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## PROBLEMS

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### *The Early History of European Banking: Merchants, Bankers and Lombards of Thirteenth-Century Lucca in the County of Champagne*

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The late Professor Raymond de Roover in his magisterial studies of the development and structure of banking in the Middle Ages argued vigorously against what he believed was a serious confusion on the part of other historians regarding the use and meaning of the term "lombard" as it appeared in contemporary texts. For de Roover, this confusion led in turn to larger and more important errors of interpretation in the history of early European banking.<sup>1</sup> He

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<sup>1</sup> RAYMOND DE ROOVER, *Money, Banking and Credit in Mediaeval Bruges. Italian Merchant-Bankers, Lombards and Money-Changers: A Study in the Origins of Banking* (Cambridge, Mass., 1948), 36: "One of the causes of the prevailing confusion on medieval banking is apparently the failure of modern scholars to see that the word "lombard" in mediaeval sources has two meanings." See also de Roover's "New Interpretations of the History of Banking," *Journal of World History*, 2 (1954), 38-78; reprinted in R. DE ROOVER, *Business, Banking and Economic Thought in Late Medieval and Early Modern Europe*, ed., Julius Kirshner (Chicago-London, 1974), 200-238 with a full bibliography of de Roover's writings.

was especially critical of Georges Bigwood and Josef Kulischer for their failure to distinguish between the term "Lombard" used in a geographical sense to denote anyone hailing from Lombardy and "lombard" employed as a technical term to mean a person engaged in pawnbroking and petty money-lending. On the basis of these oversights, claimed de Roover, Bigwood, Kulischer and others confounded the representatives of the large Italian mercantile-banking houses, whose business was commerce and foreign exchange, with the small operator engaged in the rather odious business of pawnbroking.<sup>2</sup>

Drawing upon sources from fourteenth and fifteenth century Bruges, De Roover insisted that these financial activities were discrete, a petty lender and pawn-broker, i.e., a lombard, would never deal in foreign exchange transactions while by the same token no merchant-banker would engage in pawnbroking and petty money-lending. In de Roover's reconstruction of the evolution of banking technique, three categories of financial activity existed in the Middle Ages: merchant-banking which evolved into exchange banking; money-changing which evolved into deposit and transfer banking; and pawnbroking which led nowhere insofar as banking history is concerned since the services that the pawnbroker provided to impecunious borrowers were for the most part taken over by charitable public institutions in the sixteenth century.<sup>3</sup>

DeRoover was, of course, quite right in drawing technical distinctions between mercantile banking, money-changing and pawnbroking. It goes without saying that negotiating instruments of exchange involved different techniques and different fiduciary purposes from pawnbroking. The deposit and transfer banking engaged in by the money-changers similarly may be distinguished in terms of technique from mercantile-banking and to some extent from pawnbroking. But were the social boundaries between these classes of financier as tightly drawn as de Roover suggested?

On the basis of evidence from the State and Capitular Archives of Tuscan Lucca, I will argue in the following essay that the kind of professional segrega-

<sup>2</sup> GEORGES BIGWOOD, *Le régime juridique et économique du commerce de l'argent dans la Belgique du moyen âge: Mémoires de l'Académie royale de Belgique, Classe des lettres et des sciences morales et politiques*, 2nd series, XIV, 2 parts (Brussels, 1921-1922) and Josef Kulischer, "Warenhändler und Geldausleiher im Mittelalter," *Zeitschrift für Volkswirtschaft, Sozialpolitik und Verwaltung*, XVII (1908), 29-71, 201-254. De Roover, *Money, Banking and Credit*, 345-347, 355 note 1 chided Bigwood for including the Italians "Pierre Cape le Lombard" and "Pieter Scandalioenne le Lombard" among the pawnbrokers when they should have been identified as merchant-bankers. "Lombard" thus, according to de Roover, should have been understood in these instances in its geographical sense to mean a person from Lombardy. Furthermore Kulischer, among other things, writes de Roover, badly confused the Italian merchant-bankers with pawnbrokers and also claimed that there was little difference between the money-changers' operations and those of the pawnshops.

<sup>3</sup> R. DE ROOVER, "New Interpretations of the History of Banking," *passim* and *Money, Banking and Credit*, especially 345-357.

tion apparently existing in the Italian community of late-medieval Bruges was not necessarily typical of conditions in the formative stage of European banking.<sup>4</sup> The thirteenth-century Lucchese material shows money-changers engaging in commerce, merchants trafficking in petty money-lending and merchant-bankers involved in pawnbroking as men of Lucca exploited the early market for capital and credit in northern Europe. The historical picture that emerges from the thirteenth century is one of a more fluid social and professional situation than de Roover found existing among the Italians in the later Middle Ages.

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Merchants of Lucca were among the first Italians to extend their commercial operations to Northern Europe. The earliest reference to a continuing commercial link between Italy and the North derives from a treaty, ratified 10 July, 1153, between Lucca and her close ally Genoa.<sup>5</sup> Among other terms of the treaty, Genoa undertook to protect the person and goods of Lucchese merchants passing through Genoese territory on their way to the "northern fairs" (*ad ferias ultramontanas*) with the proviso that their merchandise would not compe-

<sup>4</sup> *Archivio di Stato in Lucca*, hereafter *ASL* and, *Archivio Capitolare*, hereafter *AC*. On the archives of Lucca, see ROBERT S. LOPEZ "The Unexplored Wealth of the Notarial Archives of Pisa and Lucca", *Mélanges d'histoire de moyen âge dédiés à la mémoire de Louis Halphen* (Paris, 1951), 417-432; EUGENIO LAZZARESCHI, "L'Archivio dei Notari della Repubblica lucchese", *Gli archivi italiani*, II (1915), 175-210; ROBERT H. BAUTIER, "Notes sur les sources de l'histoire économique médiévale dans les archives italiennes", *Mélanges d'archéologie et d'histoire*, LVIII (1941-1946), 299-300; SAC. GIUSEPPE GHIRLARDUCCI, *Le biblioteche e gli archivi arcivescovile e capitolari* (Lucca, 1969) and Duane Osheim, "The Episcopal Archive of Lucca in the Middle Ages", *Manuscripta*, XVII (1973), 131-146. Survey histories of thirteenth-century Lucca are GIROLAMO TOMMASI, *Sommario della storia di Lucca*, published as *Archivio storico italiano*, X (1876) and Augusto Macini, *Storia di Lucca* (Florence, 1950).

<sup>5</sup> The document is published in CESARE IMPERIALE DI SANT'ANGELO, ed., *Il codice diplomatico della Repubblica di Genova*, I (Rome, 1936), no. 238. ROBERT H. BAUTIER, "Les foires de Champagne", *La foire: Recueils de la Société Jean Bodin*, V (1953), 105, note 2, attempting to deny the presence of Italian merchants at the Champagne fairs before the turn of the twelfth century, erroneously dates the treaty to 1258. However the names of the Genoese consuls in the document published by Imperiale are identical with those given by the Genoese annalist Caffaro for the year 1153 and thus confirms the accuracy of the 1153 date: cf. LUIGI TOMMASO BELGRANO and CESARE IMPERIALE DI SANT'ANGELO, eds., *Annali genovesi di Caffaro e de' suoi continuatori dal MDCIX al MCCXCIII* in *Fonti per la storia di Italia*, XI (Rome, 1890), 37. For the evolution of the Champagne fairs, in addition to the studies cited below in notes 8 and 11, cf. MICHEL BUR, *La formation du Comté de Champagne v. 950-v. 1150*, in *Mémoires des Annales de l'Est*, no. 54 (Nancy, 1977), 282-307.

te directly with that of Genoa (*exceptis illis rebus, que sint contraria nostris mercibus*). Similarly, the Lucchese were permitted to carry back through Genoa cloth of northern provenance (*...reducere ex illis feriis in nostram civitatem pannos albos et blavos et aspersatos*) upon which a toll of 5s. Genoese *per torsello* was levied. We may presume that this compact reflected a regular traffic already in existence if one not already old.

Unfortunately the archives of Lucca provide no direct evidence for the Lucchese commercial penetration into Northern Europe before the decade of the 1230's. However, published French sources show a continuous Lucchese presence in the region in the early thirteenth century.

In 1209 merchants of Lucca were named, along with their compatriots from Florence, Pistoia, Milan, Genoa and Venice, as recipients of royal protection granted by Philip II guaranteeing their safety while in transit to and from the Fairs of Champagne.<sup>6</sup> Relations between the comital court of Champagne and the Lucchese were especially cordial in this early period. In 1218 one Lamberto of Lucca was listed as a creditor of the Countess Blanche.<sup>7</sup> And four years later, the new Count, Thibault IV, took the merchants of Lucca and Siena residing in the County under his protection and granted them the privilege of engaging in all types of financial transactions, except short-term loans of weekly duration, as well as exempting them from military service.<sup>8</sup> In 1232 Lucca and money-lending were again linked in Champagne when Thibault engaged a Lucchese dyer for his wife, and conferred upon him license to traffic in money.<sup>9</sup> Such inducements held out to the Lucchese and other Italians suggest the need within the County for the ready cash the lenders could inject into the local economy. Throughout the thirteenth century Champagne remained the focal point of Lucchese commercial and financial operations in northern Europe.

In 1250 merchants of Lucca were in possession of permanent quarters in the two fair towns of Provins and Troyes.<sup>10</sup> When in 1266 they renewed the lease on a stone house, complete with cellars for storage, sleeping area and stables, in the

<sup>6</sup> W. HEYD, *Histoire du commerce du Levant au moyen-âge*, 2 vols. (Leipzig, 1923), II, 714. FLORENCE EDLER, "The Silk Trade of Lucca during the Thirteenth and Fourteenth centuries", (Ph.D. dissertation, University of Chicago, Chicago, 1930), 94.

<sup>7</sup> FÉLIX BOURQUELOT, "FRAGMENTS DE COMPTES DU XIII<sup>e</sup> SIECLE," *Bibliothèque de l'école des chartes*, XXIV (1863), 58. F. EDLER, *loc. cit.*

<sup>8</sup> FÉLIX BOURQUELOT, *Études sur les foires de Champagne*, 2 parts, published as *Mémoires présentées par divers savants à l'Académie des Inscriptions et Belles-Lettres* (Paris, 1865-1866), I, 175. ADOLPHE SCHAUBE, *Storia del commercio dei popoli latini del Mediterraneo sino alla fine delle crociate*, tr. P. BONFANTE (Torino, 1915), 422. F. EDLER, *loc. cit.*

<sup>9</sup> F. BOURQUELOT, *Études sur les foires*, I, 261. F. EDLER, *loc. cit.*

<sup>10</sup> F. BOURQUELOT, *Études sur les foires*, I, 166. F. EDLER, *loc. cit.*

latter city, sixteen merchants signed the agreement.<sup>11</sup> Among the lessees were members of six Lucchese families which either were, or would become, influential in four of the mercantile-banking partnerships taking shape in Lucca around this time. These were "Berthelon Bandini" and "Richardo Guidechonis" (Bartholomeus Bandini and Ricciardus Guidiccioni) of the Ricciardi partnership, "Guillelemo Fantinelli" and "Colinus Teste" (Gullielmus Faintinelli and Ugolinus Teste) of the Bettori company, "Locherio Gentili" (Lotarius Gentili) of the Gentili partnership and "Lazario Denis" (Lazarus Guinigi) of the Guinigi.<sup>12</sup>

In addition, one "J. Morlain" of the original document may well have been Johannes Morlani who was a partner of a Lucchese mercantile-banking company in 1284.<sup>13</sup> "Bartholomeo Thoringuelli" can be placed within the Toringhelli family which furnished at least one partner to the Ricciardi company.<sup>14</sup> "Renaudot dou Bart" is the same Rainaldus de Barcha whom we shall encounter below in connection with the operation of a pawnshop in Champagne.<sup>15</sup> "Tebaldino Massiamac" and "Brunetto de Garbe" were members of two prominent Lucchese merchant families, the Mangialmacchi and De Garbo.<sup>16</sup> These men provided the nucleus of permanent representation for their Lucchese compatriots in the North. From the house in Troyes in which "solent morari ... tam extra nundinas quam in nundinas" they could look after the affairs of their respective partnerships at the Champagne fairs, act as agents for independent Lucchese merchants and extend the lines of their operations into neighboring rural villages.

Just how many Lucchese were active in Northern Europe around the mid-thirteenth century cannot be known. However, it seems certain that their numbers were growing throughout the latter part of the century. For example, in 1268 they apparently were sufficiently numerous, and geographically dispersed, to warrant the appellation *universis mercatoribus de Luca commorantibus in Francia ac aliis regionibus convincinis* in a letter sent by Charles of Anjou's vicar

<sup>11</sup> F. BOURQUELOT, *loc. cit.* LEON MIROT, "Études lucquoises: la colonie lucquoise à Paris du XIII<sup>e</sup> au XV<sup>e</sup> siècle," *Bibliothèque de l'École des Chartes*, LXXXVIII (1927), 52, note 6. Elizebeth Chapin, *Les villes des foires de Champagne des origines au début du XIV<sup>e</sup> siècle* (Paris, 1937), 110, note 18. F. EDLER, "The Silk Trade of Lucca," 95.

<sup>12</sup> For a list of the partners of the Lucchese mercantile-banking companies in 1284, see THOMAS W. BLOMQUIST, "Commercial Association in Thirteenth-Century Lucca," *The Business History Review*, XLV (1971), 172-178.

<sup>13</sup> *IBID.*, 177. No company style is given for the partnership to which Johannes belonged.

<sup>14</sup> RICHARD W. KAEUPER, *Bankers to the Crown: The Ricciardi of Lucca and Edward I* (Princeton, 1973), 57: Bacciomeo Toringhelli was in England on behalf of the Ricciardi in 1297.

<sup>15</sup> See below, 10.

<sup>16</sup> F. EDLER, "The Silk Trade of Lucca". On the merchant Uguiccione Mangialmacchi and his affairs in Northern Europe, see below, 10.

in Lucca announcing the capture of the port of Motrone in Versilia by Charles' forces.<sup>17</sup> In 1277 the northern based Lucchese elected two of their confreres, Nicolaus Mordecastelli and Enricus De Castri, to represent their interests in the *Societas mercatorum tuscanorum et lombardorum*,<sup>18</sup> the corporation of Italian merchants doing business at the Champagne fairs. For the year 1284, the notarial contracts redacted in Lucca reflecting foreign exchange transactions drawing upon the Fairs provide the names of forty-six Lucchese representing the major mercantile-banking partnerships of Lucca in Champagne.<sup>19</sup> But representatives of the large-scale partnerships that emerged in Lucca in the second half of the thirteenth century were by no means the only Lucchese active in the region.<sup>20</sup>

The earliest emphasis of Lucchese *ultramontaine* activities, judging by the Lucca-Genoa treaty of 1153, was upon commerce, specifically the distribution of finished Lucchese silks in the North with returns made in the form of northern cloth.<sup>21</sup> This pattern of trade remained an important element of Lucchese mercantile operations throughout the Middle Ages but money-lending and credit dealings, as we have seen, soon attracted the northern based Lucchese who found a ready outlet for their venture capital in the cash-shy economy of the North. The fields of money-lending and pawnbroking drew merchant-bankers, professional money-changers and petty entrepreneurs alike.

The oldest surviving Lucchese archival references to northern Europe reveal a commerce in the hands of travelling merchants unencumbered by associative ties: only from the 1250's do we find evidence of large-scale Lucchese mercantile-banking organizations operating in the North.<sup>22</sup> Typical perhaps of these relatively independent entrepreneurs was Gentile *quondam* Lamberti Guassosi — possibly the father, certainly the kin of Lotarius Gentili one of the lessees of the house in Troyes in 1266 — who on 7 September 1242 declared to the Consuls of the New Court of Justice in Lucca that he wished to go to France (“dicens se velle ire in Francia”) and that he had appointed one Lambertus *medicus quondam* Martini his procurator for the period of his absence.<sup>23</sup> Three years later Gentile was in Troyes where he witnessed payment of 214 *provinois* to his fellow

<sup>17</sup> ASL, *Archivio dei notari*, no. 6 (notary Giovanni Gigli), f. 255.

<sup>18</sup> F. BOURQUELOT, *Étude sur les foires*, I, 170.

<sup>19</sup> ASL, *Archivio dei notari*, no. 15 (notaries Bartolomeo Fulcieri, Tegrino Fulciero, Fulciero Fulcieri), *passim*.

<sup>20</sup> On Lucchese mercantile-banking companies, see T. Blomquist, “Commercial Association,” 158-165 and the relevant discussion in T. Blomquist, “Lineage, Land and Business in the Thirteenth Century: the Guidiccioni Family of Lucca,” *Actum Luce*, IX (1980), 7-29.

<sup>21</sup> For the distribution of Lucchese silk cloths, see F. Edler, “The Silk Trade of Lucca.”

<sup>22</sup> T. BLOMQUIST, “Commercial Association,” 159, note 9.

<sup>23</sup> ASL, *S. Maria Corteoladini*, 7 September 1242.

<sup>24</sup> *Ibid.*, 6 December 1245.

Lucchese, Aldebrandinus Guidiccionis, partner in the fledgling Ricciardi company.<sup>25</sup> There is nothing in the evidence, however, to suggest that Gentile was allied through partnership with any other merchant. His career was probably a solitary one, although the particulars of his activities in the North remain an unknown quantity.

Similarly independent in his journey *ultramontanas* was the money-changer Menabue Passavantis who in 1245 engaged one Gerardinus *quondam* Sordi to accompany him for one year in the North ("stare cum eo et ire cum eo ad ultramontanas partes et alibi vero sibi placuerit...") at a salary of 100s *lucchese* plus room and board.<sup>25</sup> Again, the details of Menabue's business elude us, but given his profession in Lucca, it may be assumed that he continued to ply his trade while abroad. He and the other Lucchese *campsores* who followed him across the Alps probably found employment as bankers at the fairs of Champagne where their skills as deposit and transfer bankers were in considerable demand. But Lucchese changers, in addition to clearing their clients' obligation by in-bank transfers from one account to another or by inter-bank clearance, engaged as well in pettylending activities and dabbled in commerce.

On 2 April 1250 Francescus Boniorni hired Gerardus, son of the money-changer Perfectus Schlacte, to remain with him and assist him in the shop which he planned to open in France ("...stare et morari cum eo et servire eidem Francesco pro apotheca et apothece in Francia in quacumque parte Francie eam haberet bona fide...").<sup>26</sup> The duration of the projected stay abroad, like that of Menabue, was only a year. The intended location of the *apotheca* was probably in or near one of the fair towns of Champagne since Francescus stipulated that in addition to room, board and a stipend of L 6 *provinois* Gerardus was to be reimbursed for any expenses he should incur whether at a fair or not ("Verumtamen, si dictus Gerardus acquireret in fera vel extra feram aliquid seu de suo expenderet pro utilitate apothece ipsius Francisci idem Francescus conservare debet eundem Gerardum inde indempni."). Furthermore, Gerardus had the option of investing directly in the shop. If he put L 60 *provinois* into the operation he would receive 20% of the profits in addition to a reduced salary of L 3 *provinois* for his labour ("Item, si dictus Gerardus mitteret in dicta apotheca de suo usque in libras sexaginta provenesinorum dictus Francescus assignat ei et dare teneatur et debeat libras XX provenesinorum ad rationem centenarii sicut venerit per rationem pro suo lucro et guadagno et /—/ libras III provenesinorum pro suo servitio et faciendo apothece...").

The nature of the business that took place in the shop is a matter of conjecture. No direct connection between Francescus and the money-changer's profession survives, but Gerardus was the son of Perfectus, a *campsores* in Lucca, and it was usual in Lucca for the son of a changer to follow in his father's

<sup>25</sup> AC, LL 20, f. 19: 4 February 1245.

<sup>26</sup> AC, LL 25, f. 58.

footsteps.<sup>27</sup> At the very least, some of Perfectus Schlecte's expertise as a changer must have rubbed off on the son. Also the contract establishing the relationship between Francescus and Gerardus was drawn up in the "tower of Passavante" where the gild of the Lucchese changers habitually held its meetings and where a good deal of the collective business of the changers was conducted: to come together in the *turre Passavantis* presumes some link to money-changing.<sup>28</sup> Furthermore the term *apotheca* was used in Lucca consistently to designate the working area of a *campstor*, the place where he stored his working capital, his ledgers, the scales and instruments of the trade and where he also met his clientele. Finally, an ultramontane trip of short duration fits a pattern of professional behaviour not untypical of Lucchese money-changers.

The easy coming and going of Lucchese money-changers between Lucca and the North is illustrated by the movements of the *campstor* Aldebrandinus *quondam* Malagallie. Sometime before 1252 he and a fellow changer, Lambertus Rofredi, had been in France where they engaged one Johannes of Lyon to accompany them on their return trip to Lucca. On 28 November 1252 Johannes acknowledged full payment of the monies owed him by the two *campstors* for the journey and for services subsequently rendered in Lucca.<sup>29</sup> But in December 1258 Aldebrandinus was preparing for yet another journey to France. Before his departure he met with the Franciscan monk, Brother Augustinus, to whom in rather dramatic fashion ("promisit et convenit in manibus dicti fratris") he vowed that while on his impending sojourn in France he would return L 50 *tournois* gouged usuriously from former clients.<sup>30</sup> Whether this restitution was due solely to Aldebrandinus' sense of remorse over shady lending practices, to the insistent prodding of the good Brother Augustinus, or to a combination of the two is, of course, a moot question. However, Aldebrandinus' action informs us that a part — and probably a good part — of the Lucchese money-changer's activities abroad centred upon petty money-lending to a local clientele.

However, money-lending was not the exclusive preserve of the professional changer nor were the changers limited in the North solely to petty lending. In December 1255 yet another *campstor*, Gerardus Arzuri, in the course of ordering his business before departing for France appointed his son procurator of his affairs.<sup>31</sup> In the notarial document of procuracy Gerardus expressly stated that

<sup>27</sup> THOMAS W. BLOMQUIST, "The Dawn of Banking in an Italian Commune: Thirteenth Century Lucca," Center for Medieval and Renaissance Studies, University of California, Los Angeles, *The Dawn of Modern Banking* (New Haven-London, 1979), 53-68.

<sup>28</sup> *Ibid.*, 56.

<sup>29</sup> AC, LL 27, f. 71.

<sup>30</sup> AC, LL 31, f. 164: 4 December 1258.

<sup>31</sup> AC, LL 30, f. 94v: 2 December 1255.

he intended to engage in commerce or "other business" ("...in Francigenis partibus et ibidem marcadantiam exerceat aut aliam negotiationem quacumque faceret..."). It may be assumed that a professional changer such as Gerardus would not forswear his art in an area where that trade must have been highly lucrative. He probably envisaged combining lending with some form of commerce.

Two documents from the year 1262 provide somewhat clearer examples of the blurring of occupational lines between merchant and petty money-lender. On 13 August 1262 Trasmondinus *quondam* Baldinoti Burlamacchi, a successful silk merchant, drew up his last will and testament.<sup>32</sup> Among numerous provisions and bequests, Trasmondinus instructed the executors to make restitution, following his death, of usurious profits in the considerable sum of L 400 *tournois* to the men of the towns *que vocantur Ramerru episcopatus Trasi et Argilliera episcopatus Cialone*.<sup>33</sup> Troyes was one of the fair towns and Chalons was the centre of an important cloth industry. Evidently, Trasmondinus, the silk merchant, had branched out into petty money-lending in the smaller communities of the Champenois.

The second document of 1262 indicates a similar move into the domain of the lombard by Trasmondinus' partner in the silk business, Uguiccione Mangialmacchi.<sup>34</sup> In that year Uguiccione saw fit to divide a portion of his estate between his two sons, Francescus and Ubertus. Among his assets Uguiccione listed all rights *adversus et contra omnes debitores de Francia qui dare tenentur ab annis V tam de parva summa quam magna*. The distinction between "small" and "great" sums was probably as much qualitative as quantitative. The lombards habitually made small loans secured by pledges to the economically disadvantaged element of the northern population; but they, as did the merchant-bankers, also committed larger amounts to municipal authorities, ecclesiastiques, territorial lords and the minor nobility.<sup>35</sup> The fact that Uguiccione made "large" as well as "small" loans suggests that he covered the entire range of the lombards' traditional clientele. And this from a man whose principal occupation was the silk trade.

<sup>32</sup> *ASL, Archivio dei notari*, no. 5 (notary Gherardetto da Chiatri), f. 19.

<sup>33</sup> *Ramerru* of the Italian text may be Ramerupt, a town on the river Aube: see Theodore Evergates, *Feudal Society in the Baillage of Troyes under the Counts of Champagne, 1152-1284* (Baltimore-London, 1975), 5. *Argilliera* is probably Argilliere, c. St. Menchould.

<sup>34</sup> *ASL, Archivio dei notari*, no. 5 (notary Gherardetto da Chiatri), f. 25: Trasmondinus had L 600 *lucchese* invested in *societate cum Uguiccione Mangialmacchi* of which the partnership still owed him L 150 *lucchese* as *in libris dicte societatis continetur*.

<sup>35</sup> G. BIGWOOD, *Le régime juridique, passim*. R. DE ROOVER, *Money, Banking and Credit*, 118-119.

The evidence set forth up to this point presents a somewhat less precise view of Lucchese activities in the North than we might wish. Yet, it does indicate the money-lending operations engaged in both by merchants and money-changers; and, in the case of Gerardus Arzuri, shows a professional changer mixing trade with lending. Additional Lucchese documentation from the latter half of the thirteenth century reveals Lucchese merchant-bankers also entering into money-lending and pawnbroking.

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The origins of the large-scale Lucchese mercantile-banking companies are shrouded in obscurity. By 1250, however, the trend to larger partnerships, centrally managed from a home office (*apotheca*) and represented permanently abroad by partners or employees (*factores*) was in full force. The Ricciardi partnership, perhaps the most powerful Italian thirteenth-century mercantile-banking organization, first appears in the Lucchese sources as the *Societas Ricciardorum* in 1247 when the organization consisted of at least thirteen partners.<sup>36</sup> In the Genoese notarial materials relating to the commercial traffic between Genoa and northern Europe published by Professor Renée Doehaerd, the earliest reference to a Lucchese partnership is dated 1253.<sup>37</sup> After that date the majority of Lucchese business transactions in Genoa dealing with the North were effected by merchants acting in their capacities as partner or agent for a mercantile-banking company based in Lucca. By the last quarter of the thirteenth century, twenty-two partnership engaged in international trade and finance existed in Lucca.<sup>38</sup>

The representatives of these companies, asserted de Roover, occupied themselves primarily in negotiating bills of exchange and large-scale commercial traffic and thus were not to be confused with their lowly brethren; the moneylending, pawnbroking, lombards. However, Lucchese evidence from the year 1260 reveals merchant-bankers investing directly in a pawnshop in Champagne, while a second document of the year 1265 suggests a close affinity between the activities of the money-changers and those of pawnbrokers.

On 2 August 1260 Rainaldus de Barcha, who also acted for Orlandus Jordani and Bonaccursus Johannis; Lucius de Lucha; and Orlandus Paganelli, stipulating for himself and his brother, Johannes; came together in Troyes to form a

<sup>36</sup> *Biblioteca governativa*, Lucca; Can. GIUSEPPE VINCENZO BARONI, *Notizie geneologiche delle famiglie lucchesi*, ms. no. 1115: year 1247. I am assuming Baroni's "Compagnia dei Ricciardi" to be the Italian rendering of *Societas Ricciardorum* in the original latin text.

<sup>37</sup> RENÉE DOEHAERD, *Les relations commerciales entre Gènes, la Belgique et l'Outremont d'après les archives notariales génoises aux XIII<sup>e</sup> et XIV<sup>e</sup> siècles*, 3 vols. (Bruxelles-Rome, 1941), II, no. 785.

<sup>38</sup> T. BLOMQUIST, "Commercial Association," 172-178.

partnership for the operation of a pawnshop in the neighbouring town of Poigny situated in the lordship of one Guido de Labersotto (“...in quadam cassana sive butecha in loco ubi dicitur Pugni iusitia et terra Guidonis de Labersotto”).<sup>39</sup> Two of the principals were actively engaged in international finance and commerce around the time of the agreement. Lucius de Lucha was the same Lucasius Natale who was operating in England on behalf of the Ricciardi company in 1240 where he remained the leading partner of the firm until the mid-1270’s.<sup>40</sup> Orlandus Paganelli, with his brother Johannes for whom he acted in this undertaking, was a founder of the *Societas filiorum Paganelli*, one of Lucca’s most important mercantile-banking organizations.<sup>41</sup>

The partnership was to last for six years and was capitalized at L 800 *tournois*. Rainaldus conferred L 400 on his own behalf and for Orlandus and Bonaccursus. Lucius committed L 200 and the brothers Paganelli also conferred L 200. The profits were to be distributed pro rata to the three contracting parties on the basis of capital placed in the venture.

The remaining clauses of the articles of partnership deal with the workings of the shop and are interesting for what they reveal about the milieu of the pawnbroker operating in foreign climes. It was stated that at least one of the partners must be on the premises at all times. And while there, extra-curricular activities with females were strictly forbidden. It seems, perhaps, a bit quaint to include clauses in a formal legal document forbidding the resident partner, or partners, to sleep with a female domestic servant (“Item statuerunt quod ille qui moratur sive morabuntur in dicta butecha non possint iacere cum servienta eius famulla (sic) que maneat secum tam de die quam de nocte. Et hoc teneatur per iuramentum facere.”) or to bring a woman into the shop for carnal purposes (“Item ordinaverunt quod nullus non debeat facere venire aliquam mulierem occasione iacendi secum de nocte...”). However, these injunctions were perhaps motivated as much by practical as by moral concerns. It was further stated that if anyone indeed should introduce a woman into the premises and if any harm should come as a consequence, the partner guilty of the transgression was liable for any damages (“Et quod si aliquis duxerit eam in dicta domo et aliquid dampnum venisse seu veniet pro predicta occasione totum dampnum vel gravamine fiat super illum qui duxerit eam vel super illum qui possuerit eam in dicta cassana.”). Evidently, these stipulations arose out of the desire to maintain an orderly house. Given the inevitable resentment of denizens against foreign lenders, it is hardly surprising that the pawnbrokers wanted to avoid the additional opprobrium that carrying on with local women could engender. There was also concern, no doubt, over the potential damage to internal har-

<sup>39</sup> *ASL, S. Maria Corteorlandini*, 2 August 1260. “Pugni” of the Italian document may be Poigny, c. Provins. The lord Guy remains unidentifiable.

<sup>40</sup> R. KAEUPER, *Bankers to the Crown*, 5-6, 12, 77.

<sup>41</sup> T. BLOMQUIST, “Commercial Association,” 173-174. See below, 19.

mony among partners that might result from such activities. Under the circumstances, these contractual prohibitions were consonant with good business practice. Yet the very fact that they were included in the partnership agreement testifies to a continuing problem for men removed from hearth and home.

The business of the partnership was narrowly defined. It was pawnbroking and only pawnbroking. The partners were forbidden by the terms of the contract from trafficking in merchandise either in the shop or in town ("Item statuerunt quod nullus non faciat facere nullam mercatantiam nec permitat facere in dictam domum nec extra in dicto loco."). If the resident partner accepted goods in pawn that were worth less than three-quarters the amount of the loan, or in the case of objects of gold or silver four-fifths the value of the loan; and the shop should lose money, the partner who had accepted the pledge had to make good on the loss ("... et si quis qui prestaverit super pignoram que non valeat den. tres quattuor vel super pignorem auri vel argenti que non valeat den. quattuor quinque ut predictum est quod ille... et aliquid dampnum sit super illum qui possuerit eum in dicta butecha vel super suam partem."). The partner or partners on the scene were responsible for keeping the books and the accounts were routinely to be audited three times a year in the presence of at least two partners. Unfortunately, the involvement of the respective partners in the day-to-day operation of the shop is not spelled out, but for present purposes it is the direct participation of Lucasius Natale and the Paganelli brothers, merchant-bankers, that is significant.

The second Lucchese document dealing with the operation of a pawnshop was drawn up in Troyes on 25 August 1265.<sup>42</sup> It, in fact, records two separate transactions. In the first of these two parts, two Lucchese citizens, Guido Chiarelli and his brother Nicolaus, sold one-half of the monopoly over money-lending (*ius prestii*) which they held in the Castle and Vill of "Salynay" from one noble knight John to the Lucchese merchants Lotarius Gentili, whom we have encountered as a lessee of the stone house in Troyes, and his partner in the mercantile-banking enterprise of the Gentili, Ricciardinus *filius* Michaelir Mayre.<sup>43</sup> The sale was in all likelihood prompted by cash-flow problems in the seller's operation which the influx of fresh capital could alleviate. At the time of the transaction Guido and Nicolaus had a total of L. 970 *tournois* in outstanding credits and the value of pledges in their possession. In effect Lotarius and Ricciardinus were buying half the assets of the partnership of Guido and Nicolaus for the sale price of L. 485 *tournois*. Apparently the Lord John did not

<sup>42</sup> ASL, *S. Maria Corteorlandini*, 25 August 1265.

<sup>43</sup> See SERGIO TERLIZZI, *Documenti delle relazioni tra Carlo I d'Angio e la Toscana*, in *Documenti di storia italiana*, XII (Florence, 1950), 35, no. 51: "Lotterius Gentilis, Michael frater eius, Mazzacanus Marsilii, Bonaccursus Cimachi, Ollandinus Paganelli, Coscius Cangke et Ricardus Demaire" are described as partners and granted immunity from tolls within the *Regno* by Charles of Anjou. "Salynay" would appear to be Savigny, c. Provins.

exact a licence fee from his Lucchese lombards in exchange for the right to establish a pawnshop within his territories, a fact arguing that such an undertaking was viewed at this time in the North, at least among the feudal rulers, as economically necessary to satisfy the short-term and periodic needs of the rural populace for cash.

The buyers paid the cash equivalent of one-half the capital value of the money-lending operation in Savigny, but they also gained the right to live in the Castle and Vill of "Salynay"; to deal in loans, with or without pledges ("... possint... pecuniam suam mutuo tradere super pignoribus et sine pignoribus..."); to invest in trade ("mercatare et de eorum pecunia lucrari"); and to change money ("cambiri"). The *ius presti*, then, in Savigny embraced pawnbroking, trade and money-changing. There is no reason to assume our Lucchese did not exploit all of these opportunities for profit. And it should be noted that Lotarius was described in the document as *civis et mercator lucanus*, the traditional appellation in the Lucchese sources for the merchant-banker whom we would not expect to find associated with a pawnshop.

In the second transaction, redacted on the same parchment as the first, the same contracting parties, Guido and Nicolaus on the one hand, Lotarius and Ricciardinus on the other, formed a partnership, *societate de prestu*, to exploit the right of money-lending and its concomitant privileges in the Castle and Vill of Savigny. The partnership was to last six years, or longer if all partners were in agreement. It was capitalized at L. 600 *tournois*, slightly less than the other Lucchese shop, with each party contributing the equal amount of L. 300. A general accounting was to be held once a year, although profits might be distributed at any time by unanimous agreement of the partners.

Apparently individual associates, at least two of whom were required to reside in Savigny at any given time, had a greater measure of individual discretion in the conduct of business than their Lucchese counterparts in Poigny. For example, the articles of association imply that one of the resident partners might independently carry on partnership business, the only caveat being that he must duly turn over any resulting profit to the shop ("Et totum lucrum quod fecerint seu unius eorum fecerit ipsa occasione mittere et reducere in comunem ipsius societatis..."). Similarly, if any partner borrowed money in the name of the partnership he was held to record the transaction on the same day or the day following in the shop's book, thus obligating all partners and their heirs for satisfaction of the debt ("Item quod si aliquis ipsorum sociorum pro ipsa societate aliquos denarios mutuo acquireret debeat et teneatur ipsos denarios scribere seu scribi facere in libro comune ipsius societatis ea die vel sequenti in qua ipsi denarii fuerunt mutuo acquisiti... et omnes ipsi socii et societas eorum et heredes eorum et bona ad reddendum ipsos denarios mutuo acquisitos eo modo sic teneretur ille qui eos mutuo acceperit."). This clause indicates that the partners envisaged doing business, unfortunately to an extent impossible to gauge, with the capital of others. In fact, de Roover found the pawnbrokers of Bruges doing the same thing but pointed out that the acceptance of what

amounted to time deposits did not involve book transfers from one client's account to another. The reception of funds from third parties, therefore, according to de Roover, does not mean that the lombards were encroaching upon the transfer-banking camp of the money-changers.<sup>44</sup> This I am inclined to think was generally so, that the lombards probably did not routinely engage in transfer banking. However, if these Lucchese lombards accepted third-party funds through the *mutuum* there was nothing to have prevented them from clearing accounts among their creditors by simple book transfer. They did accept capital from outsiders and the contract of association envisaged them engaging in exchange (*cambiri*), a primary function of the money-changers. To be sure, we are dealing here with matters of degree and emphasis, but it would appear that Lucchese pawnshops located in small villages indeed assumed some of the characteristics of a money-changer's *tavola*.

Additional clauses of the articles of association precluded one resident partner from lending money without a pawn to either John, Lord of Savigny, John's wife or his bailiff without the approval of the other resident ("Item quod aliquis eorum non possit nec debeat muturare alicui aliquem denarium sine gagio nec dicto Domino Johanni, Domino dicti Castri, et eius uxori et eorum balino unius sine consensu alterius.") — a wise precaution in view of the later history of disastrous Italian loans to fickle princes. No partner could give, *donare*, from the partnership capital or property more than the amount of 12d. *tournois* to any person without the consent of the residents. Nor could one resident engage in trade without the approval of the other ("Item quod non possit facere aliquam mercatantiam sine voluntate socii sui qui cum eo steterit in dicta casana."). But if a partner was absent on his own business, he was required to underwrite his own expenses while keeping the partnership free of any involvement in case of loss ("Item quod si aliquis sociorum pro suo facto et non societatis iret extra dictam villam debeat omnes expensas de suo facere et si dampnum habuerit sustinere et non de bonis dicte societatis."). Since only two partners were on the spot in Savigny at any given time, the other two were presumably free to pursue other interests. This provision was no doubt intended to protect the partnership from any detrimental involvement in the affairs of individual associates. As was the case with the preceding partnership contract, it is unclear as to how the labour was to be divided; just which of the partners were expected to man the shop at what time and for how long. But it appears that all the partners expected to take part, to one degree or another, in the management of the business.

Finally, the partnership contract betrays the same concern for the associates' private behaviour while on the job as did the earlier articles of association. The residents were prohibited from bringing a female into the shop for carnal purposes and from going abroad in the village seeking feminine companionship

<sup>44</sup> R. DE ROOVER, *Money, Banking and Credit*, 118, 348.

("Item quod aliquis ipsorum sociorum non possit nec debeat de nocte in domo in qua morabuntur in dicta villa retinere aliquam feminam tam cognoscendi carnaliter nec debeat morari de nocte extra dictam domum in tota ipsa villa et iurisdictione ipsius ville tam morandi cum aliqua femina."'). In the same vein, no partner could play games at which it was possible to lose money or property ("Item quod non possit aliquis sociorum nec debeat ludere cum aliquo in quo ludo sive ad quem ludem perdat pecuniam nec alias res.'). The necessity for these injunctions probably came from experience and again remind us of the situation in which these aliens abroad found themselves.

Lacking as we do the books of the Lucchese pawn shops, there is no way to get at the levels of profit generated through these operations. De Roover, comparing data from fourteenth-century Pistoia in Tuscany with that of Nivelles and Tournai, has concluded that profit margins of pawnshops on invested capital were relatively small.<sup>45</sup> Overheads in the form of licensing fees, shop rental and the cost of borrowed money kept pawnbroker's interest rates high and their profits low. However, the fact that Guido and Nicolaus experienced a cash shortage that apparently led them to sell half their monopoly suggests that their loan services were in inconsiderable demand. In these circumstances, unless some limit to interest charges had been set by the Lord John, and no such restrictions were alluded to in the purchase-sale contract, the partners could have adjusted their charges to accord with demand. Furthermore, the last will and testament of Johannes Paganelli, whom we have encountered as a partner in the 1260 venture at Poigny drawn up in 1284 suggests that whatever the profit levels, the aggregate sums involved could nonetheless be significant.

By the year 1284 Johannes had returned to Lucca where he was a senior partner in one of the largest and most important Lucchese mercantile-banking organizations. The *Societas filiorum Paganelli* numbered at least seventeen partners among its ranks.<sup>46</sup> The firm trafficked in raw silk, in foreign exchange and was a papal depository in the provinces of Mayence and Treves as well as in England.<sup>47</sup> While thus engaged as a merchant-banker, Johannes, judging from the terms of his will, continued his activities as a lombard in northern Europe. In his last testament Johannes set aside *pro remedio anime sue et suorum peccatorum* the sizeable sum of L 800 *lucchese* for restitution after his death to the men of the territories of *Alaforte della lopierte que est in Francia, Senante Furtolo unius*

<sup>45</sup> *Ibid.*, 120-129.

<sup>46</sup> T. BLOMQUIST, "Commercial Association," 173-174.

<sup>47</sup> On the Paganelli and other Lucchese mercantile-banking organizations as papal depositories in England, see WILLIAM E. LUNT, *Financial Relations of the Papacy with England to 1327* (Cambridge, Mass., 1939), 77-114. For contracts of procuration in which partners of the Paganelli were appointed to receive papal revenues in Mayence and Treves respectively, *ASL, Archivio dei notari*, no. 15 (notaries Bartolomeo Fulcieri, Tegrino Fulcieri, Fulciero Fulcieri), f. 224.

alie Francie and to the inhabitants of other French lands ("aliarum terrarum Francie") called *Intracastillione et Apugni et Salinai et Lagi Locastello et Serugieri in Otta*.<sup>48</sup> Although I have not been able to place "Intracastillione", "Lagi Locastello" and "Serugieri" on the map, Poigny and Savigny, as we have seen, were in Champagne and these other villages were probably not far distant. In any case, Johannes, most likely in partnership with his brothers, was involved in petty-lending in at least several villages. He, the esteemed merchant-banker, if anyone, surely qualified to be tarred with the twin epithets lombard and usurer.

\* \* \*

This then is the evidence for the Lucchese advance into Northern France, principally into the County of Champagne. It remains to ask if these examples of professional diversity were typical of Lucchese merchants and bankers in general. A good deal more evidence would be required to provide a definitive answer, yet we may add here Richard Kaeuper's material on the Ricciardi Company's operations in England during the reign of Edward I. As Kaeuper observes these "Bankers to the Crown" — merchant-bankers par excellence — were also "... money lenders to great and lesser men on a considerable scale."<sup>49</sup>

A pattern — or perhaps better, the lack of a pattern — of Italian behaviour does nonetheless emerge from the available documentation. Money-changers routinely journeyed to Northern Europe where they engaged in trade as well as their primary profession. Merchants residing in the North for any length of time also crossed professional boundaries to traffic in money-lending. Partners of the mercantile-banking companies occupied themselves with pawnbroking. And pawnbrokers dealt in trade and deposit banking. These activities should caution against viewing the classes of early bankers in rigid hierarchical terms. The formative period of European banking would appear to have been more loosely structured professionally and socially than de Roover's later evidence from Bruges might lead us to believe. In this context, and in conclusion, I would suggest that the pejorative epithet "lombard" was a blanket term used by northerners to describe any Italian dealing in money. How, after all, could the borrowers have drawn a clear line between merchant-banker, money-changer and pawnbroker?

<sup>48</sup> *Ibid.*, f. 494v.

<sup>49</sup> R. KAEUPER, *Bankers to the Crown*, 31.