nelle forniture allo Stato, comprese quelle per le palificate di fondamenta del ponte di Rialto a Venezia dagli anni Ottanta del Cinquecento (Lazzarini 2018, 110).

Dalla prima metà del Settecento erano in possesso di almeno due segherie a valle di Perarolo. Ne dà testimonianza anche il testamento di Matteo Zuliani, fatto redigere il 21 novembre 1747 «per non lasciare sconcerti, o contrarietà ... tra suoi posterì in casa». Fra i primi suoi pensieri vi fu quello di tutelare la moglie, garantendole vitto e alloggio dopo la sua morte, e le figlie ancora nubili, Giovanna e Maddalena,

¹ Mi avvalgo della genealogia (figura 1) elaborata dall'erudito cadorino Taddeo Jacobi: Biblioteca civica di Belluno, ms. 878, Taddeo Jacobi, *Genealogie delle più antiche e civili famiglie del contado di Cadore*, cc. 54v.-55r.

² Archivio della Magnifica Comunità di Cadore (d'ora in poi: AMCC), b. 120, *Acque, strade, pubbliche costruzioni*, fasc. 6.

³ AMCC, b. 120, *Acque, strade, pubbliche costruzioni*, fasc. 1.

stabilendo che i figli le dovessero mantenere in casa. Assieme a queste, i figli avrebbero dovuto tenere con loro e supportare il fratello di Matteo, Valentino, e «ciò non solo per motivo di suo particolar amore verso lo stesso, ma per giusti motivi, ricompense, e ragioni risservatesi in pectore nel tempo», certo che «egli con altrettanto amore, e premura s'impiega, et impiegarà quanto può a pro, et vantaggio della sua casa». Infine nominò eredi i quattro figli: Francesco e Nicolò «secolari», Osvaldo ed Antonio «religiosi». I secondi, venivano esclusi dalla proprietà di due segherie a Carolto e al Peron, località a valle di Perarolo, le quali, in caso di morte degli eredi, sarebbero passate ai figli del primogenito Francesco per ricompensarlo dell'«indefessa assistenza, e fatiche sofferte» per assisterlo e, soprattutto, «per conservazione e decoro della casa sua».⁴

Questo modo di procedere nella delicata fase di trasmissione dei patrimoni, e dunque dell'impresa, non era infrequente nel comparto del legname. La volontà di sancire la prosecuzione fra i fratelli dell'attività non era soltanto un'aspirazione paterna, ma una necessità, così come la conservazione dei patrimoni immobiliari, al punto che nei testamenti dei mercanti di legname si riscontra con una certa frequenza la clausola del fedecommesso, ritenuta indispensabile per salvaguardare strutture e infrastrutture all'impresa (Occhi, Lorenzini 2023, 25; Lanaro 2012). Sempreché, come si sa, la condivisione e la convivenza proseguissero pacificamente: «Raccomandandoli viver in pace, e quiete, et fraterna unione», fece scrivere Matteo Zuliani.

4.3. A partire dalla seconda metà del Seicento la famiglia Nigris di Ampezzo fu uno dei gruppi egemoni sul mercato del legname nell'alta valle del Tagliamento. Ampezzo è la comunità prossima alla confluenza del torrente Lumiei nel fiume ed era detentrica di uno dei più vasti comprensori forestali della regione della Carnia. Nel valorizzare quei comparti i Nigris ottenevano dalla propria comunità vantaggi ben maggiori di qualunque altro loro compaesano, al quale spettavano i diritti di godimento e le rendite derivanti dagli affitti. Anche per questo, per dimostrare almeno sul piano simbolico la loro appartenenza alla comunità, i contributi da dirottare alle chiese da parte dei Nigris furono continui nel tempo. Il 21 giugno 1743 Lucietta Spinotti, vedova di Candido Nigris, dettò le sue ultime volontà. Stabili che entro un anno dalla sua morte si sarebbero dovute celebrare 500 messe, parte delle quali sull'altare privilegiato nella chiesa della Beata Vergine del Rosario, dove sarebbe stata sepolta «nella tomba del [...] quondam signor suo marito», da far officiare anche dal figlio sacerdote, Nicolò. Altre 300 messe si sarebbero dovute celebrare entro due anni a ricordo del defunto marito, del figlio Gio Battista scomparso a Padova e dei genitori di lei, «delli quali tiene special memoria, et obligatione». Gli eredi avrebbero dovuto «comprar una pianetta di diversi colori, e donarla alla veneranda chiesa parrocchiale di questo loco, e ciò ad honor di Dio, e sollievo de l'anima sua». I figli Daniele Antonio e il reverendo Nicolò sarebbero diventati eredi universali, e come

⁴ Archivio di Stato di Belluno, *Archivio notarile*, b. 3894, Ludovico Genova, cc. 72v.-75r.

tali avrebbero dovuto «conservar la pace, e concordia tra loro, prestandosi obbedienza l'un l'altro vicendevolmente, e viver quietamente, e devoti, conservar il timor di Dio, et esser caritativi verso li poveri»; la figlia Marietta avrebbe ricevuto 1.600 ducati di dote, qualora si fosse maritata, al pari dell'altra figlia Antonina, che aveva sposato Giacomo Perugini, un mercante di legnami di Sedegliano, nella pianura friulana, sul medio corso del Tagliamento.⁵ Con i Perugini, i Nigris erano imparentati dalla generazione precedente a quella di Marietta, ed era da loro che acquistavano il grano, il mais e il vino per rifornire la vallata e Ampezzo in particolare. Vent'anni dopo, nel 1766, i Nigris avevano ancora legami d'affari con i Perugini; Giacomo aveva ottenuto il bosco Giaveada dal Comune di Forni di Sotto, un affitto della durata di 29 anni, i cui tagli furono giudicati troppo invasivi dalla comunità che se ne lamentò con il reverendo Nicolò Nigris. Il Nigris, per rabbonirli, dichiarò di voler fare un dono alla chiesa che fu stimato del valore di 65 ducati.⁶

Andando a ritroso, troviamo che il 16 marzo 1666 era stato Nicolò Nigris a fare testamento. Fra le prime sue volontà vi era quella di riconoscere 25 ducati alla erigenda chiesa della Maina (o dell'Addolorata), posta poco fuori del paese, che il figlio Candido, scomparso prima di lui, aveva legato «in altra sua malattia [...] per voto». A quella stessa chiesa volle che fosse comprata «una campana di libbre duecento di peso». Alla chiesa del Rosario del paese donò 20 ducati, mentre 5 ducati furono lasciati alle chiese della Santissima Trinità di Oltris e di San Rocco di Voltois, i due paesi che uniti formavano la Parrocchia di Ampezzo. Legò 200 ducati alla parrocchiale, qualora «si faccia una più bella chiesa» e beneficiò il curato, il cadorino Leonardo Zambelli di Candide, con 30 ducati. Eredi sarebbero stati il figlio Gio Battista e il nipote Daniele Antonio, il figlio di Candido, per un terzo di «tutti li beni stabili», mentre i restanti due terzi venivano destinati «per fidecomisso» ai rispettivi «heredi maschi ... per stirpe, et non per capo». Conscio delle incertezze della vita, di cui aveva avuto un duro monito con la scomparsa del figlio, stabilì una complessa casistica su chi dovesse ereditare in caso di morte prematura, fino a coinvolgere i nipoti e i figli delle sorelle, ai quali sarebbero spettati «per capita, et non per stirpem» due terzi dell'eredità, mentre il restante terzo veniva destinato alle «venerande chiese d'Ampezzo».⁷ Cinque giorni prima di scrivere il testamento, Nicolò Nigris aveva sottoscritto col Comune di Ampezzo un contratto di affitto del bosco di Cervia della durata di 25 anni per 500 ducati.⁸

L'attenzione alla salvaguardia durevole dei patrimoni, fra nonni e nipoti oltretutto fra padri, madri e figli, trovava uno spazio e un luogo – la chiesa del proprio paese – in cui essere rappresentata, sia con le sepolture dentro il luogo sacro, sia con gli

⁵ Archivio di Stato di Udine (d'ora in poi: ASU), *Archivio notarile antico*, b. 4641, Socchieve, Terenzio Alessandris, fasc. 2, cc. 169-170.

⁶ Biblioteca del Museo carnico delle Arti popolari 'Michele Gortani di Tolmezzo, *Archivio Roia*, b. 42, Forni Savorgnani III^a.

⁷ ASU, *Archivio notarile antico*, b. 55, Ampezzo, Gio Batta Spangaro, fasc. 3, c. 18, 16 marzo 1666.

⁸ ASU, *Archivio notarile antico*, b. 55, Ampezzo, Gio Batta Spangaro, fasc. 3, cc. 17v.-18r., 11 marzo 1666.

scambi materiali che, attraverso il finanziamento dei culti e delle celebrazioni eucaristiche, venivano rafforzati. L'investimento sulle chiese, consueto per i mercanti, nel caso dei Nigris, *originari* del proprio Comune, assume una valenza più profonda, evidenziando ancora una volta i legami di interdipendenza fra mercanti e comunità e, soprattutto, la disuguaglianza che poteva generarsi attraverso le diverse capacità di beneficiare delle risorse naturali collettive (Lorenzini 2020).

4.4. L'organizzazione aziendale familiare costituiva un elemento di prevenzione dei rischi connessi all'impresa dedita al legname. Va da sé che le parentele e le ramificazioni lungo i centri di produzione e smercio non erano una condizione sufficiente ad assicurare il successo negli affari, tanto più se il numero delle persone coinvolte in seno al gruppo familiare si sfaldava di fronte ai fatti concreti della vita, come abbiamo visto nei casi esaminati: la morte dei figli, la scomparsa dei fratelli, i riconoscimenti delle doti, il freno derivante dal sostegno che era necessario garantire alle generazioni più anziane. Non è infrequente riscontrare, ad esempio, casi di donne che pure per periodi circoscritti, in attesa cioè della crescita e maturazione dei figli, figuravano a capo di aziende (è il caso di Lucietta Spinotti sposata Nigris: Lorenzini 2024, 200-2001). Oppure, come anche abbiamo visto, si possono trovare i consacrati con ruoli attivi nel mercato.

Quella dei religiosi in seno a questi gruppi è una presenza che ci interroga. Per le comunità in cui risiedevano e di cui erano parte i mercanti, si trattava di una figura cruciale sotto il profilo simbolico e culturale, tanto più se coinvolta nella cura d'anime: l'esercizio della mediazione, fra il controllo delle coscienze e la promozione delle paci (Allegra 1981; Niccoli 1998, 63-68 e 2007, 148-149), influiva sulle decisioni delle istituzioni comunitarie, compresa quella dell'affitto dei boschi (Lorenzini 2007). Sul versante personale, quello degli stessi consacrati, è interessante osservare il loro agire fra la secolarità degli affari e la natura spirituale dei loro compiti, una posizione variamente preclusa o tollerata (dalle comunità, dalle autorità ecclesiastiche) ma non necessariamente permessa. Durante lo scrutinio della visita pastorale del 1736 (era il 17 agosto) Valentino Zuliani, in qualità di sindaco di Perarolo, dovette dare riscontro sui costumi dei sacerdoti della comunità. Tutti, disse, erano «di morigerati costumi», ma ve n'era uno, Abate Pagano, proveniente da Belluno, che «attende alla mercatura de legnami, e saranno circa 20 anni che attende in questo esercizio. Questo dice rare volte la messa per essere distratto nel negozio, ma io lo [reputo] di un contegno di vero sacerdote».⁹ Negli stessi anni, in Parrocchia era attivo un altro Valentino Zuliani in qualità di mansionario e cooperatore del parroco. Nella visita pastorale del 1745 (era il 13 agosto) il parroco si esprime sul suo collaboratore con questo giudizio: «attende a due sieghe di legnami, e merita qualche amonizione perché viene troppo distratto»; parole cui si affiancano quelle del rappresentante della comunità: «accudisce

⁹ Archivio della Curia arcivescovile di Udine (d'ora in poi: ACAU), *Visite pastorali*, b. 795, *Scrutini*, fasc. 23, 1736, c. 119v.

li suoi interessi nelle sue [se]ghe pervenute in lui da maggiore. Per altro egli non fa il mercante».¹⁰

È un fatto, infine, che le famiglie investivano capitali anche ingenti per costituire i patrimoni necessari a garantire una rendita ai loro membri consacrati nel periodo di formazione e nelle fasi di vacanza fra le varie sedi in cui si trovavano ad esercitare il loro mandato. Il patrimonio di Candido Nigris di Ampezzo, formatogli nel settembre 1763 dal padre Daniele e dallo zio prete Nicolò, ammontava a 2.018 ducati,¹¹ una cifra prossima all'importo dell'affitto di un bosco, ottenuta dalla rendita di un complesso pascolivo (prati, pascoli ed edifici) situato vicino al paese di Ampezzo. Per ottenere gli ordini sacri Agostino Zuliani, figlio di Giovanni di Perarolo, ricevette nel marzo 1697 un patrimonio di 7.134 lire e 4 soldi (1.200 ducati circa), formato da diversi beni, fra i quali spiccava «Una sega [...] al Pian delle Forche» a Perarolo, che gli Zuliani avevano acquistato dalla famiglia Bianchini nel 1680.¹²

Il trasferimento di beni, per il ruolo che avrebbero potuto rivestire i consacrati nelle comunità, diventava un investimento oculato. Inoltre, chi abbracciava questa missione veniva escluso dal novero degli scambi parentali, contribuendo a restringere e indirizzare verso delle direzioni stabilite il capitale familiare, con l'obiettivo di mantenerlo nella sua integrità. Anche la presenza dei consacrati fra le famiglie di mercanti di legname, pertanto, diventava una possibilità per ottimizzare le opportunità e contenere i rischi.

4.5. Per la posizione che assumevano quali finanziatori delle comunità attraverso gli affitti e garanti degli approvvigionamenti di derrate, i mercanti di legname godevano di un riconoscimento sociale collettivo indubbio, ancor più spiccato se risiedevano negli stessi villaggi fra le montagne, nella consapevolezza che il loro agire aveva un valore personale e familiare prima ancora che collettivo. Anche questa posizione contribuiva a preservare i mercanti dai rischi del mercato e della filiera produttiva. Del resto, il legname, la sua 'onnipresenza' nelle società preindustriali, garantiva pure questa condizione ai mercanti di legname, tanto più se veneziani, di essere fornitori di beni utili allo Stato ed alla sua sopravvivenza (Martinat 2012, 427 e 421).

La rassegna degli insuccessi e dei fallimenti di imprese legate a questa risorsa e in quest'area (ancorché sia aspetto poco sondato: Corazzol, Occhi 2003; Occhi 2006, 117-120 e 192-194; Lorenzini 2024, 183-184), si è soffermata soprattutto sui fattori finanziari – il credito ottenuto per avviare una condotta od ottenerne una ulteriore – spesso condizionati dalla domanda. Minore attenzione è stata posta sui rovesci derivanti da una cattiva gestione della filiera produttiva, per salvaguardare la quale era dirimente la capacità dei mercanti di realizzare un «*flusso di decisioni coerenti*, disposte su di un arco temporale piuttosto disteso» (Corazzol 2016, 201) e su uno spazio

¹⁰ ACAU, *Visite pastorali*, b. 796, *Scrutini*, fasc. 29, 1745, cc. 105v. e 107r.

¹¹ ACAU, *Patrimoni*, 1763, n. 43.

¹² ACAU, *Partimoni*, 1697, n. 8.

geografico ampio, dalle montagne alla Laguna; la stabilità delle decisioni assunte e la prevedibilità della gestione dei propri affari ne erano l'indispensabile corollario strategico (Barbot, Favino 2017). La famiglia e la costruzione delle parentele, benché non garantissero a priori la fiducia fra i singoli e la salvaguardia da rischi e fallimenti di queste imprese (Safley 2013, 5), erano una forma possibile e ragionevole per assicurare nel tempo radici solide agli affari.

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Tavola rotonda

Round table

Cátia Antunes, Dave De ruyscher, Cédric Quertier,
Thomas M. Safley, Tanja Skambraks

Roundtable.

*Risk, uncertainty and bankruptcy before modernity:
Language, experience and historical understanding*

1. Introduction

The history of economic risk management and bankruptcy has long been approached through the conceptual apparatus of modern economics. Yet the meanings attached to *risk*, *uncertainty* and *bankruptcy* are themselves historical products. This summary of the roundtable that took place in May 2025 in the context of the *Settimana di Studi* argues for the necessity of precise language and contextual analysis when investigating how premodern actors perceived and managed economic hazards. Building on the discussions of the *Settimana* and on recent debates, it seeks to (1) distinguish risk from uncertainty in premodern economies; (2) balance «big data» approaches with close microhistorical analysis; (3) resist anachronistic use of the past to validate modern economic theory; and (4) broaden the social and geographic scope of inquiry to include non-elite groups and non-European worlds.

2. The semantics of risk and uncertainty

The distinction between *risk* and *uncertainty* is more than a semantic quibble. Following Frank Knight's classic formulation, *risk* implies a calculable probability, whereas *uncertainty* denotes the incalculable. Before the mid-seventeenth century invention of probability theory and the late-eighteenth-century emergence of actuarial science, economic agents lacked the mathematical tools to quantify future contingencies. They therefore relied on accumulated experience and customary practice.

This insight reframes familiar institutions. Medieval maritime insurance, for instance, bore little resemblance to modern insurance despite sharing the same name: it rested on precedent and reputation rather than on statistical expectation. As a consequence, premodern merchants and artisans were arguably more risk-averse than many nineteenth- and twentieth-century historians, shaped by Sombart, Weber, or more recently Reinhard Hildebrandt, have supposed.

A brief historiographical excursion clarifies why this linguistic distinction matters. Scholars such as Giovanni Ceccarelli have traced the earliest documented use of the term *resicum* to Genoa in the late twelfth century, in the context of maritime adventure. Sylvain Piron's critique of Alain Guerreau shows that a «society without risk»

Cátia Antunes, c.a.p.antunes@hum.leidenuniv.nl, Leiden University, Netherlands, 0000-0003-4343-029X
Dave De Ruyscher, D.Deruyscher@tilburguniversity.edu, Tilburg University, Netherlands, 0000-0001-7675-5475
Cédric Quertier, cedric.quertier@gmail.com, Laboratory of Western Medievalists of Paris, France, 0000-0001-5976-2286
Thomas M. Safley, tsafley@history.upenn.edu, University of Pennsylvania, United States
Tanja Skambraks, tanja.skambraks@uni-graz.at, University of Graz, Austria, 0009-0006-2185-7013

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is a mis-characterisation: already by the thirteenth century, Italian canonists and merchants conceptualised *risk* as something that could be evaluated, albeit not mathematically. Yet the absence of probability calculus meant that the *quantification* of risk remained out of reach. The conceptual horizon was closer to Aristotelian notions of fortune and contingency than to modern statistics.

The sixteenth and seventeenth centuries witnessed a slow broadening of the semantic field. The spread of double-entry bookkeeping, commercial arithmetic and early insurance contracts (as studied by Ceccarelli and by Sari Nassar in her work on Catalonia) encouraged merchants to think about the likelihood of loss in more systematic ways. But even when a Florentine merchant of 1600 spoke of *rischio*, he invoked a category grounded in shared experience and customary safeguards, not in actuarial tables.

If risk could not be measured, it was generally *feared*. Credit was personal, dependent on reputation and on a dense web of family and neighbourhood ties. Merchants relied on trusted brokers, personal sureties and overlapping jurisdictions to limit exposure. Failures of trust, whether through fraud, shipwreck, or war, could quickly trigger cascades of insolvency. The possibility of ruin hung over even the most powerful merchant houses, as the famous collapses of the Bardi and Peruzzi in the 1340s illustrate.

Because the conceptual tools of probability were absent, premodern merchants arguably displayed a more pronounced risk-aversion than has often been assumed. Max Weber's portrait of the rational, calculating early capitalist and Werner Sombart's heroic vision of the *bourgeois* entrepreneur both rest on a thin evidentiary basis when applied to the thirteenth or fifteenth centuries. A more accurate characterisation would emphasise the conservatism of merchant strategies: diversification of voyages, reliance on kinship capital, and the deliberate avoidance of speculative ventures unless hedged by multiple layers of guarantee.

Terminology itself deserves closer scrutiny. *Bankruptcy*, *insolvency*, *over-indebtedness* and *illiquidity* were neither interchangeable nor fixed. The Latin *bancarupta* originally referred to the breaking of a banker's bench, a vivid image of public disgrace. Local statutes defined bankruptcy differently: some equated it with fraud, others with mere inability to pay. The moral dimension was never far away. Theologians debated whether failure to honour debts constituted a sin; civic statutes prescribed shaming rituals such as processions or the wearing of special garments.

Such nuances remind us that words carry normative weight. To label someone *insolvent* in fourteenth-century Florence was not the same as declaring them bankrupt in eighteenth-century London. Historians must therefore recover the historical semantics of these terms and resist projecting present-day meanings backwards.

The conceptual gap between premodern and modern understandings of risk complicates the use of contemporary economic theory in historical explanation. Statistical reconstructions of medieval defaults, for instance, can reveal patterns but cannot by themselves explain behaviour that was shaped by religious scruples, civic reputation and kinship obligations as much as by profit and loss. Close attention to language, how notaries drafted contracts, how litigants described misfortune, how preachers denounced avarice, becomes indispensable.

Moreover, recognising the historical specificity of risk and uncertainty sharpens comparative inquiry. It helps explain why seemingly similar institutions functioned differently across time and space. The Genoese *bottomry* loan and the Dutch *bodemerij*, though both labelled «maritime insurance», rested on different expectations of loss and redress. Such differences only emerge when the historian reconstructs the actors' own conceptual universe.

3. Institutions, conflict and the management of economic hazard

The medieval and early modern economy was embedded in a plural and dynamic institutional landscape. Multiple jurisdictions, municipal, princely, ecclesiastical, co-existed and overlapped, creating space for negotiation and *agency*. Merchants, peasants and artisans could appeal to different courts, employ brokers and interpreters, or exploit the competition between tribunals. Case studies from the Low Countries to the Ottoman Empire reveal both innovation (new forms of contract, insurance and accounting) and deep path dependency.

Conflict was not merely a symptom of failure but a normal component of commerce. Merchant courts often sought compromise rather than final judgement, prolonging negotiation to preserve peace. Reprisals, maritime embargoes and even licensed piracy could be used strategically. Such practices complicate Enlightenment notions of *doux commerce* and invite comparison with modern ideas of conflict management and resilience.

Economic shocks nonetheless produced moments of acute crisis. Exogenous events, a ban on bills of exchange, religious persecution, regime change, could suddenly destroy confidence and precipitate cascades of bankruptcy. The historiography must therefore distinguish between structural risks, endemic to commercial life, and conjunctural crises.

The coexistence of municipal statutes, princely ordinances, Roman law, canon law and mercantile custom gave merchants an array of overlapping forums in which to pursue or defend claims. As Dave de Ruyscher has shown for the Southern Netherlands, princely interventions, letters of respite or moratoria, did not abolish municipal courts but rather created a layered system that merchants could navigate. Similar dynamics were visible in Mediterranean ports where commercial nations or consulates enjoyed their own privileges.

This plurality fostered what institutional economists call *path dependence*. Old forms persisted even as new ones were created, so that the legal architecture of credit and bankruptcy was accretive rather than linear. The Genoese *luoghi di San Giorgio*, the Florentine *Mercanzia* and the Castilian *Consulado de Mercaderes* did not replace but supplemented older venues of dispute resolution. Merchants with sufficient resources could therefore 'forum-shop', choosing the jurisdiction most favourable to their case.

The institutional repertoire went far beyond courts. Cities established *monti di pietà* to provide low-interest loans, grain offices (*cura annonae*) to stabilise food supplies, and pawn-broking houses to meet short-term credit needs. In maritime trade, bottomry loans allowed shipowners and investors to share losses if a voyage failed.

Firms experimented with joint investment contracts, profit-sharing agreements and new accounting practices to spread risk among partners.

These mechanisms were not merely technical. They were embedded in civic ideals of the *bonum commune* and shaped by religious norms about usury and charity. Trust in both the moral character of debtors and the stability of institutions underpinned their effectiveness. When trust eroded, as in times of war or plague, the entire edifice of credit could collapse.

Premodern commerce was conflictual by design. Disputes over unpaid bills, contested cargoes or delayed payments were routine, and legal records show that negotiation, arbitration and even violence were recognised stages of business. The work of Justyna Wubs-Mrozewicz and colleagues on merchant courts emphasises that their primary function was not to dispense abstract justice but to manage disputes in a way that preserved future trading relations.

Reprisals and embargoes illustrate how conflict management could shade into conflict production. Maritime communities such as Venice or Barcelona issued letters of marque that authorised privateering against commercial rivals. The boundaries between legitimate warfare, licensed corsairing and outright piracy were fluid, as Pinuccia Simbula and Enrico Basso have shown. Far from undermining commerce, these practices often served as instruments of economic policy.

Despite this institutional sophistication, exogenous shocks repeatedly generated genuine crises. Sudden bans on letters of exchange, as in sixteenth-century Seville, could instantly drain liquidity. Religious persecution, notably the expulsion of Jews from Majorca, removed key financiers and provoked credit panics. Political upheavals, such as the fall of Gautier de Brienne in Florence, undermined confidence and triggered waves of bankruptcy, even among the largest merchant houses.

Markus Denzel's concept of «resilience strategies» helps to explain how firms sought to withstand such shocks: by diversifying markets, cultivating multiple credit lines, or fragmenting operations so that the collapse of one branch did not destroy the whole. Yet even the most resilient structures could be overwhelmed, confirming that structural risk and conjunctural crisis must be analysed together.

This complex interplay of law, custom, conflict and adaptation has significant historiographical implications. First, it warns against neat teleologies of commercial rationalisation. Rather than a linear march towards modern capitalism, we observe a process of bricolage in which old and new coexisted. Secondly, it highlights the agency of historical actors. Far from passive victims of impersonal forces, merchants and artisans creatively navigated, and sometimes manipulated, the institutional environment to their advantage.

Finally, the institutional history of risk and bankruptcy cannot be divorced from its moral and social dimensions. Reputation, trust, and the desire to preserve communal harmony shaped the application of law as much as did economic calculation. By recognising these intertwined motives, we gain a richer understanding of how premodern societies managed economic hazard.

4. Beyond anachronism: history on its own terms

Applying modern economic theory retrospectively may produce elegant models, yet it distorts the historical record. The historian's task is not to ask whether medieval actors «understood risk as we do», but to reconstruct their own conceptual universe. To assume that they shared our categories is to traduce the discipline of history itself.

A particularly revealing transformation concerns the passage from *culpable insolvency*, a moral and legal failing, to *insolvency as economic risk* during the early modern period. This shift altered attitudes towards debt and credit and reshaped practices of risk management. It must be studied as a historical process rather than as a simple forerunner of contemporary bankruptcy law.

Economic historians have sometimes treated premodern markets as primitive versions of present-day capitalism, looking for evidence of «proto-industrialisation», «pre-modern insurance markets» or «early capitalist entrepreneurs». Such categories, while convenient for comparison, risk conflating analogy with identity. When the seventeenth-century French dictionary of the Académie defined *entrepreneur* primarily as a contractor of building works, it was describing an activity embedded in guild regulation and civic duty, not an anticipatory specimen of Schumpeterian innovation.

The same caution applies to the concept of risk. Contemporary portfolio theory or behavioural economics may offer sophisticated models of decision-making under uncertainty, but they presuppose a numerical probability space absent before the rise of modern statistics. To ask whether a fifteenth-century merchant «optimised his risk profile» is therefore to ask the wrong question. He certainly balanced hazards and opportunities, but in a conceptual language and moral economy fundamentally different from that of modern finance.

The history of bankruptcy illustrates how a concept can migrate and mutate over time. In many medieval jurisdictions *bankruptcy* (or *bancarupta*) implied fraud and moral turpitude. Public shaming rituals, such as breaking the banker's bench or parading the debtor, reinforced this stigma. By the seventeenth and eighteenth centuries, however, a more neutral understanding of insolvency as an unfortunate economic contingency began to emerge, albeit unevenly. This transition from culpability to contingency is one of the key shifts that needs to be charted, and it cannot be reduced to a simple triumph of rational capitalism.

Moral and theological considerations remained powerful. Canon lawyers and confessors debated whether failure to repay debt endangered salvation, and municipal statutes often incorporated religious language of repentance and reconciliation. Even when formal penalties softened, the debtor's social standing and access to future credit depended on public demonstrations of good faith.

Resisting anachronism does not mean abandoning theory altogether. Rather, it calls for frameworks that are historically sensitive. Anthropological approaches, such as David Graeber's exploration of debt as a social and moral relation, allow us to see obligations of credit and repayment not merely as economic transactions but as ties of honour, hierarchy and reciprocity. Likewise, the concept of the «moral economy», popularised by E.P. Thompson and applied to medieval contexts by Laurence Fontaine, illuminates how ideas of fairness and communal welfare shaped economic action.

Microhistory offers another fruitful methodology. By reconstructing individual lives and decision-making processes, historians can trace how contemporaries themselves understood uncertainty. The case of the Datini network's brokers, or of small-scale artisans diversifying income sources to survive temporary insolvency, demonstrates strategies invisible to aggregate data sets.

A historically grounded approach demands a critical engagement with sources and language. It requires us to ask how terms such as *periculum*, *resicum*, *faillite* or *insolvenz* were used in notarial deeds, court records or merchant correspondence. It also asks us to read silence and absence: when contemporaries failed to deploy a term we take for granted, what alternative concepts or practices filled the gap?

This approach reaffirms the autonomy of history as a discipline. Economic history is not simply economics with older data. It must reconstruct the lived realities, moral horizons and intellectual tools of past societies, recognising that these cannot be reduced to modern categories without loss.

Finally, to historicise is not to retreat into antiquarianism. On the contrary, acknowledging the distinctiveness of past economic thought enriches contemporary debates. It reminds us that economic institutions and categories are not natural facts but historical creations, contingent and changeable. The medieval and early modern management of debt, with its blend of morality, community enforcement and pragmatic compromise, offers alternative ways of thinking about financial ethics and collective responsibility today.

5. Broadening the social and geographical lens

The focus on elite male merchants has long shaped narratives of premodern risk and bankruptcy. While such actors left abundant archives and wielded disproportionate economic influence, their prominence has often obscured the experiences of the majority of people who also confronted uncertainty and debt. A more inclusive history must restore women, artisans, peasants, wage labourers, domestic servants, religious minorities and non-Europeans to the story of how economic hazards were perceived, experienced and managed.

Women were central to household economies that straddled production and consumption. They acted as lenders and borrowers, managers of shops, and guarantors of kin and neighbours. Dowries, marriage contracts and widowhood settlements all involved complex negotiations over credit and liability. Research on Florentine dowry banks or on women traders in the Paris *marché au pain* shows that female agency in credit networks was far from marginal. Yet bankruptcy records seldom highlight their names, partly because legal responsibility was often vested in male relatives.

Nonetheless, careful microhistorical work reveals their presence. Women frequently provided the small-scale, short-term loans that sustained artisans between market days or harvests. They also managed household strategies of diversification, taking in lodgers, engaging in piecework, or pawning valuables, to cope with economic shocks. By examining these practices we gain a more complete understanding of how resilience was built from below.

Artisans and peasants likewise confronted structural uncertainty. Harvest failure, illness, or the collapse of a single trading partner could precipitate insolvency. Yet the vocabulary of «bankruptcy» rarely captured their predicaments. Instead, they relied on informal credit, neighbourly assistance and collective bargaining to weather adversity. Village courts and guild assemblies often preferred negotiated settlements to formal insolvency proceedings, reflecting a moral economy that valued social cohesion over strict contract enforcement.

Labourers and servants, whose wages might be delayed or lost if an employer failed, also devised strategies of survival. Multiple employments, seasonal migration and mutual aid societies mitigated exposure to the bankruptcy of those who hired them. Such strategies complicate any simple opposition between capital and labour: wage earners were themselves economic actors, making calculated decisions under conditions of uncertainty.

The experiences of Jews, Muslims, and other religious minorities further diversify the landscape of risk. Often excluded from guilds or municipal offices, they developed distinctive credit practices. Jewish moneylenders, for example, provided essential liquidity to Christian neighbours but were vulnerable to sudden expulsion or confiscation, which could trigger wider financial crises. In the Ottoman Empire, Latin merchants adapted to a different legal environment, negotiating between Islamic and European commercial law. Tommaso Stefini's work illustrates how Ottoman reforms incorporated elements of European bankruptcy procedure precisely to facilitate cross-cultural trade.

Although the *Settimana* discussions included colonial comparisons, the field remains heavily Eurocentric. Yet economic actors elsewhere grappled with similar challenges. In Mughal India, bills of exchange underpinned long-distance trade and created complex webs of credit whose breakdowns could be as catastrophic as any Florentine crash. Chinese merchant guilds developed sophisticated forms of collective insurance against shipwreck and fire. West African credit networks, relying on kinship and long-term trust, reveal parallel mechanisms for sharing risk. Incorporating such cases not only broadens geographical scope but also tests the universality of European-derived concepts like bankruptcy.

Anthropology and sociology enrich this broader perspective. David Graeber's argument that debt is a fundamentally social relationship – binding creditor and debtor in moral as well as financial obligation – invites historians to look beyond institutional records. Oral traditions, ritual practices and popular literature all reveal how ordinary people conceptualised economic duty and misfortune. Comparative studies of famine relief, informal insurance and communal grain stores underscore the importance of collective solidarity in managing uncertainty.

Expanding the field socially and geographically also demands methodological innovation. Standard commercial archives, company ledgers, notarial contracts, court proceedings, privilege literate male elites. To recover the experiences of others, historians must draw on parish records, household inventories, archaeological evidence, songs, and folklore. Quantitative «big data» approaches can identify patterns of small-scale lending or household insolvency, but must be complemented by qualitative microhistories that capture the uniqueness of individual lives.

By weaving these neglected actors into the narrative, we gain a fuller picture of how economic risks were distributed and managed. Bankruptcy and insolvency were not merely institutional events affecting great firms; they were lived experiences that shaped marriages, careers and community life. Recognising this fact corrects the implicit hierarchy that has long privileged merchants and bankers as the sole protagonists of economic history.

An inclusive history also reframes broader questions. It shows how structural inequalities, of gender, religion, class or empire, shaped exposure to risk and access to remedies. It suggests that resilience was often collective and moral rather than merely financial. And it underscores that the evolution from culpable insolvency to risk-based insolvency cannot be understood without considering those at society's margins, who often pioneered informal mechanisms of protection.

6. Conclusion

The preceding analysis has sought to show that the history of risk, uncertainty and bankruptcy before the modern age is neither a simple prelude to modern capitalism nor a mere collection of colourful anecdotes. It is a rich field in which conceptual precision, microhistorical sensitivity and social inclusiveness combine to reshape our understanding of the economy and society of the past.

A first lesson concerns the necessity of linguistic and conceptual clarity. Risk and uncertainty are not interchangeable: one presupposes calculability, the other does not. Before the seventeenth-century emergence of probability theory and the eighteenth-century development of actuarial science, economic actors lacked the means to quantify hazards. Their reliance on precedent, reputation and shared experience meant that what they called *risk* was qualitatively different from our own. The same applies to *bankruptcy*, *insolvency* and *over-indebtedness*, which were defined, and felt, through a moral and legal vocabulary that must be reconstructed from within their historical moment. Without such conceptual discipline we risk flattening the past into a distorted image of the present.

A second set of insights emerges from the institutional history of premodern economic life. Rather than converging steadily on modern models, medieval and early modern societies built up a complex, overlapping web of jurisdictions and practices. Merchants, peasants and artisans used courts, consulates, arbitration and even licensed violence to manage disputes. Old and new forms coexisted, often reinforcing one another in a pattern of path dependence. This bricolage of institutions, far from betraying irrationality, enabled a remarkable capacity for resilience in the face of exogenous shocks, from wars to epidemics. Yet those same shocks, regime change, confiscations, bans on financial instruments, could precipitate sudden, cascading crises. Understanding this interplay of everyday risk and exceptional crisis enriches our appreciation of both stability and fragility in premodern economies.

Thirdly, the paper has argued for a rigorous historicisation of economic categories. It is tempting to read premodern commercial practices through the lens of modern economics, treating early insurance contracts as precursors of contemporary finance or interpreting merchant decision-making as primitive portfolio optimisation.

But such anachronism obscures more than it reveals. The moral economy of debt, the theological debates over usury, the public rituals of penance and rehabilitation, all formed part of an intellectual and emotional world irreducible to the categories of rational choice or market equilibrium. To honour the autonomy of history as a discipline is to reconstruct that world on its own terms.

A fourth, equally important conclusion concerns the social and geographical breadth of analysis. The history of risk and bankruptcy has been overly centred on elite male merchants and on Europe. Yet women, artisans, peasants, servants and non-Christian minorities were all deeply implicated in credit relations and vulnerable to insolvency. Their strategies of survival, diversifying income, relying on informal networks, appealing to moral norms of solidarity, offer vital perspectives on resilience and community. Extending the field beyond Europe, to Asia, Africa and the Americas, reveals both striking parallels and distinctive trajectories that challenge the presumed universality of European concepts.

Together, these findings invite a rethinking of both method and scope in economic history. They show that «big data» approaches, while valuable for mapping large patterns, must be balanced by microhistorical studies that capture individual agency and the moral meanings of economic life. They also suggest that interdisciplinary dialogue, with anthropology, sociology and legal history, can illuminate the social and cultural dimensions of debt and credit that purely economic analyses overlook.

Finally, the study of premodern risk and bankruptcy has contemporary resonance. By exposing the historical contingency of economic categories, it reminds us that today's financial institutions and practices are neither inevitable nor immutable. The creative strategies by which earlier societies combined moral responsibility with pragmatic adaptation may hold lessons for present debates on debt relief, financial regulation and collective responsibility in times of crisis.

Far from being a mere precursor to modern capitalism, the premodern management of risk and insolvency constituted a complex, dynamic and morally charged system in its own right. It integrated legal innovation and traditional custom, individual calculation and communal solidarity, the mundane management of everyday uncertainty and the dramatic confrontation with sudden crises. By recognising these dimensions and resisting the temptation to read the past through the categories of the present, we not only recover the economic lives of forgotten actors but also gain a deeper awareness of the historical character of the economic world we inhabit today.

L'argumentaire du congrès nous invitait à enquêter sur les notions de risque, d'insolvabilité et de banqueroute et de faillite, en croisant les approches d'histoire du droit, d'histoire sociale et d'histoire culturelle. L'idée était de se situer à l'interface entre l'aspect normatif et son éventuelle application pratique, en analysant les pratiques quotidiennes, les stratégies de gestion des risques par les acteurs, sans poser a priori de frontière entre les risques financiers et économiques. Le texte de cadrage insistait aussi sur l'importance des approches reliant la production agricole, la manufacture et les services pour mieux comprendre comment les acteurs géraient les risques.

En complément de la table-ronde conclusive, on entend montrer ici combien les travaux présentés lors du congrès Datini de 2025 entrent particulièrement en résonance avec les travaux récents des médiévistes. Trois éléments ont ainsi été mis en avant: les acteurs recourent à des institutions différentes en fonction des stratégies qu'ils développent pour adapter leurs réponses aux crises; les conflits sont une part importante de la vie économique ordinaire; penser dans un même mouvement les risques et les faillites invite à requalifier la notion de crise. Sont ensuite suggérées des pistes d'approfondissements.

1. Risque et diversité institutionnelle

Le pluralisme judiciaire (Prodi 2000, Zorzi 2007) est la caractéristique principale du système judiciaire médiéval, progressivement transformé à l'époque moderne par ajout de nouveaux tribunaux sans que les anciens ne cessent de fonctionner. Se pose donc la question de la coopération et de la concurrence entre les tribunaux et les institutions au sein de ce millefeuille institutionnel.

Les différents niveaux institutionnels ont été abordés. Le commerce colonial, a été le moyen de vérifier les moyens de contourner la fermeture des empires français et hollandais aux étrangers (Tessa de Boer et Ramona Negrón; L.M. Lewis Wade). De même, Tommaso Stefini a exposé les différences entre la loi ottomane et les lois latines pour régler les faillites. Dave de Ruysscher a finement analysé la diversité des procédures locales et régionales de règlement des dettes dans les Flandres où les pouvoirs princiers interviennent de manière croissante au XVI^e siècle, tout comme Lluís Sales i Favà a bien insisté sur les possibilités d'en appeler aux instances supérieures du royaume majorquin lorsque les litigants ne sont pas satisfaits des décisions des

tribunaux ruraux. Ce foisonnement institutionnel, avec l'imparfaite séparation des attributions juridictionnelles, laisse une place pour la négociation et fait la part belle à l'*agency* des acteurs, capables, s'ils sont fortunés et bien informés, de mobiliser plusieurs juridictions.

Or, les circulations d'acteurs et d'idées, appuyées par des institutions d'intermédiation assurent la connexion entre différentes juridictions. Tanja Skambraks a ainsi brillamment mis en évidence la mise en circulation consciente des modèles institutionnels lorsque les élites urbaines de l'espace germanique justifient la création d'institutions charitables (*Berg der Mildigkeit*) en s'inspirant des Monti di pietà italiens. De même, les formulaires d'assurance génois puis florentins sont importés à Barcelone où les opérateurs italiens dominent longtemps le marché des contrats d'assurance analysé par Sari Nassar (voir également Botticini 2023). Tommaso Stefini a montré combien la volonté de s'insérer dans le commerce international et de sécuriser les transactions des Latins dans l'empire ottoman avait conduit à une réforme du droit commercial pour incorporer le droit des faillites si familier aux Européens que la Sublime Porte souhaitait attirer sur son territoire.

Les consulats et nations marchandes, les cours princières, les interprètes, les courtiers et les autres types d'intermédiaires, tout comme les traités commerciaux et les capitulations relient différents systèmes institutionnels. Notons d'ailleurs l'importance de la «dépendance du sentier» (*path dependence*) institutionnelle dans les formulaires et dans l'organisation institutionnelle: Dave de Ruysscher nous a bien montré combien les lettres de répit et les autres interventions princières coexistaient avec les anciens tribunaux municipaux. Les évolutions ne sont donc jamais linéaires, ni jamais systématiquement orientées dans une direction qui serait plus «rationnelle» et plus moderne. Regina Grafe a ainsi démontré que les nations marchandes de Bruges étaient organisées de manière différente selon les communautés, qu'elles n'évoluaient pas toutes de la même façon et que des retours en arrière étaient possibles (Grafe et Gelderblom 2010; Grafe 2015). Le même phénomène peut être constaté pour les nations florentines, organisées différemment dans l'Italie communale et dans les grandes monarchies (France, Angleterre, Hongrie; Quertier 2019). Toutes ces nations et consulats devaient en effet être approuvées par les souverains du territoire de départ et de celui d'arrivée, ce qui nécessitait une adaptation sans qu'un modèle ai pu être imposé.

2. Les risques comme intégration des conflits dans la vie économique

La théorie du «doux commerce» des penseurs des Lumières (Montesquieu, *De l'esprit des Lois* (1748), livre III, chap. XX, 1¹, cité par Spector 2013; Kant 2002, 81 cité par Brischou 2022, 191; Martin 2015) n'est plus centrale dans l'historiographie actuelle. Au contraire, les conflits économiques, la réactivation des représailles anciennes dans une phase larvée de guerre économique entre deux cités (Tanzini 2009; Saporì 1982), la menace d'être déclaré usurier public (Quaglioni, Todeschini, et

¹ «On peut dire que les lois du commerce perfectionnent les mœurs, par la même raison que ces mêmes lois perdent les mœurs. Le commerce corrompt les mœurs pures: c'était le sujet des plaintes de Platon; il polit et adoucit les mœurs barbares, comme nous le voyons tous les jours».

Varanini 2005; Gaulin et Todeschini 2019; Todeschini 1989) comme celle d'être déclaré publiquement en faillite – visible dans les procès devant le tribunal de la Mercanzia florentine – deviennent des moyens de pression et la menace ultime pour les marchands, qui risquent de perdre leur réputation chèrement acquise et sont de la sorte forcés de la sorte à négocier un compromis.

C'est pourquoi l'analyse en termes de résolution des conflits, qui implique brièvement du moment judiciaire considéré comme anormal, qui valorise la perspective surplombante des élites et des normes juridiques idéalistes, et qui lie automatiquement paix, concorde et prospérité, est considéré comme insuffisante. Au contraire, Justyna Wubs Mrozewicz prône une analyse des tribunaux marchands sous l'angle de la gestion des conflits (Wubs-Mrozewicz 2018; une application dans un dossier de revue: Montemezzo et Quertier 2025). Cette perspective a l'avantage d'inclure les alternatives qui n'impliquent pas toutes de résoudre les différends, autrement dit elle prend en compte ce qu'on a appelé un temps «l'infrajudiciaire» (l'arbitrage, la négociation; Garnot 1996). Ce type d'analyse englobe: 1) la prévention des conflits par la négociation et la diplomatie; 2) leur résolution sous forme judiciaire, administrative, ou informelle (l'arbitrage); 3) la mise en place effective des conflits (*conflict enforcement*) grâce à la guerre maritime, la course, la piraterie, et aux blocus.

On peut ici faire le parallèle avec les analyses systémiques que Markus Denzel nous a proposé sur les stratégies de résilience déployées par les compagnies marchandes d'Augbourg afin de perdurer. De même, Matteo di Tullio a dressé le panorama des solutions déployées par les paysans, les grands propriétaires et les gestionnaires des institutions lombardes du XVI^e siècle pour éviter les risques d'approvisionnement, gérer les risques environnementaux, permettre l'accès au marché ou une meilleure répartition de la main-d'œuvre.

Le risque maritime – pourtant peu abordé dans notre rencontre – illustre parfaitement la validité de ce type d'approche, tant le continuum entre les activités licites et illicites est frappant. En effet, si la piraterie est interdite, contenue et encadrée par les traités de commerce, sa différenciation avec la guerre de course est parfois difficile à entrevoir. Ainsi les membres des factions exclues du jeu politique, bien que bannies et exilées de Gênes, voyaient leurs activités de corsaires validées par la commune dont ils servaient les desseins et restaient de la sorte dans le giron de la Superbe (Basso 2014). Bien plus, la course et la saisie des biens d'un navire ennemi par des marchands peuvent être des activités légitimées à Venise (Lane 1979) ou dans la Couronne d'Aragon: le *Libre del consolat del mar* de Barcelone identifie les cas où les marins sont autorisés à attaquer un ennemi et à se partager son butin (Sicking et Wijffels 2020, 3). Les corsaires sont donc à la fois «mercenaires de la mer» et «acteurs du commerce» selon la belle formule de Laure-Hélène Gouffran (Gouffran 2022).

Toutes ces analyses et synthèses proposent donc une vision systémique des moyens d'éviter ou de répartir les risques, afin d'atténuer leur impact. Elles montrent à quel point le risque est intégré dans tous les aspects de la vie économique des acteurs du bas Moyen âge et de l'époque moderne. Autrement dit, la société du risque existe bel et bien.

3. La notion de risque masque-t-elle celle de crise?

En adoptant le point de vue des acteurs, les analyses précédentes montrent combien ces derniers intégraient le caractère insécurisant du capitalisme dans leurs comportements. Mais, aussi passionnantes qu'elles soient, ne masquent-elles pas l'existence de crises, de moments critiques, de cycles? Les contributions du congrès invitent à distinguer entre les risques structurels et les risques conjoncturels. Même le *resilience management* (Markus Denzel) ou la gestion collective des canaux lombards (Marco di Tullio) ne peuvent toutefois pas éviter des moments critiques. L'étude de la conjoncture à moyen terme dépend d'une multitude de paramètres: l'analyse sérielle des faillites s'avère donc complexe et l'établissement d'un lien avec une conjoncture négative reste limité, puisqu'elles peuvent tout aussi bien survenir en période de croissance économique (Mark Steele). Ce type d'enquête ne doit cependant pas être abandonné et offre même des renouvellements intéressants sur des sujets classiques, comme les faillites florentines des années 1330 et 1340, dont les périodes critiques devront à l'avenir être analysées de manière qualitative.

Dans cette perspective, une analyse approfondie montre la conjonction des faiblesses économiques générales ou de celles des compagnies marchandes, avec la perte de confiance de l'ensemble du groupe: Jean Clément Martin a ainsi démontré que les marchands les plus anciennement et profondément intégrés dans le milieu marchand niortais du XIX^e siècle faisaient faillite en dernier (Martin 1980), tout comme les artisans florentins font faillite dès 1341, attaqué par les grands marchands, avant de faire faillite eux-mêmes en 1343-1347 (Cédric Quertier). L'élément déclencheur peut venir des autorités elles-mêmes, quand elles interdisent l'usage des lettres de change (Carlos Alvarez Nogal et Sergio Sardone), quand elles persécutent les minorités juives pour saisir tous leurs biens à Majorque, ce qui ne manque pas de provoquer une crise de liquidités (Jerònia Pons et Juan Carpio), ou quand un changement de régime remet en cause les accords antérieurs (le rôle du changement de monarque en Angleterre et la chute de Gautier de Brienne précipitent les faillites des grandes compagnies florentines).

Les chocs exogènes et les crises impossibles à dépasser créent donc des vagues de faillites et peuvent même provoquer la faillite des compagnies les plus puissantes et les plus résistantes. Or, la disparition d'une banque est plus destructrice que leur sauvetage ou leur perpétuation, même imparfait, puisqu'avec leur chute disparaissent également leur réseau de clients et de fournisseurs, les procédures de distribution du crédit basés sur la confiance, etc., comme l'ont prouvé les économistes contemporains (Stiglitz 2002). Les faillites en séries peuvent donc se transformer en crise généralisée.

4. Quelques pistes d'approfondissement

Toutefois, certains chantiers mériteraient de plus amples investigations. La lexicologie historique a été abordée et son importance a été rappelée par Maria Fusaro dans son introduction. Mais elle mériterait d'ultérieurs approfondissements, autant pour étudier l'apparition et l'usage dominant d'un mot que pour analyser les

évolutions de son sens. Ainsi Jacques Le Goff a-t-il insisté sur l'importance de l'apparition du substantif «purgatoire» pour reconstruire l'histoire de cette nouvelle destination des morts (Le Goff 1991, 957 sqq.). Dans ses travaux pionniers, Giacomo Todeschini a démontré à quel point le lexique de la pensée économique médiévale était intrinsèquement lié aux réflexions des Pères de l'Eglise, des canonistes et des juristes sur la rémission des péchés et sur la manière dont les actions humaines – notamment économiques – pouvaient permettre d'accéder ou non au Paradis (Todeschini 1994; 2002). L'enquête collective sur les rémunérations au Moyen Âge dirigée par Patrice Beck, Philippe Bernardi et Laurent Feller a également renouvelé l'étude du salariat en laissant une large place à la lexicologie historique (Beck, Bernardi, et Feller 2014, notamment Pinto et Franceschi 1994 pour la Toscane).

Dans cette perspective, Sylvain Piron estime que l'apparition du terme *resicum* à la fin du XII^e siècle à Gênes (Piron 2004; 2007) contredit radicalement la théorie d'une société médiévale sans risque développée par Alain Guerreau (Guerreau 1997). Le hasard et l'aventure apparaissent durant le Moyen Âge central avant d'être amplement diffusés et utilisés à l'époque moderne. Lewis Wade a attiré notre attention sur la manière de définir l'entrepreneur dans le dictionnaire de l'Académie française de 1718: d'abord considéré comme un architecte, un bâtisseur et un fournisseur pour les travaux publics, le terme renvoie secondairement à un fournisseur de matériel d'où dérive le sens contemporain qu'il serait anachronique de rétroprojeter sur la réalité du XVIII^e siècle. De manière générale, il conviendrait donc de (re)lancer des enquêtes collectives sur le vocabulaire économique qui ne tiennent pas seulement compte des textes littéraires et normatifs, mais aussi des documents de la pratique éclairant sur les usages linguistiques quotidiens des acteurs. À cet égard, les apports de la linguistique computationnelle sur des corpus massifs de chartes ouvrent des voies de renouvellement passionnantes, notamment le projet CEMA (*Cartae Europae Medii Aevi*)² porté par Nicolas Perreaux (Perreaux 2024; 2022).

L'analyse approfondie de l'arrière-plan culturel devrait également être menée. En effet, il détermine les coordonnées mentales du risque dans l'atmosphère d'une époque, la manière dont il peut être compris et circonscrit, à partir des écrits des canonistes, des marchands, et des juristes. Selon Giovanni Ceccarelli, lorsque les canonistes franciscains et dominicains du XIII^e siècle réfléchissent aux paris et aux jeux de hasard, ils considèrent déjà que le risque peut être évalué et échangé contre de l'argent (Ceccarelli 2023). Par ailleurs, les travaux de Giacomo Todeschini sur les infames (Todeschini 2007; 2011; 2015), de Massimo Vallerani (Vallerani 2017; 2024) et de Sara Menzinger (Menzinger 2017) sur la citoyenneté nous rappellent l'état de perpétuelle incertitude et le besoin de négocier sans cesse sa position dans le jeu économique en réaffirmant ses bonnes pratiques et ses bonnes pensées, en particulier après l'introduction de la confession individuelle en 1215 (Todeschini 2015, 248-63). Si la prise de risque et le calcul des primes d'assurance par Joan Torralba ont été très finement analysées par Sari Nassar, on aimerait en savoir plus sur l'histoire des mathématiques et des probabilités dans le monde catalo-aragonais. Giovanni Ceccarelli a par exemple analysé le milieu culturel florentin où pratiques marchandes, assurances

² Présentation du projet: <https://lamop.panthonsorbonne.fr/axes-recherche/livres-textes-langages/cema>

et calculs de probabilité étaient entremêlées, à tel point que Luca Pacioli semble compiler deux siècles de pratiques marchandes quotidiennes plutôt qu'inventer ex nihilo (Ceccarelli 2023, 80; 2010). Qu'en est-il alors dans les autres régions analysées? Les travaux de Stéphane Lamassé (Lamassé 2005, Lamassé et Mattéoni 2023) et de Lucia Travaini (Travaini 2011; 2020) sont sans doute des voies à suivre pour d'ultérieurs développements forts prometteurs.

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ÁNGEL ALLOZA APARICIO, FRANCISCO FERNÁNDEZ IZQUIERDO, ELENA GARCÍA GUERRA, GIUSEPPE DE LUCA, ISABELLA CECCHINI, The decline of the Fugger in the seventeenth century. Preliminary research findings of the great German financial house

This paper presents preliminary findings on the decline of the Fugger banking house in seventeenth-century Spain, emphasizing its unique role as financier, administrator, and de facto governor within the Habsburg monarchy. Unlike other crown financiers, the Fugger house managed vast territories in Castile, notably the mesas maestras of the castilian military orders, and operated the Almadén mercury mines, crucial for American silver extraction. Drawing on newly collected and largely unexplored archival materials from Simancas, Madrid, and other repositories, the essay traces the financial entanglements of the Fugger house, including its complex network of asientos, mining operations, and, crucially, the capture of private deposits from a wide spectrum of Castilian society.

CARLOS ÁLVAREZ NOGAL, SERGIO SARDONE, La crisis de la banca pública sevillana a mediados del siglo XVI. La quiebra de Domingo de Lizarraras en 1553

A mediados del siglo XVI, la banca pública de Sevilla atravesaba una situación difícil, agravada por la introducción de una pragmática que limitaba la circulación monetaria en Castilla. En esa época, los bancos sevillanos gestionaban, prácticamente en un oligopolio, los enormes tesoros —públicos o privados— recibidos en virtud de subastas coordinadas por la Casa de la Contratación para acuñar monedas de oro y plata. La concentración de esta riqueza incrementó significativamente los negocios y el riesgo de insolvencia de los propios bancos. El artículo analiza la crisis del banco de Domingo de Lizarraras, que las autoridades de la ciudad declararon en quiebra el 11 de marzo de 1553. A través del estudio de la documentación procesal y notarial se revelan numerosos aspectos desconocidos

¹ In questa sezione del volume abbiamo inserito gli abstracts inviatici dagli Autori.

para la historiografía sobre el origen de esta importante crisis bancaria, distinguiendo entre causas endógenas y exógenas.

In the mid-16th century, the bankers of Seville were facing a difficult situation, aggravated by the introduction of a “pragmática” that limited monetary circulation in Castile. At that time, Seville's bankers operated, in a kind of oligopoly, managing the enormous treasures—public and private—received, under the mediation of the Casa de la Contratación, for the minting of gold and silver coins. The concentration of this wealth significantly increased business and the risk of insolvency of the bankers. This article analyzes the crisis of the banker Domingo de Lizarraras, who was declared bankrupt by the city authorities on March 11, 1553. Through the study of judicial and notarial sources, numerous aspects previously unknown to historiography regarding the origins of this major banking crisis are revealed, distinguishing between endogenous and exogenous causes.

TESSA DE BOER, RAMONA NEGRÓN, *Ad imperium et ultra: a comparative assessment of risk-mitigating strategies in early modern transimperial exploitation*

This paper provides a comparative assessment of risk-mitigating strategies in early modern transimperial exploitation. Analyses of risk and uncertainty in long-distance/colonial trades often depart from ‘intra-empire’ settings, yet transimperial trade – or foreigners seeking to exploit the resources of another empire – was widespread. We argue that by virtue of protectionist political economies of empire, this widespread transimperial exploitation entailed institutional risk. We analyze the commonalities and differences in Dutch exploitation of Spanish colonial resources in the 17th century and French colonial resources in the 18th century, identifying shared patterns in how actors managed this institutional risk across different empires and periods.

MARKUS A. DENZEL, *From risk management to resilience management. Strategies and instruments of Upper German merchant bankers in the ‘long’ sixteenth century to avoid insolvency and bankruptcy*

Risks of all kinds could (and can) have such different effects on merchant-bankers and their companies that - in extreme cases - some benefited from them, while others became insolvent or even bankrupt. Why this was (is) so, can be answered in an innovative way from the perspective of the research paradigm of resilience, which describes the ability to master risks and cope crises. All entrepreneurial activities to strengthen, preserve and utilise the resilience potential of a particular business can be described as resilience management, which generates resilience as a result. Using merchant bankers or trading companies respectively organised in the form of family businesses from the Upper German region of the sixteenth century, the study examines which strategies and instruments merchant-bankers used to minimise the risks to their trading ventures, i.e. to make them as resilient as possible. Situated geographically in the centre of Europe, these Upper German family businesses were particularly exposed to the central economic upheaval of the sixteenth century, the commercialisation that intensified in the wake of European expansion, but also to numerous other political and economic risks. The aim of this

article is to work out which strategies and instruments they used to succeed in their risk and resilience management or why they failed.

Gli effetti del rischio sui mercanti-banchieri e sulle loro compagnie potevano — e possono tuttora — manifestarsi in modi diversi: in casi estremi alcuni riuscivano a trarne vantaggio, mentre altri cadevano in insolvenza o fallivano. Le ragioni di tali esiti divergenti possono essere ricostruite attraverso un metodo di analisi innovativo, che mette in primo piano il paradigma di ricerca della resilienza (resilience), il quale consente di cogliere le capacità degli attori economici di gestire il rischio e di affrontare le crisi. Le attività imprenditoriali volte a rafforzare, mantenere e sfruttare il potenziale di resilienza aziendale possono essere definite come resilience management, con l'obiettivo di accrescere la capacità di tenuta dell'impresa nel tempo. L'indagine qui proposta si concentra sui mercanti-banchieri e sulle loro compagnie, organizzate prevalentemente come imprese familiari, nella Germania settentrionale del Cinquecento. In particolare, essa analizza le strategie e gli strumenti adottati da tali operatori economici per far fronte ai rischi cui le loro attività erano esposte, rendendo le imprese il più possibile resilienti. Dal punto di vista geografico ed economico, le famiglie mercantili della Germania settentrionale, collocate nel cuore dell'Europa, risultavano particolarmente vulnerabili agli effetti negativi delle congiunture avverse. Allo stesso tempo, l'intensificarsi della commercializzazione nel contesto dell'espansione europea accresceva l'esposizione a ulteriori rischi di natura politica ed economica. Lo scopo dell'articolo è dunque quello di approfondire le strategie e gli strumenti attraverso cui i mercanti-banchieri cercarono di ottenere profitti mediante la gestione del rischio e della resilienza, oppure, al contrario, le ragioni che condussero al fallimento delle loro imprese.

DAVE DE RUYSSCHER, The emergence of a municipal legal culture of insolvency (Low Countries, c. 1450-c. 1570)

In the period between c. 1450 and c. 1510, in the cities of Amsterdam, Antwerp, Bruges, Leiden and Mechelen a municipal culture of insolvency emerged. Insufficiency of goods, abscondence, and the enforcement of debts were addressed at the level of the local jurisdiction. Even though princely councils and lettres de justice gained influence, the legal agency of cities remained largely intact. Rules and proceedings involving insolvency could be very different across jurisdictions. Rules and practices were interconnected. As a result, systems of debt enforcement could function even when being different. In Bruges, debtors were pressured to pay because they were imprisoned; at Antwerp, general seizure had the same goal. Even though some phenomena could happen across larger regions (for example, more abscondences from around 1450), the legislative reactions from the urban administrators could arrive late. Ideosyncracies persisted in judicial regimes after 1500, when collective proceedings became increasingly common. Many of the earlier methods, though, might still be used.

MATTEO DI TULLIO, Risk sharing in agriculture: institutions and practices of cooperation in early modern Lombardy

The agriculture of the early modern low plain of Lombardy was one of the most developed in Europe. This did not eliminate the risk, partly because it was one of

the most densely populated regions on the continent. The population and the Lombard authorities were therefore also concerned about the natural fluctuations in harvests, as they constantly monitored local production and supply channels.

This article presents the main collective and ordinary farming risks experienced in early modern Lombardy. After providing a definition of risk connected with agricultural activities, it considers the different agricultural goals of the various social groups involved in primary production. At the same time, it analyses the various institutional and practical responses to agricultural risks.

MARÍA DOLORES LÓPEZ PÉREZ AND SARI YEHUDA NASSAR, Managing risk in fifteenth-century Barcelona: The insurance practices of the merchant Joan de Torralba

This paper examines risk management strategies in 15th-century Barcelona through a quantitative and institutional analysis of Joan de Torralba's maritime insurance operations. Drawing from 195 insurance cases recorded between 1434 and 1446, we reconstruct patterns of coverage, premium pricing, and Torralba's dual role as both policyholder and underwriter. Combining systematic accounting analysis with econometric modelling, we show that insurance rates were shaped not only by cargo value but also by destination-specific perceptions of risk. The results highlight the emergence of rational pricing mechanisms, growing local control over insurance markets, and Barcelona's integration into broader Mediterranean financial circuits. The study contributes to our understanding of early insurance as both protection and investment.

Este trabajo examina las estrategias de gestión del riesgo en la Barcelona del siglo XV a través de un análisis institucional, contable y econométrico de las operaciones asegurativas del mercader Joan de Torralba. A partir de un corpus de 195 casos de seguro registrados entre 1434 y 1446, se reconstruyen las lógicas de cobertura, los criterios de tarificación y el doble posicionamiento de Torralba como asegurado y como asegurador. La aplicación de modelos de regresión lineal revela que las tasas de seguro no solo respondían al valor económico de las mercancías, sino también a percepciones espaciales del riesgo vinculadas a los destinos comerciales. Los resultados permiten identificar patrones racionales de valoración del peligro, una progresiva consolidación de los operadores locales en el mercado asegurativo, y la articulación de Barcelona como nodo financiero autónomo dentro del sistema económico mediterráneo bajomedieval.

ÍÑIGO ENA SANJUÁN, From «útil y combeniente, y aun necesario» to «perjudicialissimas, injustas, y contra todo fundamento legal»: redefining municipal debt restructuring in the Spanish Crown of Aragon (1732-1742)

This paper explores the evolution of municipal debt restructuring in the Spanish Crown of Aragon between 1732 and 1742, focusing on the widespread *concordias*, negotiated agreements between municipalities and their creditors. These were mechanisms for avoiding municipal insolvency and bankruptcy through negotiated debt settlements, sometimes involving the mediation of royal judges. In the early eighteenth century, overindebtedness triggered intense disputes over the legality,

legitimacy, and impact of these pacts. The paper reconstructs a jurisdictional conflict involving municipalities, creditors, and royal courts and councils, culminating in King Felipe V's 1738 decree prohibiting judicial intervention in *concordias*. Drawing on underused archival sources, the paper reveals how notions of public good, legal equity, and political power shaped debt policy.

MARIA FUSARO, Gestione del rischio: insolvenza e bancarotta nel mondo premoderno (secc. XIII-XVIII)

La prolusione analizza la gestione del rischio economico e finanziario, concentrandosi sui temi dell'insolvenza e del fallimento in un arco temporale compreso tra il XIII e il XVIII secolo. Il testo mette in luce l'evoluzione degli approcci legali e pratici, l'interazione tra fattori economici, sociali e culturali, e il peso determinante di elementi quali la fiducia e la reputazione. L'analisi valorizza una prospettiva interdisciplinare, evidenziando come le strategie storiche di gestione del rischio conservino una profonda rilevanza ancora oggi.

This prolusion explores the management of economic and financial risk, focusing on insolvency and bankruptcy from the thirteenth to the eighteenth centuries. It highlights the evolution of legal and practical approaches, the interplay between economic, social, and cultural factors, and the significance of trust and reputation. The analysis emphasizes interdisciplinary perspectives and the enduring relevance of historical risk management strategies.

CLAUDIO LORENZINI, Fra rischi e opportunità I mercanti e la filiera del legname nell'area alpina orientale (secoli XVI-XVIII)

Trattati sul commercio del legname sono diffusi in Italia soltanto a partire dall'affermazione dell'economia industriale del legno. Il piccolo trattato di Angelo Guernieri (1862) si sofferma sulle tante difficoltà che caratterizzano i singoli settori della filiera produttiva del legname, propri anche dell'economia preindustriale. Il contributo analizza i fattori di rischio per i mercanti di legname nell'area alpina orientale. Descrivendo i singoli segmenti della filiera del legname si individueranno quelli più problematici, ovvero l'esbosco e i trasporti. Si analizzeranno due casi di famiglie di mercanti di legname, ricostruendo il ruolo da loro rivestito nelle comunità ove operavano, e la funzione delle parentele nella prevenzione dei rischi.

Treaties on the trade of wood are disseminated in Italy only from the affirmation of the industrial economy of wood. The small treatise by Angelo Guernieri (1862) focuses on the many difficulties that characterize each single segment of the timber production chain, also typical of the pre-industrial economy. The paper analyses risk factors for timber traders in the Eastern Alps. By describing the individual segments of the timber supply chain, the most problematic ones will be identified: deforestation and transport. Two cases of timber merchant families will be analysed, reconstructing their role in the communities where they operated and the role of kinship in risk prevention.

PRESTON PERLUSS, Mortmain risk management in Pre Revolutionary France

This study investigates the financial distress of Parisian monasteries before the Revolution. By analyzing cases such as the Theatines and Dominicans, the research determines whether the crisis stemmed from inefficient management or a lack of diversification. The examination of urban and rural revenues reveals sophisticated risk management practices, challenging the stereotype of purely landed monastic wealth and highlighting the impact of urban real estate investments.

JERÒNIA PONS, JUAN CARPIO ELÍAS, The Tribunal of the Inquisition in Majorca and the bankruptcy induced in the business of Majorcan Jewish converts (1677-1681)

The paper analyses the disruption and distortion of the economic activity of the Majorcan minority of Jewish converts in the second half of the 17th century. The causes do not lie in the risk of the practices of the economic actors, but rather in external factors of an institutional nature, specifically repression from the Inquisition. The intervention of the Inquisition provokes bankruptcy, and a paralysation of their commercial dealings and especially of credit.

JEROEN PUTTEVILS, Risk-lovers paradise: Lotteries and risk-taking in the Low Countries, 1441-1700

Various documents pertaining to lotteries in the Low Countries between 1441 and 1700 show that both lottery players and organizers saw the lottery as a form of risk, they “adventured” on it. Some players invested large sums of money and co-operated with one another in syndicates to spread their risks; the lottery organizers risked losing a lot of funds if their lottery did not attract enough revenue to cover its costs. Lotteries were about the domestication and popularisation of risk, to channel funds risk-loving lottery ticket buyers towards the coffers of the lottery organizers, whether they be governments, churches, or private entrepreneurs. Two and half centuries of lottery sources will be examined to investigate shifts in the discourse of risk that pertains to lotteries.

CÉDRIC QUERTIER, Pour une approche globale des faillites florentines: premiers éléments d’analyse sérielle des procès devant le tribunal de la Mercanzia (1329-1350)

Florentine historiography, which focuses on the practical resolution of exceptional cases, contrasts with legal historiography based on systemic analysis disconnected from the concrete resolution of conflicts. To challenge this false impression of familiarity, we offer here an initial summary of the serial analysis of bankruptcy proceedings before the Florentine Mercanzia court from 1329 to 1350.

To do this, we first demonstrate the banality of the bankruptcy procedure, which was formalised at the beginning of the century in the institution's statutes. Afterward, we conduct a serial and longitudinal analysis of the trials to identify developments, using two lists and HTR's identification of occurrences of

bankruptcy in 95 court records. Eventually, cross-referencing the data also allows us to sketch out a geography and sociology of the operators who went bankrupt.

MAGNUS RESSEL, *Expansion of business range and prudent risk taking. Specht et Gonzebat in Lyon in the early eighteenth century*

This article explores the rise and fall of the Swiss-German trading firm Specht & Gonzenbach in early 18th-century Lyon. It examines how the company strategically expanded its operations, connecting markets from Germany and Italy to the Levant and the Atlantic. Drawing on theories of risk and business from the fields of sociology and business history, the study highlights how reflected decision-making within a strong network-structure shaped the firm's trajectory. By reconstructing its *modus operandi*, the article demonstrates how Specht & Gonzenbach embodied a form of rational, calculated risk-taking that promoted the expansion of early modern trade. Its failure due to quarantine measures, paradoxically, confirms the firm's historical significance as a pioneer of global commerce.

THOMAS MAX SAFLEY, *Understanding uncertainty: Reflections on insolvency, bankruptcy and 'risk' and the entanglement of state, capital and labor in the sixteenth century*

How did economic agents manage 'risk' in an age when outcomes were held to be unpredictable and measuring their likelihood was impossible? Their assessments of uncertainty relied on the long-term, hard-won experience of business practice. This paper examines the entanglement of the uncertainties confronted by state, capital and labor as they existed at the mercury mine in Idrija, Slovenia. The conflicts, negotiations and bankruptcies that arose there during the sixteenth century reveal the measures taken by each to hedge their uncertainties.

LLUÍS SALES I FAVÀ, *The courts of the local bailiffs in medieval Mallorca. Shared jurisdictional mechanisms to prevent nonpayment*

This study analyzes the functioning of the royal court of Montuïri, a rural jurisdiction in central Mallorca during the early fifteenth century. Based on preserved legal records, it explores how gracious or voluntary jurisdiction operated in practice, alongside the mechanisms used to pursue unresolved debts. By situating this court within the broader legal framework of the royal domain – administered by the *Batlle General* and the Governor—the article highlights its procedural norms and reliance on coercive measures. The paper further contextualizes litigation patterns in the economic tensions between urban and rural Mallorca, offering insight into how local communities navigated legal structures to manage credit and assert their rights.

TANJA SKAMBRAKS, Dealing with economic precarity through microcredit. The Monti di Pietà in late medieval and early modern Italy and Germany

This article explores the role of the Monti di Pietà in late medieval Italy and Early Modern Germany as instrument of self-help of the working poor. Claiming that microcredits provided by urban pawnbroking institutions helped to mitigate phases of illiquidity and possible insolvency, it can be shown that they were part of the strategies of survival applied by a clientele consisting mostly of craftsmen, day-laborers and small shop-keepers. These social groups used their material belongings – mostly humble household objects and clothes – to convert them into small-scale credit in times of crisis. The second part of the article thematizes the introduction of the Monti in two German cities that were major trading hubs: Augsburg and Nuremberg showing the successful adaption of the Italian model of welfare north of the Alps.

MARK STEELE, Bankruptcy procedures in sixteenth century Seville, with special reference to the Espinosa and Morga bank failures in the 1570s

Economists and lawyers have considered the efficiency of bankruptcy procedures, but given little serious attention to historical examples. Conceptual difficulties also arise in distinguishing «bankruptcy» and «insolvency» as overlapping, but not interchangeable, categories. Bankruptcy statistics provide a useful indication of economic conjunctures. A hike in Sevillian bankruptcies Seville during 1566-1577 shows the effects of government interventions in the Seville money market including the *decreto* suspending payments on the Castilian floating debt of 1575; this paper details the crisis through the correspondence of local merchants observing these events, focussing on the collapse of Seville's two licensed deposit-banks in 1576.

TOMMASO STEFINI, Venetian creditors and Ottoman defaulters: handling bankruptcy in seventeenth-century Istanbul

Despite bankruptcies being a ubiquitous occurrence in European communities trading in the Ottoman Empire during the early modern period, they have aroused little scholarly interest so far. This study aims to fill this gap by analyzing bankruptcy disputes between the Venetian and Ottoman merchants in Istanbul in the early seventeenth century. By examining the resolutions of these controversies through litigation in Ottoman Islamic courts and consular tribunals, as well as international diplomacy and out-of-court settlements, this piece demonstrates how Venetian and Ottoman authorities established an inter-polity system of courts and state obligations to prevent and manage bankruptcies among international merchants.

JORIS VAN DEN TOI, Limiting risks in the Dutch processing industry, 1600-1800

The so-called «First Modern Economy» of the Dutch Republic was largely stagnant between the 1650s and 1770s, apart from the industry that processed colonial raw

materials into goods fit for market. This traffieken industry (trafficq) quadrupled its share of the Dutch early modern economy. At least in part, this was due to protectionist policies that made trafficq the «pampered child of trade policy».

While most industries and manufacturers could offset some risks through guild memberships, the colonial processing industry operated entirely outside the purview and protection of the guilds. At the same time, colonial processing industry relied on merchants and ships for both its raw materials and connections to markets in the European hinterland. It is therefore all the more surprising that this industry succeeded in influencing and dominating Dutch trade policy.

LEWIS WADE, Manufacturing markets: Managing the industrial risks of Franco-Asian commerce, 1683-1702

This paper revisits the relationship between entrepreneurialism and risk by analysing the French crown's efforts to promote the trade of Languedocian cloth in India from 1686 to 1702. The crown limited the CIO's ability to import Asian textiles, regarding these as deleterious to metropolitan industry, while simultaneously requiring the CIO to make consistent, large orders with the Languedocian factories of Saptès and Villeneuve. This reflected an understanding of the factories' entrepreneurs as agents of the public good who needed to be protected from market uncertainties. Yet while the CIO itself suffered from this dynamic, the scale of its orders facilitated the factories' development into mature enterprises that undergirded French success in Ottoman trade in the eighteenth century.

MAYA ZELLWEGER, «Chi va piano va faro». Risk management of the linen merchants Zellweger from Trogen in the trading triangle Appenzell Ausserrhoden, Lyon and Genoa, 1750 to 1820

The production of linen, in particular, allows us to identify regions that were enormously industrially productive before the Industrial Revolution of 1780. The surplus from the linen industry enabled the emergence of a linen trade that extended far beyond the region. The example of the Zellweger merchants of Trogen demonstrates how, after the Thirty Years' War, the linen trade from Eastern Switzerland shifted from the city to the countryside. Unbound by urban restrictions, it developed considerable potential in this new environment for approximately 150 years – based on traditional institutions such as the linen show at home and periodically held trade fairs abroad. Each of the seventeen Zellweger trading companies had to build its own network, as evidenced by the analysis of their letter-copying books. The long-term success of the Zellweger merchants in the volatile textile trade was attributable to principles such as patience and utmost caution.

Gerade am Beispiel der Herstellung von Leinen können Regionen identifiziert werden, die vor der Industriellen Revolution 1780 enorm gewerblich produktiv waren. Der Überschuss des Leinwandgewerbes ermöglichte das Aufkommen eines Leinwandhandels, der über die Region

binaus in die Ferne zielte. Am Beispiel der Kaufleute Zellweger von Trogen kann demonstriert werden, wie nach dem Dreissigjährigen Krieg der Leinwandhandel aus der Stadt heraus auf die Landschaft dislozierte. Ungebunden an städtische Restriktionen entfaltete er aus dieser neuen Umgebung heraus nochmals für rund 150 Jahren grosses Potenzial – auf Basis der altherkömmlichen Institutionen wie Leinwandschau und periodisch stattfindende Handelsmesse. Jede der insgesamt siebzehnt Handelsgesellschaften Zellweger musste sich ihr eigenes Netzwerk aufbauen, wie es über die Auswertung der Briefkopierbücher zu beweisen war. Die Langfristigkeit des Erfolgs der Kaufleute Zellweger im volatilen Textilhandel war auf Grundsätze wie Geduld und höchste Vorsichtigkeit zurückzuführen.

NICOLÒ ZENNARO, «Credo per la grazia di Dio farei bene». Future thinking and knowledge of a risk (in)expert in late medieval Venice

This paper investigates how a broker used his knowledge to create future expectations on the Venetian market in the late fourteenth and early fifteenth centuries. To do this, it examines the correspondence of a Florentine broker from the Datini holding company, Talerano di Paolo Mattei, written between 1395 and 1400. This Florentine businessman became a broker because of a debt he owed to Datini, who had released him from prison after he had stolen valuable books from his former employer to sell them himself. This research shows how Talerano perceived the risks that affected the Rialto market and how he used (or did not use) information and knowledge to deal with them.

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ANGELA ORLANDI is Professor of Economic History in the Department of Economics and Management at the University of Florence. Her scientific interests include public and private finance, business history and international trade. She is the scientific director of the 'E. Datini' Foundation - International Institute of Economic History in Prato.

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