
Banking and Documents

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1. « Peut-être l'heure des techniciens a-t-elle, heureusement et dange-reusement, sonné pour nos études historiques » wrote Fernand Braudel in 1953 in the preface to De Roover's book on the letter of exchange.¹ « Heureusement, car seule une technique efficace et précise peut vaincre beaucoup des difficultés que nous rencontrons, éclairer les vrais problèmes; tout progrès est à ce prix. Dangereusement, ou malheureusement car, historiens, notre tâche se complique sans arrêt et l'effort, aujourd'hui désespéré, risque, demain, d'être même impossible pour qui voudra resaisir toutes ces lumières particulières et en recomposer la grande histoire, celle qui plane au-dessus de toutes nos recherches et victoires particulières ». Since the French historian wrote these words the 'techniciens' have made great advances, inspired by, among others, De Roover, the author of a series of studies which are of fundamental importance, and who also, right up to the last years of his life, devoted great energy to international conferences on economic history. These studies deal with economic and commercial methods, with credit and book-keeping techniques and practises, and their development. They have to some extent replaced the legalistic historiography of the traditional medievalist and have accompanied — a sure sign of a changed historiographical climate — the revival in terms of empirical analysis, rather than simple ideological division, of the debate on the emergence of the social and economic structures of the modern world, on the dissolution of feudalism and on the progressive establishment of capitalist social and economic structures in certain regions of Europe.

¹ Cf. R. DE ROOVER, *L'évolution de la lettre de change XIV-XVIII siècles*, Paris 1953, p. 7. For a first assessment of the work of this historian, who died recently, see DAVID HERLIHY, *Raymond De Roover: Historian of Mercantile Capitalism*, in « The Journal of European Economic History », vol. I, no. 3, 1972, pp. 755-762.

Looking at the subject in a very general way we can distinguish two themes which are often merged in individual studies. On the one hand the aim is to describe in precise terms the techniques used in the world of business in order that documentary research and reconstruction of social and economic structures might have a firm foundation in an understanding of the role and importance of individual documents and their relationship to the rest of the material that has come down to us: « tous progrès est à ce prix » as Braudel said. On the other hand — and it is this is most likely to offer immediate historiographical results, and for this very reason positions have quickly been taken up by historians, even if many of them seem to be very loosely connected to documentary evidence² — the development of such techniques between the 13th and the 16th centuries and the adoption of modern forms is one of the factors that have been established by these studies. This, in parallel with expansion in trade, the increasing importance of towns vis-à-vis the countryside, the consolidation of a middle class with an entrepreneurial cast of mind, the subordination of the independent craftsman to the merchant, and the rise of specialized manufacture, has been taken as an indication of the spread of modern social and economic structures, even to areas such as the quadrilateral formed between Florence, Venice, Milan and Genoa, where they were not to have any immediate future because of the adverse circumstances in evidence from the second half of the 16th century onwards.

In short, this is not only a matter of the history of techniques in isolation. The breadth of problems examined shows that these studies are by no means, so to speak, 'preliminary' in nature, and shows that they relate directly, and immediately, to 'grande histoire'.

2. The International Exhibition of Banking History (13th-16th centuries) was held in Siena from 17th September to 10th December 1972 in the splendid Salimbeni palace to mark the quincentenary of the foundation of the *Monte dei Paschi di Siena*, the Italian bank which, as John R. Hicks said, « proudly bears above the entrance the inscription 'founded in 1472' ».³ Once again the whole complex issue of how best to organize such a documentary exhibition was opened up. There was nothing that was merely commemorative. The exhibits were part of an integrated exposition, of which each in turn provided fresh confirmation, without sacrificing clarity and readability. Scientific and popular needs were well balanced, leaving the

² See in particular those of RUGGIERO ROMANO now collected in the volume *Tra due crisi: l'Italia del Rinascimento*, Turin 1971. But cf. also the essay by the same author *Una tipologia economica*, in « Storia d'Italia, 1 - I caratteri originali », Turin 1972, pp. 256-304, which has already aroused discussion.

³ J. R. Hicks, *A Theory of Economic History*, London-Oxford-New York 1969, Italian translation Turin 1961, p. 90, note.

visitor with the feeling that he was retracing the centuries long career of fundamental aspects of our economic life, of being able to rediscover the present through a direct knowledge of a past that was reconstructed here with tangible evidence.

This readability and clarity also resulted from the thorough technical provisions that were made. In particular, however, the greatest contribution derived from the debates which have absorbed decades of labour from banking historians of many nationalities, to which the *Quarta Settimana di Studio* held by the *Istituto Internazionale di Storia Economica 'Francesco Datini'* at Prato in the April of the same year, on the theme 'Credit, banks and investments, 13th-20 centuries' bore witness, as has also and in particular the work of Federigo Melis, who has become, along with his school and the methods of research he prepared, the essential reference of all studies of trade and credit in the centuries between the Middle Ages and the modern period. The organization of the exhibition and the fine « Guide » to it⁴ were the work of this scholar, who only a few months previously had completed a magnificent edition of documents on economic history between the 13th-16th centuries which is the first in a series of publications by the Datini Institute in which considerable space has been allocated to banking history.⁵ All of this bears witness to a didactic commitment that is not always to be found in historians of his status; this is especially evident in the enthusiasm with which Melis infuses the annual course of advanced specialization in economic history at the Datini. This 'school making' is a fundamental aspect of his 'history making' and is not the least of his merits.

Let us now see how, in concrete terms, Melis faced the task given him by the *Monte dei Paschi* and how the line of interpretation, recently confirmed in the paper he presented at the Prato conference mentioned above and in the chapter on the bank in the essay that forms a preface to the edition of documents referred to above,⁶ emerged from the series of documents at the Salimbeni palace. It should be noted in the first place that these documents derive from participants in credit operations, and that their greater documentary value in comparison with official and notarial deeds had already been explained by Melis himself in his lectures 'On the sources of economic history'.⁷ Since they have been kept, for the most part, in the Tuscan archives, it was from these that most of the material on exhibition was

⁴ F. MELIS (ed.), *Guida alla Mostra Internazionale di Storia della Banca secoli XIII-XVI in occasione del V centenario del Monte dei Paschi di Siena*, Siena, undated.

⁵ Cf. FEDERIGO MELIS, *Documenti per la storia economica dei secoli XIII-XVI* with a note on commercial paleography edited by Elena Cecchi, Florence 1972.

⁶ F. MELIS, *Documenti*, op. cit., p. 75 et seq.

⁷ F. MELIS, *Sulle fonti della storia economica. Appunti raccolti alle lezioni del Prof. Federigo Melis a cura del Dott. Bruno Dini, anno accademico 1963-1964*, in particular p. 100 et seq.

obtained. The rest of the material, both original and photocopies, came from other Italian public and private archives, as well as from the Simón Ruiz archive at Medina del Campo, now deposited at Valladolid. The items were displayed in show cases following individual subjects. A transcription as well as a lucid explanation was provided for each document, and this provided the link between the individual documents and the cases as a whole, giving unity and continuity to the theme developed by the exhibition. The exhibition was spread over four rooms, the first devoted to the 'origins and development' of the modern function of credit and the typology of the various instruments, the second to 'the great Italian banking centres', the third to those abroad, and the fourth to the *Monte dei Paschi* and the *Istituto Bancario San Paolo di Torino*.

3. I do not think one would be mistaken in saying that the first room was the one that was the richest and most challenging in the questions and problems it posed. Its theme, as we have seen, was the origin and evolution of credit and its related instruments up to the 16th century.

« The function of credit », Melis had stated at Prato,⁸ « must be understood to be the assistance, or support, or aid, from which, in financial terms, the administration of a business can benefit, due to the influx of wealth which another concern is willing to offer. The latter in committing itself professionally can be termed 'banker'. At the beginning it gave its own money, but as activities of this nature grew it began to appeal, in its turn for the wealth of others, becoming a pivot for the concentration of unemployed wealth for redistribution to productive needs ». This is a definition that we have quoted here because it explains why it was decided to exclude from the exhibition reference both to lending to consumers and also to the number of famous operations — famous although, in fact, largely devoid of the credit character which is often imputed to them — by Florentine and Siennese merchants providing assistance for the princes and kings of the countries where they were involved in business, which were in fact designed to buy certain favours and were not therefore repayable.⁹ It also explains the presence of various sorts of documents, ranging from ordinary papers to accountancy documents, which were intended to provide a picture of the mechanism of distributing credit in all its phases, its relationship to the over-all management of the business's credit distribution, which for many centuries was quite unspecialized, and also its economic importance in the concern to which it was destined. In addition, as Melis had the opportunity to confirm, again, in replying to a precise question put to him at the Prato

⁸ Cf. the cyclostyled text of MELIS' paper delivered on 15th April 1972, *La grande conquista trecentesca del « credito di esercizio » e la tipologia dei suoi strumenti fino al XVI secolo*, p. 3.

⁹ See MELIS, in *Documenti*, op. cit., p. 75.

conference by Braudel,¹⁰ the origins of credit must be sought in the passive side of the credit operation, and the motivation for the bank's function can only be understood through the mechanisms of the concern to which the credit was given at a certain point in its development.

The first show case was devoted to the Sienese bankers, who, as early as 1200, were pioneers in large-scale international trade and were the leading spirits of the famous Champagne fairs before their decline. But Tolomei, Ugolini and Salimbeni were not merely the precursors of glories which soon passed on to others. The exhibits show that the Sienese merchants class was present throughout the entire period under consideration, operating on an international scale from Seville to Lyons in its years of great prosperity,¹¹ although it is evident that they took second place to the great Florentine merchants. However the political decline of a city and its economic decline do not necessarily go hand in hand. On this one might refer to one particular document among the exhibits, a commercial letter on parchment dated 4th September 1262 from Andrea Tolomei to his Sienese colleagues which opens the exhibition, which throws a ray of light on the seething world of international trade simply because of its discursive nature.¹² The issues raised in this broad survey take us on in the most natural way into an exposition which slowly becomes more and more precise and articulate. After the Sienese merchants we come across a group of documents which exemplify the various types of script used by a banking concern of the time. These are all the more important because they belonged to what was, to our knowledge, the first specialized banking concern, the *Compagnia del Banco*, which was founded by Datini in partnership with Bartolomeo Cambioni, from Prato, in 1398 and closed down at the latter's death in 1401. Letters of exchange, mandates of payment and *chèques*, ordinary papers and above all an extensive collection of complete and analytical account books — the importance of which Melis has often pointed out, and has made a detailed analysis of their function¹³ — form together a typical banker's desk of the late 14th century, a period in which the credit organizations in Tuscany had already reached full maturity. This is explained to us in the third case, which illustrates the gradual development in the credit operation from simple usurious credit marked by very high interest rates and its indispensable accompaniment by physical security, to long-term credit with moderate rates

¹⁰ For the text of this discussion, which took place following Melis' paper, we shall have to await the publication of the proceedings of this conference.

¹¹ On Lyons in the XVI century the standard work is R. GASCON, *Grand commerce et vie urbaine au XVI siècle, Lyon et ses marchands*, Paris 1971.

¹² These are documents collected, following the classification adopted by Melis in his cited *Documenti* under the heading « carteggio comune » on which cf. p. 14 et seq.

¹³ Cf. among others, his *Storia della ragioneria, contributo alla conoscenza e interpretazione delle fonti più significative della storia economica*, Bologna 1950.

of interest, and finally to what Melis defines as « the decisive step in the development of banking », commercial credit based on 'trust'. An example of long-term credit is offered by a series of documents, which are collated together into a difficult but skilfully dovetailed whole, which allows us on one hand to follow the entire process from the document directly requisites a certain credit, to registrations in the various phases of accounting. It also permits us to go back to the original document, right to its characteristic typology, even starting from the subsequent documentation. This is clearly a factor of major importance especially in cases where the original document — as is most often the case — has been lost. Short term credit is of course exemplified here by the *libro dei creditori* of the Sancasciano company of Pisa, which makes it possible to date the birth of a typically modern credit instrument — the concession of credit against consignment of merchandise — several centuries earlier than has generally been believed. The low interest rate — 37 per cent per annum — in the transaction recorded on the page which is open (page 8), is interesting. Naturally transactions of this type could not be encumbered with pawns. A letter to the Datini company of Genoa from Paris, dates October 1395, draws up what we would now refer to as a *castelletto* (i.e. a list of credit) defining the limits of the solvency of every concern and showing clearly that trust was the only factor in which such developments could have been achieved. In the same show case there is another Pisan ledger which, together with other documents, shows how a certain Migliore from Amalfi came to Pisa to trade and started a series of banking transactions with the company of Parazzone Grasso, with a lack of constraint which in itself is a clear indication of how firmly the methods used had become established, as it is of the efficiency of the institutions and of the general degree of confidence in them among commercial circles.

The two following cases were devoted respectively to the exchange contract and endorsement, the two instruments which made it possible to overcome monetary obstacles and increase the circulating speed of species, but which, in the strict sense, cannot be considered creditary instruments. They do however open the way for the theme which Melis develops in the final case in the room, discounting. This concludes the classification of the credit instruments which arose as trade and economic life in general expanded in the period in question. To proceed in a more orderly way, however, exchange transactions are illustrated by three types of documents.

a) True and authentic bills of exchange. Following an essay in which the four cardinal axes of the operation (the drawer, the payee, the drawee and the beneficiary) are defined, there is a series of examples of 'exchange and re-exchange', bills of exchange in Catalan from the Datini archive, some of which cite Palla Strozzi, who was operating in Lyons, as drawee and finally a protest from Avignon.

b) Related documents: especially information on exchange rates, quotations which, according to the circumstance were 'certain or uncertain', or in percentages above or below the normal parity.

c) Accounting documents which record the operation and make it possible to reconstruct the original letter in the event, which as we have said is very frequent, that it has been lost. In this respect as well the greater scope of the Tuscan houses can also be seen in terms of their greater sophistication in technical book-keeping and registration in comparison with other financial centres. The bills of exchange had a separate ledger, the '*Quaderno dei cambi*' and an example of this from the Datini company in Barcelona was exhibited, together with the bills of exchange which gave rise to the registrations. Once again the visitor could not help but feel himself to be in the presence of essential and efficient technical organs which were specialized yet organically directed.

Even the endorsement transfer (*girata cambiaria*) was habitually used by the later medieval merchant banker despite the ecclesiastical measures against usury. The fifth case provides an example of endorsement outside the stipulation of the instrument, that is to say of written orders deposited by the beneficiary of the bill (the endorser) in favour of a new beneficiary (the endorsee), which emerged as an instrument quite independent of the true bill of exchange. The example was from 1392 and was accompanied as usual by the endorsed letter of exchange and by the registers recording the operation. The earliest example of the authentic endorsement (*girata*) however dates from 1410 and comes from the Datini archive. Further examples from the 15th and 16th centuries, both in the original and from reports in other documents, remove all doubt as to continuity in the use of this instrument after the years in which it has first been located.

Finally, discounting. Here one must once again refer to De Roover, and the show-case pays homage to his memory by continuing his line of inquiry in two directions. On one hand examples of discounts are cited which anticipate by nearly a century — that is to say from the beginning, not as De Roover thought for the end of the 14th century — its accepted use, and they are drawn from those derivative documents in which De Roover showed little confidence but which have become for Melis the object of exhaustive and highly rewarding study. They also demonstrate that it was by no means essential to disguise discounting in the exchange transaction. A clear example of discounting which did not involve any exchange operation is provided by the ledger of Parazzone Grasso's bank at Pisa, which goes back to 1373. The general Datini correspondence also provides some examples which show that discounting had acquired a customary character and was not restricted by theological fears in practise. In this context, in fact, the exhibited page of the Farolfi ledger, which dates from 1300, records the counterbalance for an early payment quite independently of the exchange transaction. Following

the hypothesis, then, which Melis has put forward on the basis of these documents, the discount independent of the letter of exchange preceded that involved in exchange operations. There is an example of the latter from 1334, from the '*Libro vermiglio*' of the Corbizzi and Gerolami, in which, in contrast to other similar operations exhibited in the same case, the exchange transaction does not seem to be imposed and fictitious but effective. It is for this reason that it is essential to distinguish in these exchange discounting which it is effective, as well as distinguishing purely speculative discounting transactions those in which the exchange operation is fictitious from those in which it is effective, as well as distinguishing purely speculative discounting from the discounts which can be fully included in the classification of working credit. There is no need to add that, once again, Melis does not let slip the opportunity of increasing the visitor's and the scholar's understanding by putting together both the original instruments and the references found in the subsequent documentation, allowing one to enter right into the mechanics of the working of a merchant banking enterprise.

The theme developed in the first room is concluded in a show-case which for reasons of space has been placed in the second room. Many of the themes already discussed are taken up again here and are re-examined in the light of what the director calls « the major characteristic of the 14th century in the field of banking and in particular in terms of its 'related instruments' », ¹⁴ that is the establishment of written in preference to oral orders. The simplification of credit operations which resulted from this technical expedient becomes evident only when one remembers that they saved the party who gave away the money from having to go to the office of his banker to dictate the sum and the consignee. The subject has been treated in detail by Usher, ¹⁵ but, as Melis has shown, ¹⁶ while he has been able to push back by some years the date of origin of the bank draft (*assegno bancario*) he has not succeeded in distinguishing clearly the cheques from the mandates of payment in the Datini Archives. Naturally, much more important than the mandate for payment, in which a third party was empowered to receive payment on his own account, is the true bank draft, implying an effective transfer of monies using a bank, and Melis has taken advantage of the fact that the latter instruments were inscribed — in contrast to the abstract character of their modern counterparts — with the cause of the payment, and has been able to furnish this case with examples which offer conclusive proof. The period when the instrument had not yet gained a sound and independent status is illustrated by a number of examples in which it appears as a general letter addressed to a banker, which was to survive as a straightforward credit

¹⁴ Cf. *Guida alla mostra internazionale di storia della banca*, op. cit., p. 116.

¹⁵ A. P. USHER, *The Early History of Deposit Banking in Mediterranean Europe*, vol. I, Cambridge (Mass.) 1943, p. 91 et seq.

¹⁶ In *Documenti*, op. cit., pp. 84-85.

instrument after the birth of the authentic cheque. The earliest example so far discovered dates from 1368, that is, earlier than the general letter mentioned above, and in the Prato conference Melis' colleague, Dr. Spallanzani, had given notice of its discovery in the Florentine State Archive. It was exhibited here in the register in which it was contained together with other instruments of a slightly later period. The case was made up then by mandates for payment and book-keeping registrations which indicate the extent to which, despite the fact that so few have survived, such instruments of credit had become an integral part of the banker's apparatus by 1400. Further proof of Melis' assertions can, however, only come from archival research, and this should enable us to move backwards from the more abundant derivative sources to the original instruments.

4. In the two successive rooms which were devoted to the great Italian and European banking centres, after the study conducted as it were in the offices of the leading late medieval companies, the horizons suddenly broaden infinitely. The great trading centres and the long principal routes populated with men and goods, form the corner stones of a world in which mental structures, interests, and the mercantile way of life tended to become unified in the new bourgeois groups which were small but dynamic in relation to the rest of society, the bearers, in the famous simile which Pirenne has made classical, of an activity which broke up the feudal world which still predominated beyond the confines of the city walls.¹⁷ The cases show how in each of the great centres it is possible to find not only the direct presence of the great Tuscan bankers but often also the adoption of the credit techniques, the circulation of innovatory ideas, together with facility and frequency of contact and relationships.

As is well known, in the case of Genoa¹⁸ the habitual use of notaries has deprived us of a wide range of Tuscan documents. The 'manuals' and 'cartularies' of the *Banco di San Giorgio* hence are of the greatest importance,

¹⁷ There is no need to draw attention here to the problems arising from Pirenne's treatment of the question. One need only cite, as an example of contrasting opinions, the famous study by M. DOBB, *Studies in the Development of Capitalism*, London 1946, which was itself followed by lively debates which are still unconcluded, as E. HOBBSBAWM's masterly preface to KARL MARX, *Forme economiche precapitalistiche*, Rome 1967, shows. One could add that M. BLOCH's study *La société féodale* had earlier show that there was no contradiction between feudalism and commerce. A new approach may be found in W. KULA, *Teoria ekonomiczna ustroju feudalnego. Próba modelu*, Warsaw 1962.

¹⁸ Not all the great Italian commercial towns have received sufficient scholarly attention. Among the major studies one could cite that by HEERS on Genoa (*Gênes au XV^e siècle*, Paris 1961) those by LUZZATTO and LANE on Venice (*Storia economica di Venezia dall'XI al XVI secolo*, Venice 1961 and *Andrea Barbarigo, merchant of Venice, 1418-1449*, Baltimore 1944 respectively) and, as an example of a different approach, BERENGO's study of Lucca (*Nobili e mercanti nella Lucca del Cinquecento*, Turin 1965). There is also the study by MELIS in vol. I of the *Aspetti della vita economica medievale (Studi nell'Archivio Datini di Prato)*, Siena 1962.

but they go back only to 1408, the year in which the Bank was founded. One of the great 'cartularies' was on display together with other Tuscan and Lombard documents which threw some light on banking in Genoa in early periods. A ledger from the Datini archive, for example, records the discovery of a current account, which was one of the major forms of credit in Tuscany and which was clearly already known in Liguria, as well as letters of exchange, clearance accounts etc. In connection with the current account another discovery has been made in Venice of a document relating to the leading Venetian bank of the early 15th century, that of Priuli, in the Venetian State Archive, which from this point of view is much richer than that of Genoa. In addition, the case devoted to the themes of the first room showed an 'authentic' Venetian endorsement of 1485. There were also other papers referring to Venetians with interests in London, Lyons and Naples.

The case dedicated to Milan naturally featured documents from the Borromeo dell'Isola Bella Archive which dealt with the huge Borromeo concern and its agencies in Florence, Venice, London, Barcelona, Antwerp, Bruges and Geneva. Such an enterprise clearly did not become established in a situation in which there was no competition, as a San Casciano ledger registers a credit for the supply of goods in the name of Guglielmo degli Ormanni of Milan and this was before 1360. Also involved in the same mercantile and financial circuit were Sicily and in particular Naples, itself a major financial centre, from which local businessmen such as Angelo Cuomo emerged. Given the diffusion of local archival material, their careers can be reconstructed, through the writings of the Lucchesi and Florentines who dominated the market there. Finally there was Rome, a cross-road of the massive financial floods attracted by the papal curia, and which was now launched on the great adventure of the artistic Renaissance, but which was dominated once again by the Florentines. Of the other items exhibited a number of letters copied from the '*Quaderno dei Cambi*' of the Strozzi company, in which Filippo Strozzi orders no less a personage than Jacob Fugger to pay 10,000 ducats to the Cardinal Giulio de Medici should be mentioned.

Fugger's name takes us right to the heart of a Europe whose mercantile and credit structures have been so fully revealed in the work of Sayous, Renouard, Jeannin, Gascon, Bergier etc. But almost certainly these would benefit from fresh consideration in the light of the vast archival deposits left by the Tuscan and Italian commercial enterprises. This Italian documentation accompanied the flowering of the regions and their cities and provides an ever present witness whenever trade and traffic came together to create opportunities for profit and investment, growing quiet when the economic situation changed. A vast range of information relating to European economic history in general, to the Champagne fairs, to those of Geneva, Basle, Bruges, Antwerp, Besançon, London and Constantinople, to the cities of the Iberian

peninsula from whence the expeditions to the new continents set out may be discovered in them.¹⁹

As far as the geographical discoveries are concerned, for example, the influence of the Italians can be seen not only at the level of the great navigators, but also in the economic and financial network which lay behind the expeditions. This is illustrated in the Gondi ledger-book, an account from which was displayed in the Lisbon show-case and which related to a voyage to the East Indies made between 1503 and 1508, together with a letter to the Strozzi company concerning Peruvian gold, dated 1535, in the Spanish show-case. Most interesting of all however was a further item from another Gondi ledger-book displayed in the French cabinet. This was the account discovered by Elena Cecchi which is already well known as it was exhibited in the U.S.A. in 1968 at the famous San Antonio exhibition. The account is drawn up in the name of Giovanni da Verrazzano to enable him to undertake his first voyage in 1524.

There were many other items which were similarly evocative, and in that room there were also a number of individual items which one can, for reasons of space, mention only at random. The great Salvato house which operated at Lyons in the early 16th century kept a register of promissory notes which had not been distributed among creditors and debtors in a provisional account entitled '*Cambi da partirsi*', parallels to which have not been found for other companies. In the cabinet devoted to Switzerland there are two letters from the Datini archive which speak of the Geneva fair as a meeting place which was both well known and attended by Italian merchants. It would also appear from the Borromeo ledgers, in particular the Barbarigo '*quaderno*' and the Piccamiglio '*cartolare*' which Heers has used already, that London, which in the early years of the 15th century was of lesser importance than Bruges, was frequented by Genoese, Venetians, Milanese as well as by Florentines. Finally, the '*viazi*' (business trips) of the Venetian bankers of the early 15th century to Constantinople deserve mention. They are documented by material from the Venetian State Archive and show the degree to which modern trading and banking methods had spread to that distant but important commercial centre.

5. Braudel has warned us to use some caution in talking of Italy's decline which followed its unrivalled commercial mastery, and to place its beginnings as late as the early 17th century.²⁰ It is clear however that quite apart

¹⁹ As an example of the results that can be obtained by using Italian material there is R. DE ROOVER, *The Bruges Money Market around 1400. With a Statistical Supplement by Hyman Sardy*, Brussels 1968, researched in the Datini archives. For the Iberian peninsula see HERMAN KELLEMBENZ (ed.), *Fremde Kaufleute auf der iberischen Halbinsel*, Cologne-Vinna 1970.

²⁰ F. BRAUDEL, *La Méditerranée et le Monde méditerranéen à l'époque de Philippe II*, Paris 1949, Italian trans., 2nd ed., Turin 1965, especially p. 454 et seq.

from the rise of new gravitational centres in the international economy which tended to shut out the cities of the peninsula there were also various other limiting factors which, although they had always been present, began to make themselves felt during the 16th century when several of the major European nations established an organic base for social and economic as well as political progress. It was only in certain parts of Italy, however, such as lower Lombardy, that the process of capital accumulation deriving from commercial, banking, and even manufacturing profits, was accompanied by agrarian investment or by the integration of the countryside into an urban economy. At the same time political division, culminating in foreign occupation, impeded the creation of an integrated system in a sufficiently wide area, in such a way that the energies of the individual centres might have been put together rather than put into competition.

The decline in innovatory skill in banking techniques and even the loss of a whole series of achievements which at one time appeared to be firmly established was no more than a symptom of a more general crisis which the continued and frenetic activity of the Genoese did not belie. The Italian private bank gave way to the public bank which, as Luigi de Rosa in particular has pointed out in reference to the birth of public banks in Naples,²¹ was produced by the grafting of the effects of the price revolution in individual states onto the general situation, as well as by the maturation of the *Monte di Pietà* and the charitable institutions founded by the Church from the late 15th century in order to combat usury.

An even more evident line of continuity between *mons pietatis* and the public bank can be found in Siena, and this is no accident. The grafting of a charitable institution onto an economic and social structure in which the most advanced creditary techniques had been familiar for centuries could only imprint it with a certain stamp and provide it with tasks which, as times improved, would add an official character to its title of public bank. In contrast to Virgilio Mengozzi, Pignotti and earlier scholars of the *Monte dei Paschi di Siena*²² Melis has no doubts about the institution's real continuity from 1472 to the present. The final room in the exhibition, however, in which the various phases in the bank's history were illustrated in fact gave too little space to such problems.

The cases were arranged in three groups. The first comprised a single case, documenting the institution's origins and its activity up to 1555, the year which with the loss of the city's independence signalled the end of the

²¹ Cf. his article *Rivoluzione dei prezzi, guerre e banchi pubblici a Napoli*, in « Rassegna Economica », a. XXXVI, no. 2, March-April 1972, pp. 295-316. On the origins of the *Monte di Pietà* see the studies by MIRA, BARBIERI and others.

²² See MENGZZI, *Il Monte dei Paschi e le aziende in esso riunite*, vol. I-IX, Siena 1891-1925; the studies by VIRGILI and PIGNOTTI are in *Per il terzo centenario del Monte dei Paschi di Siena (1625-1925)*, Siena 1925.

first period of its existence, known as the '*Primo monte pio*'. Some documents from this period remain in the Siena State archives and they illustrate its great vitality from the very earliest years as well as the continuity with the '*Secondo monte pio*' — which was established in 1568 after persistent demands from the Sieneese and with the permission of the city's new rulers — as certain deliberations of the Siena '*Balia*' (shown in photocopy concerning the administration of the articles pawned with the institution) carry through to 1554. In addition to such deliberations and to the 'records of the sureties of the *Monte*' — which reveal the simplicity and efficiency of the accounting procedures — the case displayed the bank's birth certificate, the '*Ordinazioni et Statuti*' promulgated on March 4th 1472 (the codicil carries the date '71 because in Siena as in Florence the year began on 25th March, the day of the Incarnation) by the Sieneese state, and they contain both the decision to found the institution and a minute description of it.

With the second section in which the life of the '*Secondo monte pio*' was illustrated in two cabinets, the documentation drawn from the archives of the *Monte dei Paschi*, which Melis himself reorganized in 1956, began. The material on display ran from 1568 to 1624, the year in which the authentic public bank carrying its current title was founded, and provided a number of points of interest. From the variety of themes which one might develop we shall take that of the pressures which drove the original charitable institution, which was simply destined to provide consumer credit, to take on increasingly important functions which were destined to become institutionalized and made quite distinct from those of the original charitable fund in, of course, 1624. Among such functions one can list the supply of credit to the commune of Siena, revenue collection, a long term loan without security to a baker in order that he might expand his shop, a free loan of 500 *scudi* to a farming enterprise, repayable with the harvest, and in particular the loan, which is described in four documents, to encourage the breeding of pigs, on which no security was taken. These are all indications of the fact that Siena with its centuries of practise in the field of credit provided such stimulus for the charitable institution that it finished by assuming the role of protagonist in the city's economic history, a role that was institutionalized with the decree of January 2nd 1624 by Madeleine of Austria, protectress of the Grand Duke Ferdinand II de Medici.

It was this document that led into the third section. In five showcases the various activities in which the institution was involved up to the end of the last century were fully displayed. Consumer credit was concentrated in the *monte di pietà* and was distinguished from other forms of credit for which individual authorization was still required, an obligation which had prevented expansion in this field under the '*Second monte pio*'. The means by which funds were provided was a sort of real estate map called the '*luogo del monte*' of which the oldest example to reach us was displayed, surrounded

by all the documents to which it gave rise. The bank's legal activity, its accountancy, as well as individual operations such as that arising from the 1798 earthquake or charitable works and postal services, were among the other aspects of the bank's career which were displayed and which deserve greater attention. But all these are better known, which exempts us from the need to refer to them in detail here.

The two final cabinets in the exhibition were given over to the founding deeds of another ancient Italian bank, the Istituto San Paolo of Turin, which also developed from an original charitable foundation.²³ This long journey through the centuries of the generations of the career of the Siena bank ends then with the reminder that the *Monte dei Paschi* was but one example — and the earliest — of the resurrection, on new foundations matching new demands, of credit supplying institutions in which the experience of four centuries of practise was communicated in a way that was determined by more general historical circumstances. For these institutions the career of the private banks in Italy between the 13th and 16th centuries was not meaningless. Basically, however, such a conclusion serves only to reconfirm once again the correctness of the layout and organization of the Siena exhibition.

²³ Cf. *L'Istituto di San Paolo di Torino dalle origini ai giorni nostri (1563-1936)*, Turin 1936; MARIO ABRATE, *L'Istituto Bancario San Paolo di Torino*, Turin 1963 and *Archivio storico dell'Istituto Bancario San Paolo di Torino*, Turin 1963; the last two were published to commemorate the quatercentenary of its foundation.