

*La relation de crédit : une histoire de longue durée*  
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# *The Italian exchange fairs during the 16<sup>th</sup>-17<sup>th</sup> Centuries*

*Comparing Financial Institutions and Professional Skills*

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# Principal Medieval European fairs

## Medieval Origins

- ◆ very large circuit where goods were exchanged and several events of international significance (the Fair of Champagne)
- ◆ the fairs acquire their modern features only after the seat of the fair was transferred to Lyon in the 16th Century, where they become progressively specialized until **trade in goods and money**
  - fairs of goods: Champagne
  - fairs of money: *Bisenzone*

## The *Bisenzone* fairs

- ✓ **1535**: the Genoese transfer their exchange fairs to Besançon in the Franca Contea (Free County) under Charles V's jurisdiction

*Bisenzone* fairs are the best example of this modern economic institution

- ✓ From **1562** several fair locations follow one another, along an ideal route approaching the Italian territory, until the seat of the fair is transferred to Piacenza, under the protection of the Farnese Dukes, in **1579**

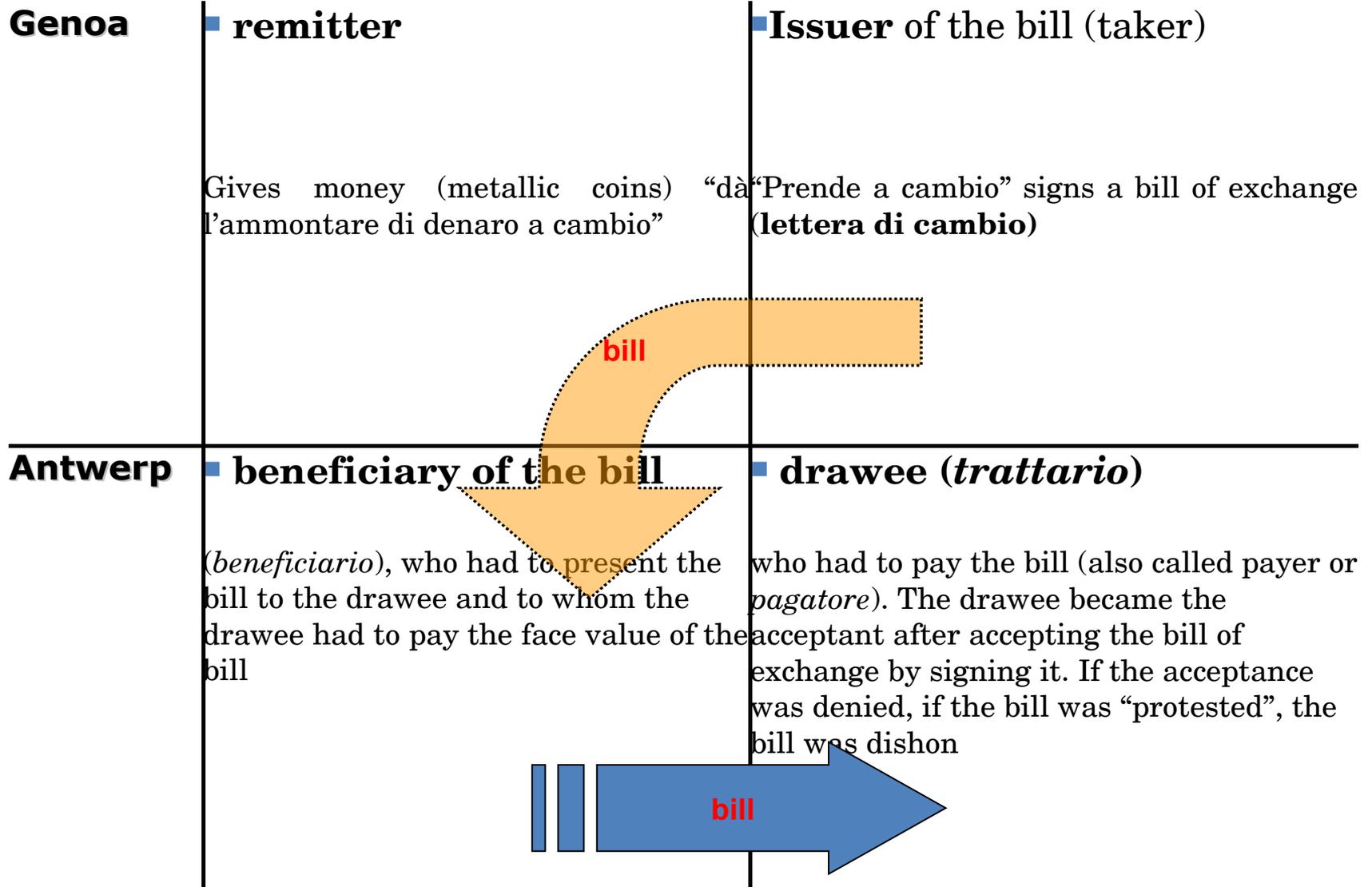
# Bill of exchange: a definition

The **bills of exchange** were payment obligations or promises in the form of a debt written in front of a notary; they were exchange contracts more formally than functionally.

In these **cashless transactions** were involved:

- the merchant, who raised a credit by the notary;
- the merchant or creditor, who lent the money and request the repayment;
- the creditor's representative(s) who could receive the payment in place of the creditor himself.

# Bill of exchange: an example



## Bill of exchange contains the following information (1):

- the issuer of the bill, the drawer or drafter who receives money from the remitter (the issuer was also called taker or *prenditore*);
- the addressee or the drawee (*trattario*) who had to pay the bill (also called payer or *pagatore*). The drawee became the acceptant after accepting the bill of exchange by signing it. If the acceptance was denied, if the bill was “protested”, the bill was dishonored;
- the beneficiary of the bill (*beneficiario*), who had to present the bill to the drawee and to whom the drawee had to pay the face value of the bill (*payee*);
- the deliverer or remitter (*rimettente*), who paid the issuer the money for the bill received from him (*datore*);

## Bill of exchange contains the following information (2):

- the sum of money which the bill of exchange was issued over;
- the currency - the value of the bill had to be repaid in;
- the exchange rate;
- the usance (“*ad uso*”) or the “expiring date” (term of the bill) respecting the commercial custom of the place (*piazza*);
- the date on which the bill of exchange was issued;
- the signature of the issuer

# Functions of the bill of exchange

- sending money abroad safely;
- paying in an easy way a commercial transaction;
- lending money (“*dare a cambio*”);
- arbitrage taking advantage of a price differential between two or more markets or periods.

# The exchange fair: a definition

Exchange fairs may be defined as:

**a credit market through which a considerable amount of money was moved from one place (or marketplace) to another.**

These flows of money generated large profits when the lucrative investments reached maturity.

The fairs were well-established institutions that rhythmically and cyclically marked the time of the European financial calendar.

The fair allowed to concentrate a large amount of money in few days time and in a single place and to put it at once at the disposal of the circuit of credit in forms of loans that would be refunded after three months during the following meeting.

# The exchange fair: the functions

- Acceptance of bills of exchange issued in the most important European commercial centers and expiring in the fair;
- Re-negotiation of new bills expiring in the towns;
- Mutual compensation and payment - in cash - of outstanding balances (unbalanced positions).

# THE FAIR: the scheduled events

<b>Public sessions</b>	
1 <sup>st</sup> day	credit/debt acceptance
2 <sup>nd</sup> day	provisional balance
3 <sup>rd</sup> day	fixing rates of exchange – cash money registration (scudi di marche)
<b>Private sessions</b>	
4 <sup>st</sup> day	commercial letters – bills of exchange – guaranty (backing of the bills)
5 <sup>st</sup> day	bills of exchange – guaranty
6 <sup>st</sup> day	balance – protest for non-acceptance
7 <sup>st</sup> day	swapping bills of exchange duly signed – registration
8 <sup>st</sup> day	balance-sheets handed to the consul who officially closes the fair

# THE FAIR: the scheduled events

## Public sessions (3 days)

### 1<sup>st</sup> day:

the bankers meet at the consul's house; registration of operators' proxys; acceptance of bills of exchange

### 2<sup>nd</sup> day:

bankers came to an agreement to offset their positions and to draw up a first provisional balance ("sheets of acceptance");

### 3<sup>rd</sup> day:

fixing official exchange rates; bills of exchange due dates' calendar is fixed; hard cash money registration ("scudi di marche");

# THE FAIR: the scheduled events

## Private sessions (5 days)

### 4<sup>st</sup> day:

the letters of exchange and the price lists (*listini*) were sent, and the message previously sent containing notice of acceptance of the bills of exchange; bankers update their positions;

### 5<sup>st</sup> day:

a book (*libro del calcolo*) with places and dates of acceptance, the exchange rates, and the marketplaces where those operations would be settled was filled in (“sheets of payments”);

### 6<sup>st</sup> day:

drawing up the final balance; protests for no acceptance;

# THE FAIR: the scheduled events

## Private sessions (5 days)

### 7<sup>st</sup> day:

each operator audited the figures on his fair register (*scartafaccio*), wrote down the addresses of the bankers, swapped bills of exchange duly signed and registered the payments received; bills of exchange's registration;

### 8<sup>st</sup> day:

the bankers handed "sheets of payments" to the Consul, who officially closes the fair's works.

# Commercial letters and operative instructions

Fairs transactions are possible as the agents are given instructions about how to comply with the necessary procedures communicated through two typer of **commercial letters** :

- ✓ the **bills of exchange** (*tracta*), originally only a complement to the agreement, is simply an informal letter by which one merchant order his agent in some other town to make payment on his behalf to another merchant in that distant town
- ✓ the **letters of fair** (*spacci*) contained the operating instructions requireds to settle the exchange agreement

# Exchange fairs: operators' skills

- ✓ Understanding the fluctuations of both the financial market and the political situation
- ✓ Sagacity
- ✓ Foresight
- ✓ Ability to make rapid decisions (not to lose profitable opportunities)
- ✓ Interpreting the market signals about a series of “economic indicators”:
  - **currencies prices**
  - **exchange rates**
  - **interest rates**

## We must answer to these 3 questions:

- Where?

*Place: where the bankers meet (the consul's house)*

- When?

*Time: when they organize the fair*

- Which kind of money?

*Money: which kind of specie (type of money and quantity)*

# 1. Place – the fair's space

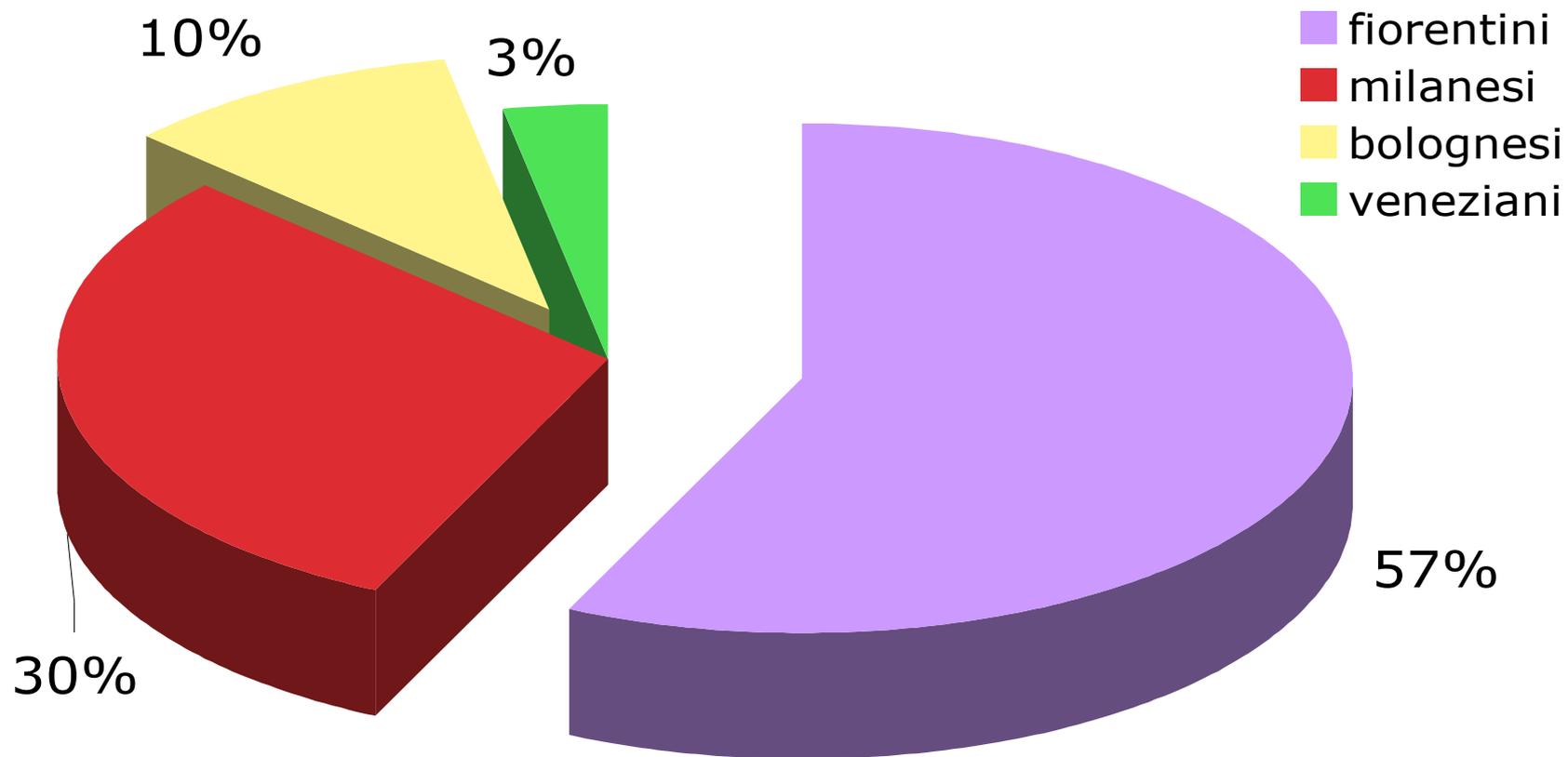
## From Besançon (1535) to Piacenza (1579)

1535-1562	Besançon (Franca Contea)
1563-1565	Pontailier-sur-Saône
1566-1567	Besançon (Franca Contea)
1568-1574	Poligny Chambéry
1575	Albaro (Genova)
1576-1579	Asti Ivrea
1580-1621	Piacenza

## The towns of the Genoese fairs (1622-1708)

1622-1624	Novi
1625-1627	Novi; Massa; Sestri Levante
1628-1631	Novi; Sestri Levante; La Spezia
1632-1638	Novi
1639-1641	Piacenza
1642-1660	Novi; Rapallo; Sestri Levante; Recco
1661-1691	Novi
1692-1707	Sestri Levante
1708	Santa Margherita Ligure

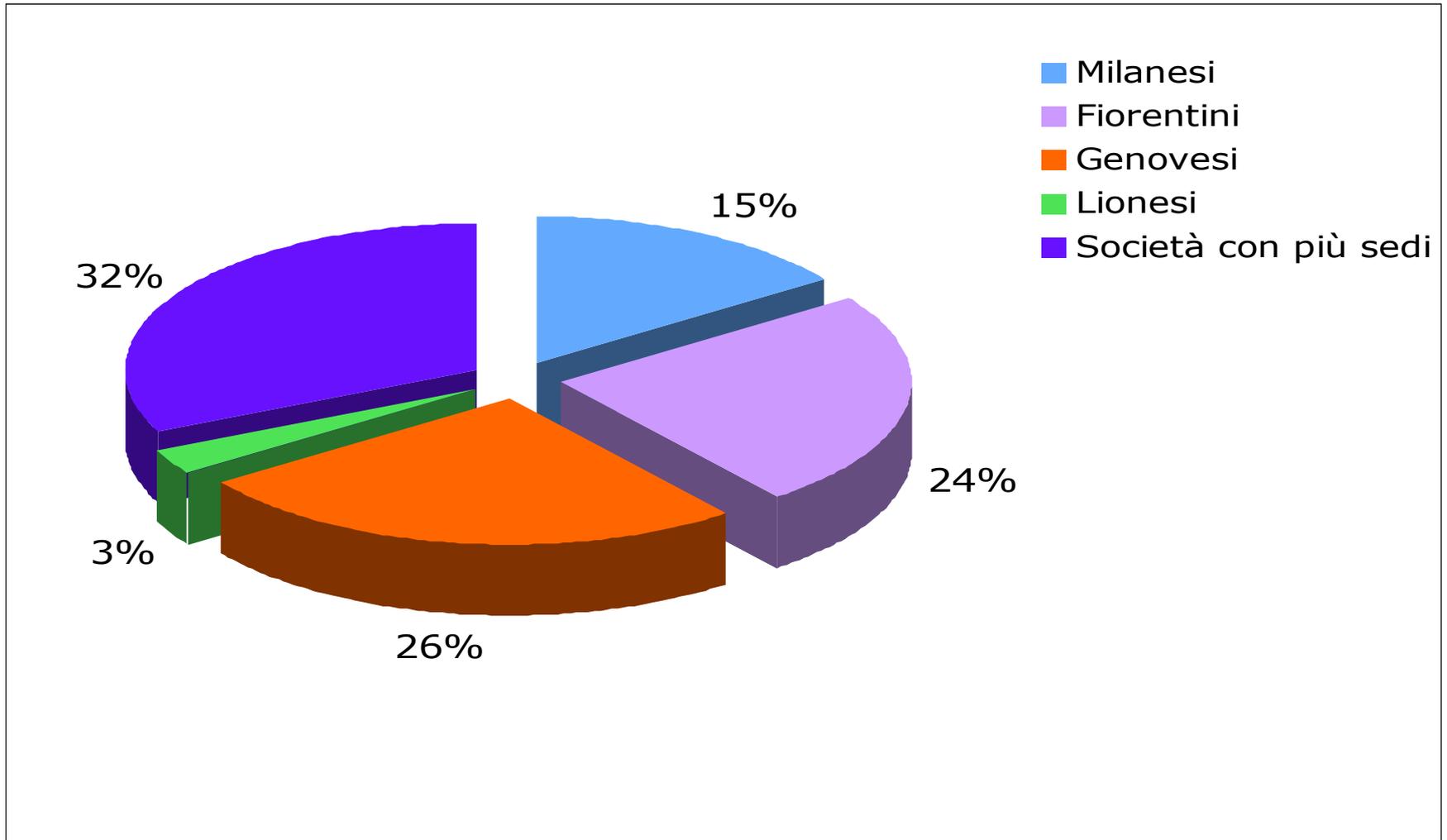
1622, Novi – Apparizione fair:  
participants to the “secessionist meeting”  
(bankers from Florence - Milan – Bologna – Venice)



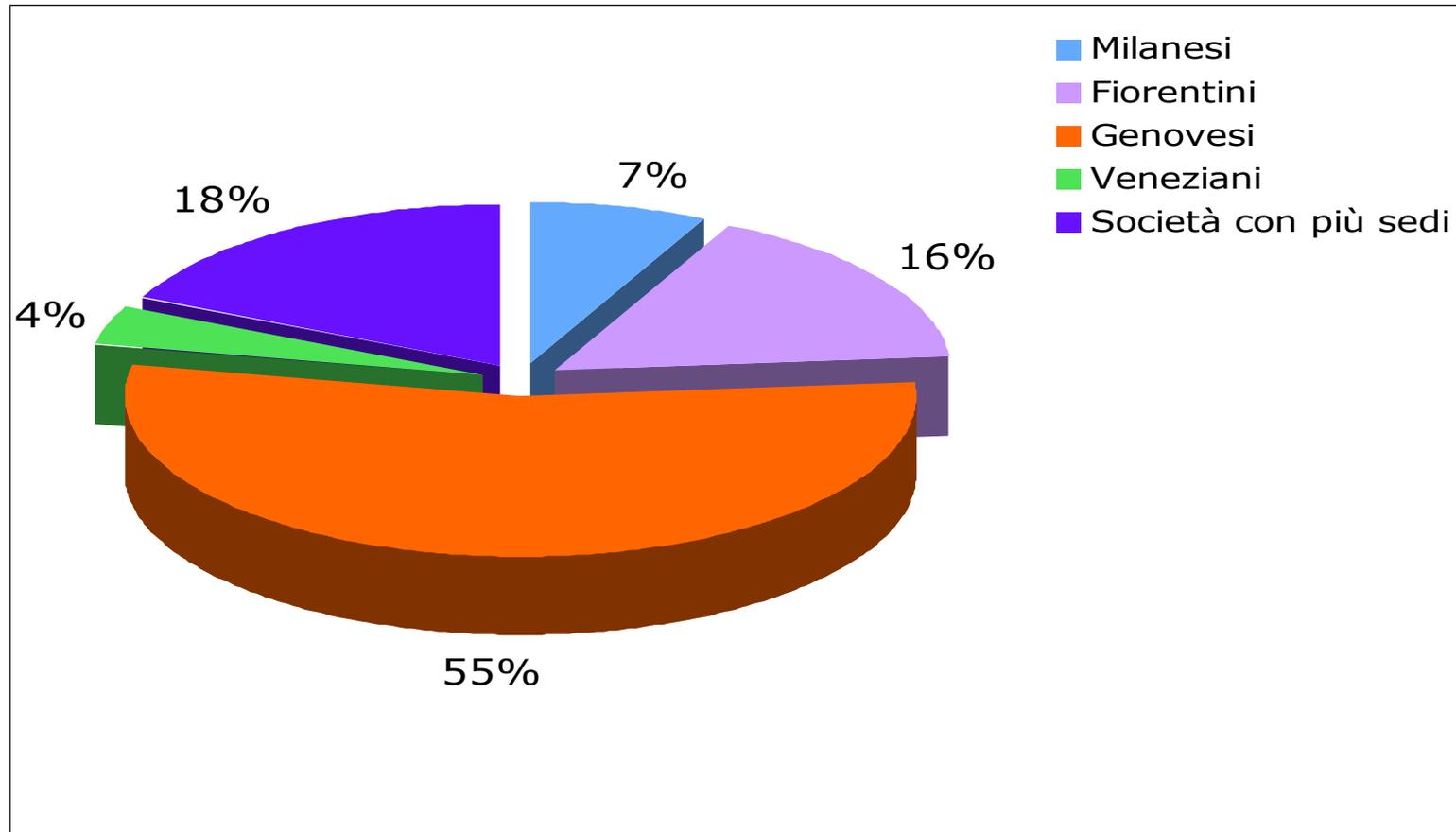
## The towns of the Florentine fairs (1622-1640)

1622-1629	Piacenza
1630-1631	Casarata Modigliana Marignolle Cafaggiolo Scarperia
1632-1634	Piacenza
1635-1636	Piacenza Rimini Lodi Livorno
1639-1640	Piacenza

“Ascanio Saminati & Giovacchino Guasconi” Company (Florence)  
1634 - “San Giovanni Battista” fair (Piacenza)  
Clients (%)



“Ascanio Saminati & Giovacchino Guasconi” Company (Florence)  
1644 – “Pasqua” fair (Novi)  
Clients (%)



## The towns Venetian fairs (1630-1641)

1630-1631	Murano Verona
1632-1637	Verona
1638-1640	Verona Parma Reggio Emilia
1641	Verona

## A chronology of the Italian XVII<sup>th</sup> Century fairs

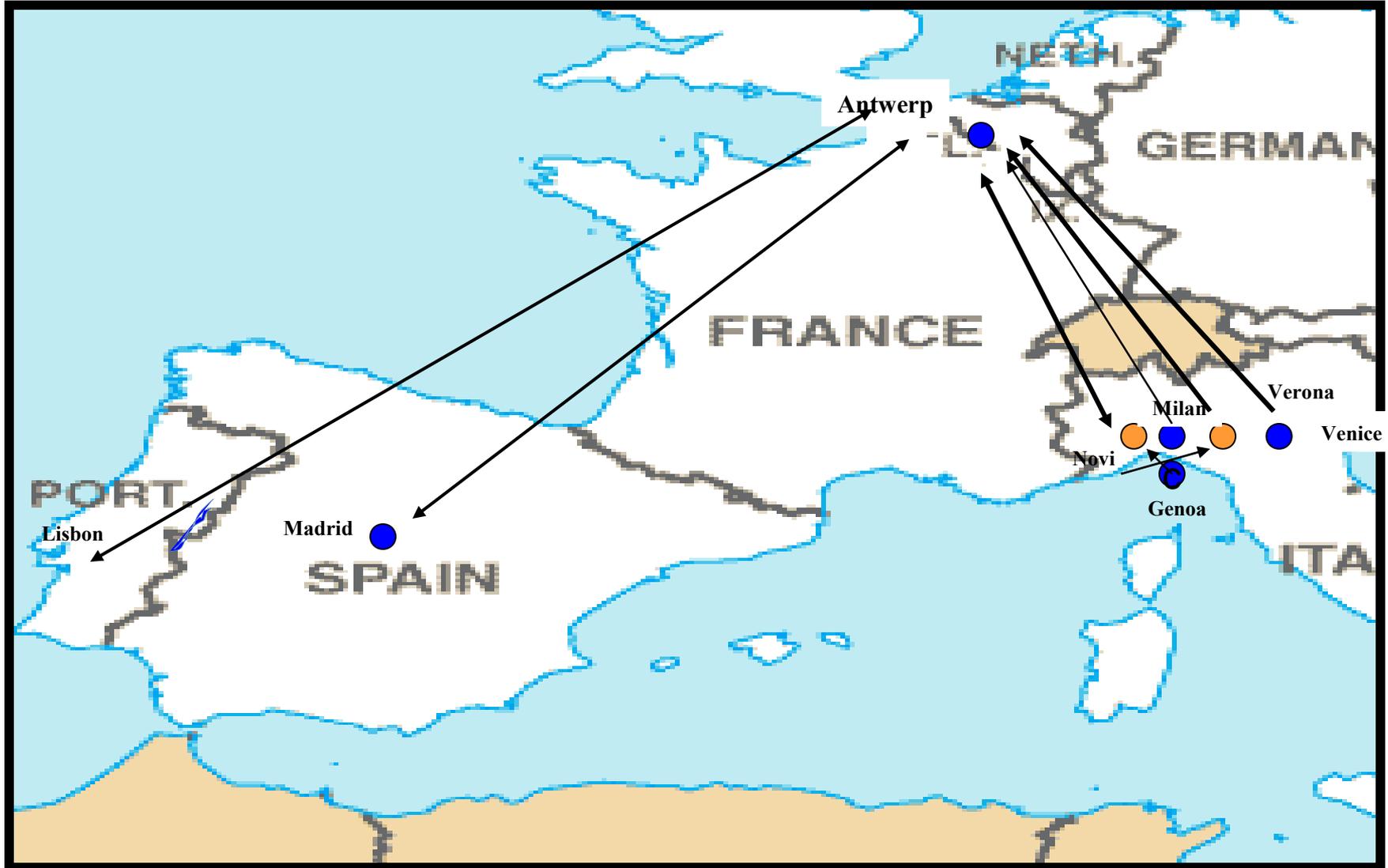
<b>Novi Reform 1622 (8 days)</b>	<b>Piacenza Reform 1622 (8 days)</b>	<b>Verona Reform 1631 (8 days)</b>	<b>Bolzano Reform 1635 (15 days)</b>
<i>Apparizione</i>	<i>Purificazione</i>	<i>Febbraio</i>	<i>Mezza Quaresima</i>
<i>Pasqua</i>	<i>San Marco</i>	<i>Maggio</i>	<i>Corpus Domini</i>
<i>Agosto</i>	<i>San Giovanni Battista</i>	<i>Agosto</i>	<i>S. Bartolomeo (S. Egidio)</i>
<i>Santi</i>	<i>San Carlo</i>	<i>Novembre</i>	<i>S. Andrea</i>

## 2. Time – the fair's calendar

## The bills' expiring dates: some important European centres and fairs

Town	Terms of the bills
Genoa	20
Milan	20
Venice	25
Neaples	30
Valencia	30
Barcelona	30
Antwerp	35
Palermo	45
Seville	60
Medina del Campo (fair)	60
Lyon (fair)	60
Frankfurt (fair)	60

# An example of the fair's payment network

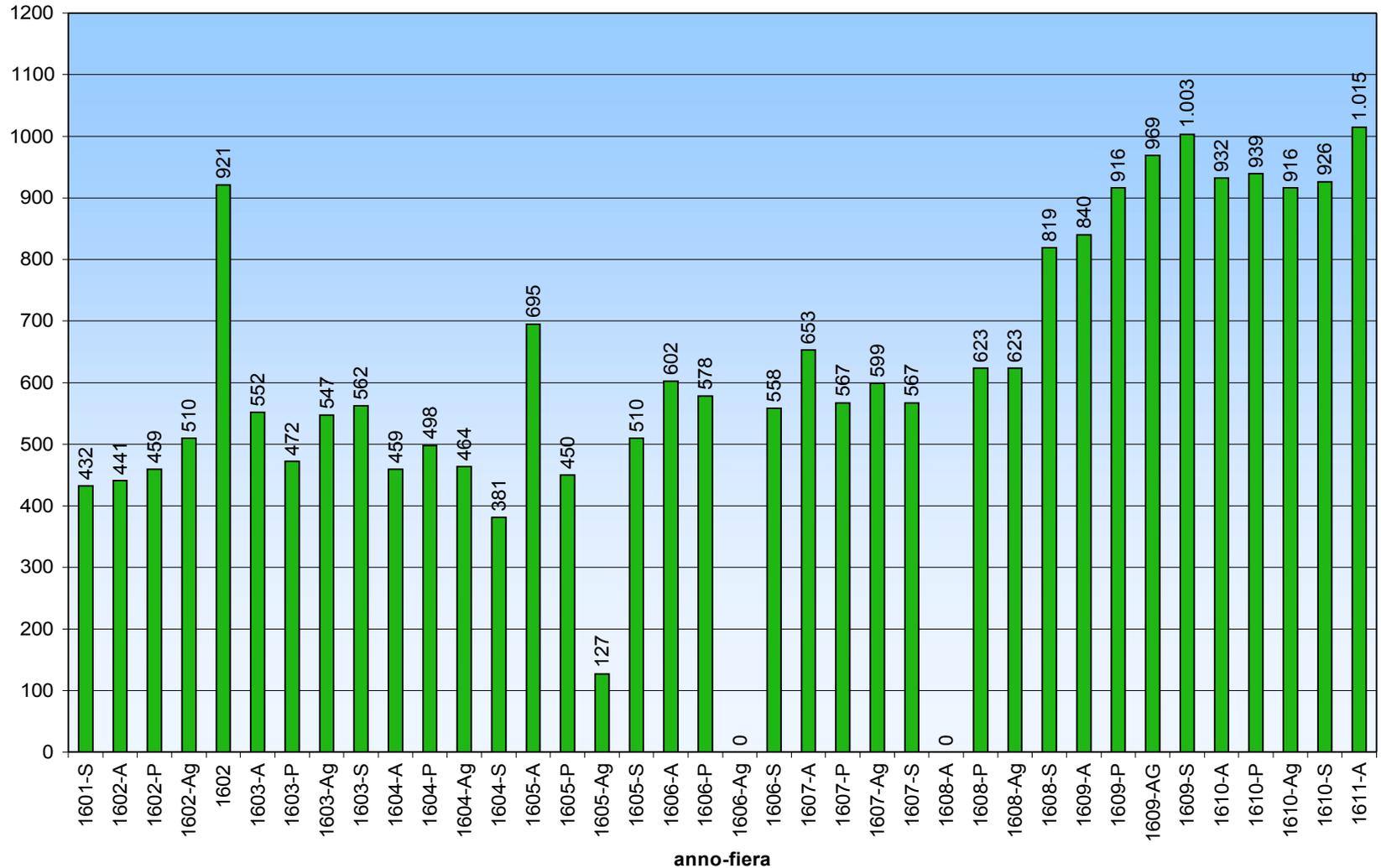


# “The Genoese money’s road” (17<sup>th</sup> Century)

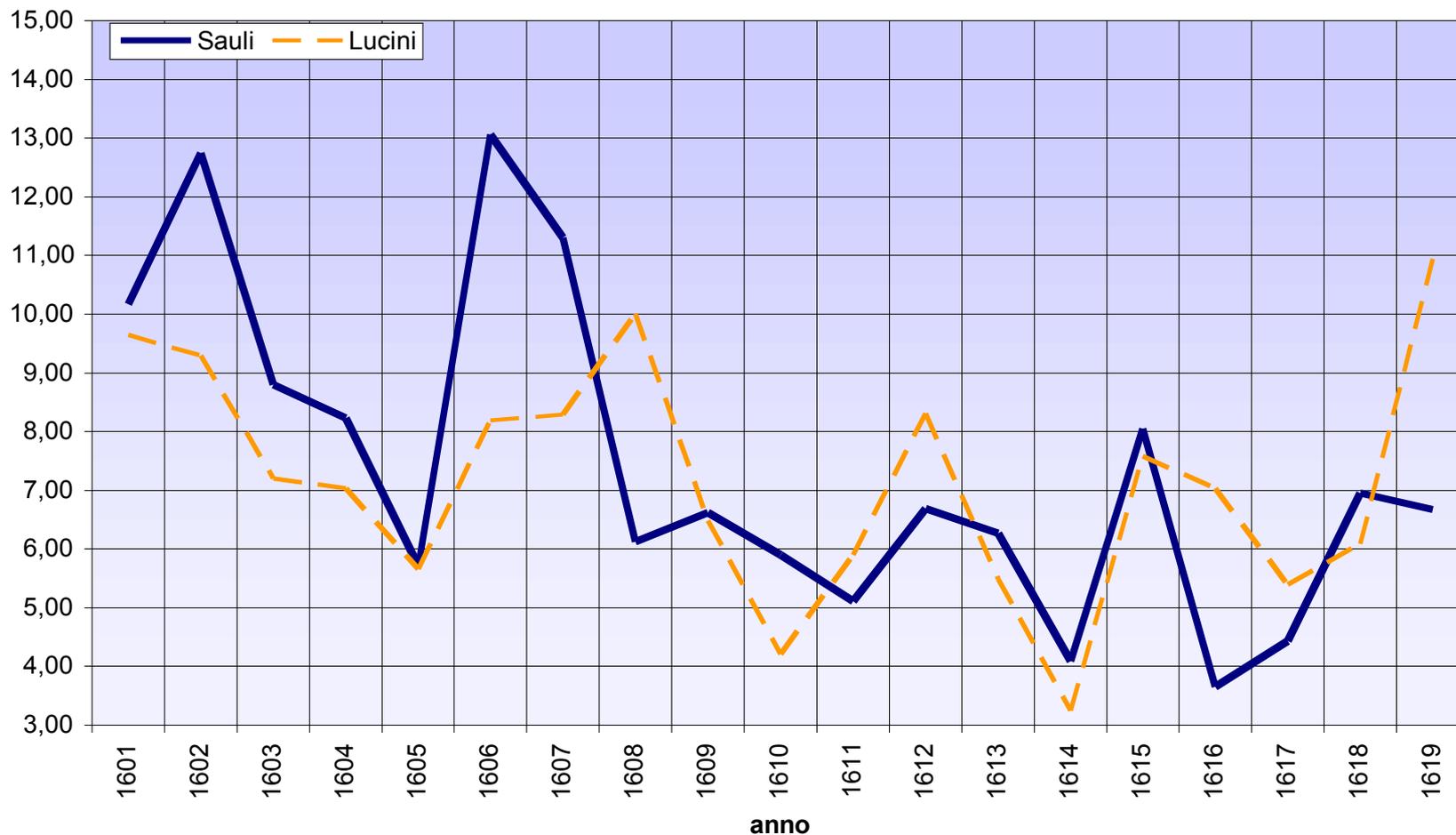


# 3. Money

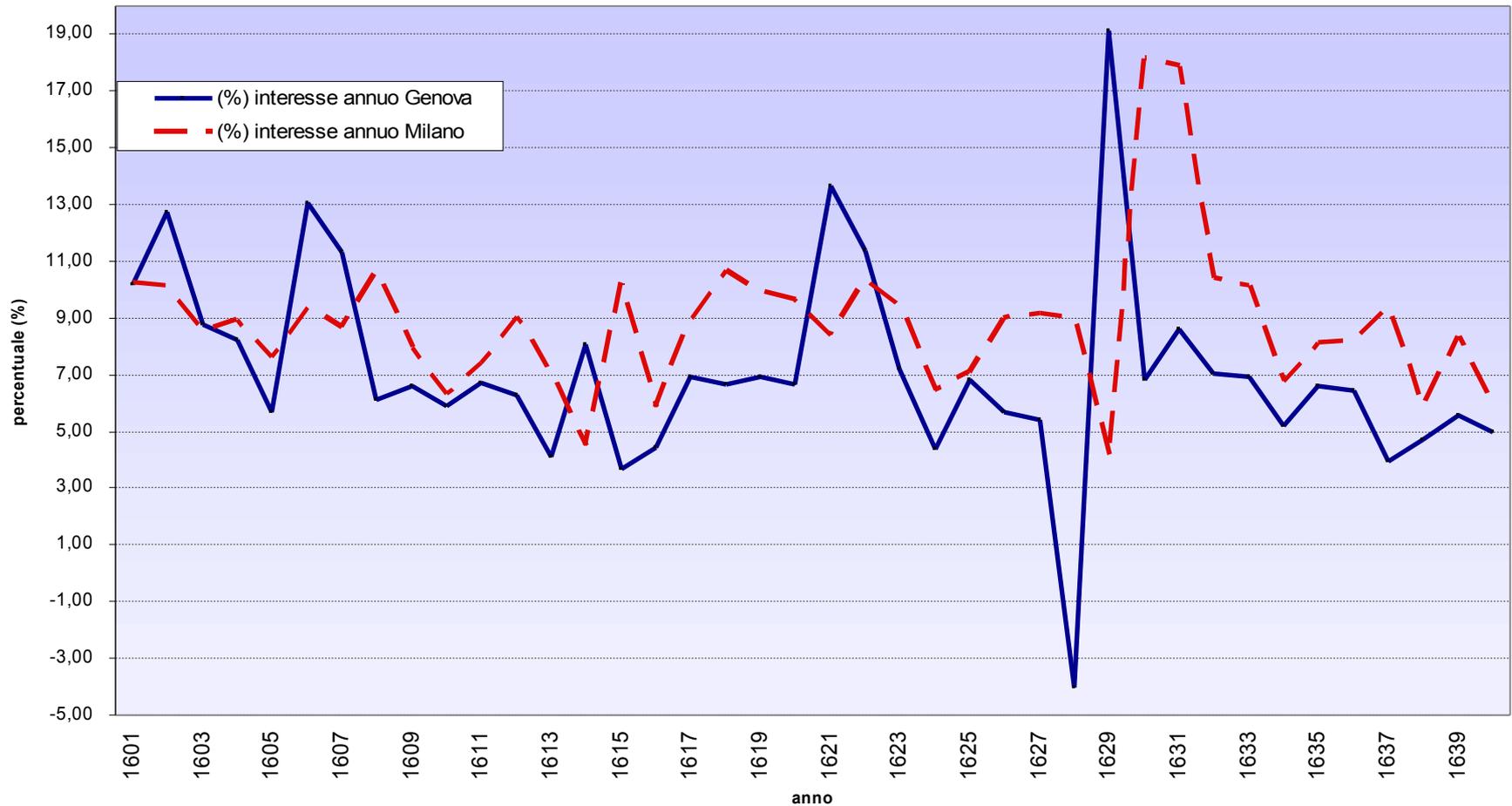
# Commissions of Antonio Maria Bartolomei's agent (*procuratore*) Piacenza (1601-1611)



# Annual average returns in the fairs' investments (1601-1619) Francesco Lucini (Milan) - Sauli family (Genoa)

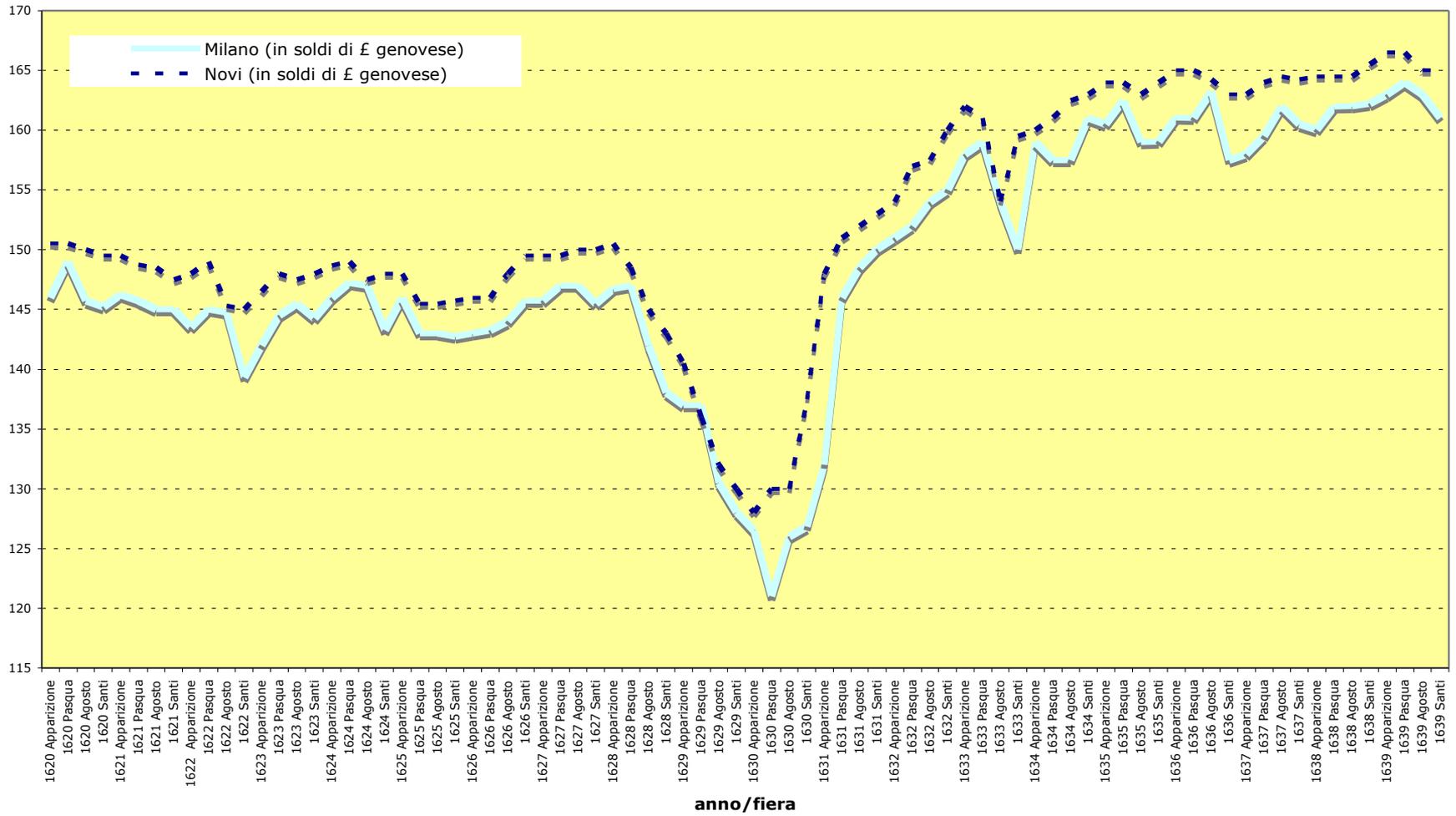


# Interest rates: comparing Genoa and Milan annual average exchange rates (1601-1640)

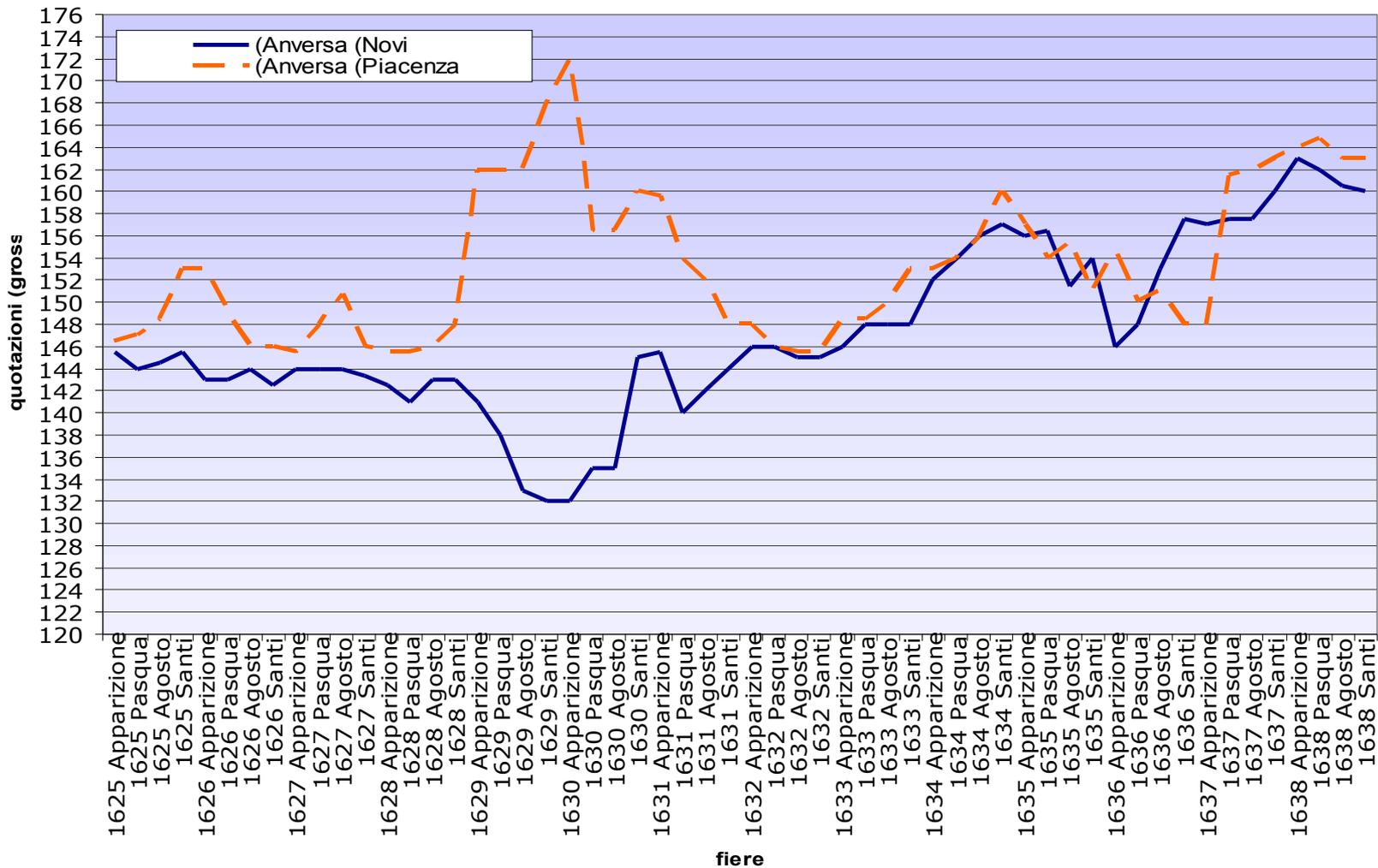


# Novi and Milan: comparing the exchange rates (1620-1639)

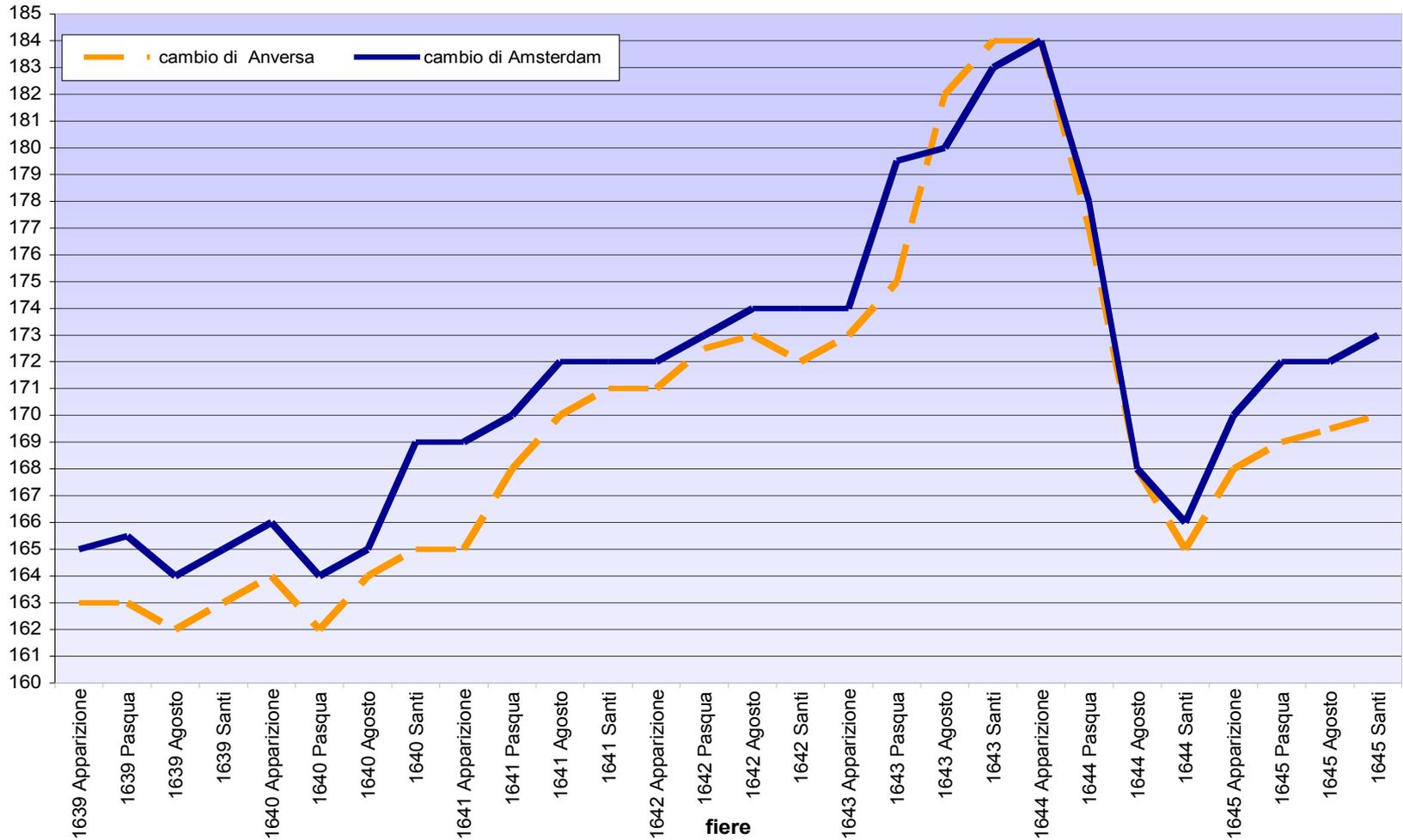
Cambi (andata/ritorno) tra Novi e Milano (1620-1639)



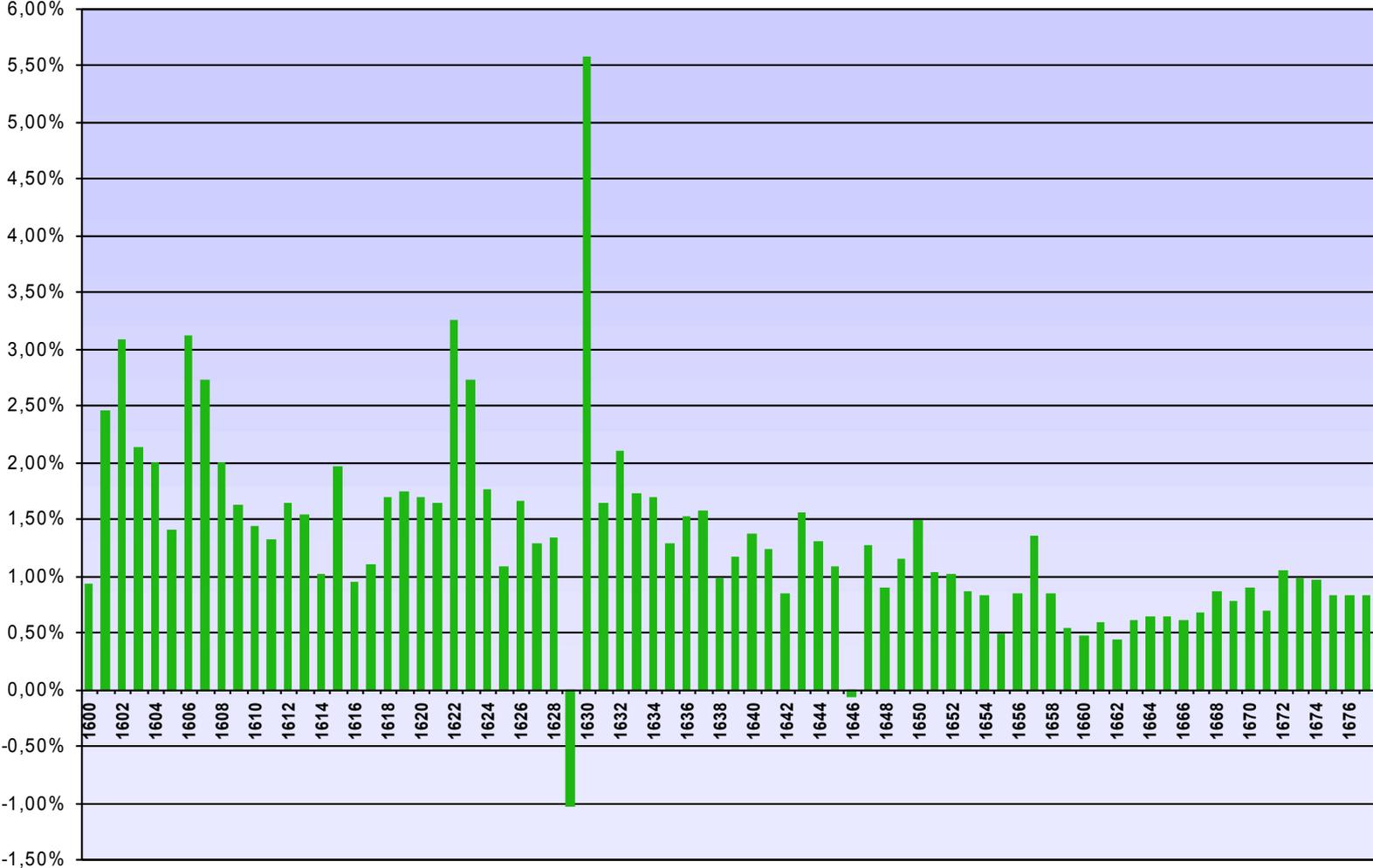
# Comparing the exchange rates of Antwerp fairs of Novi and Piacenza (1625-1638)



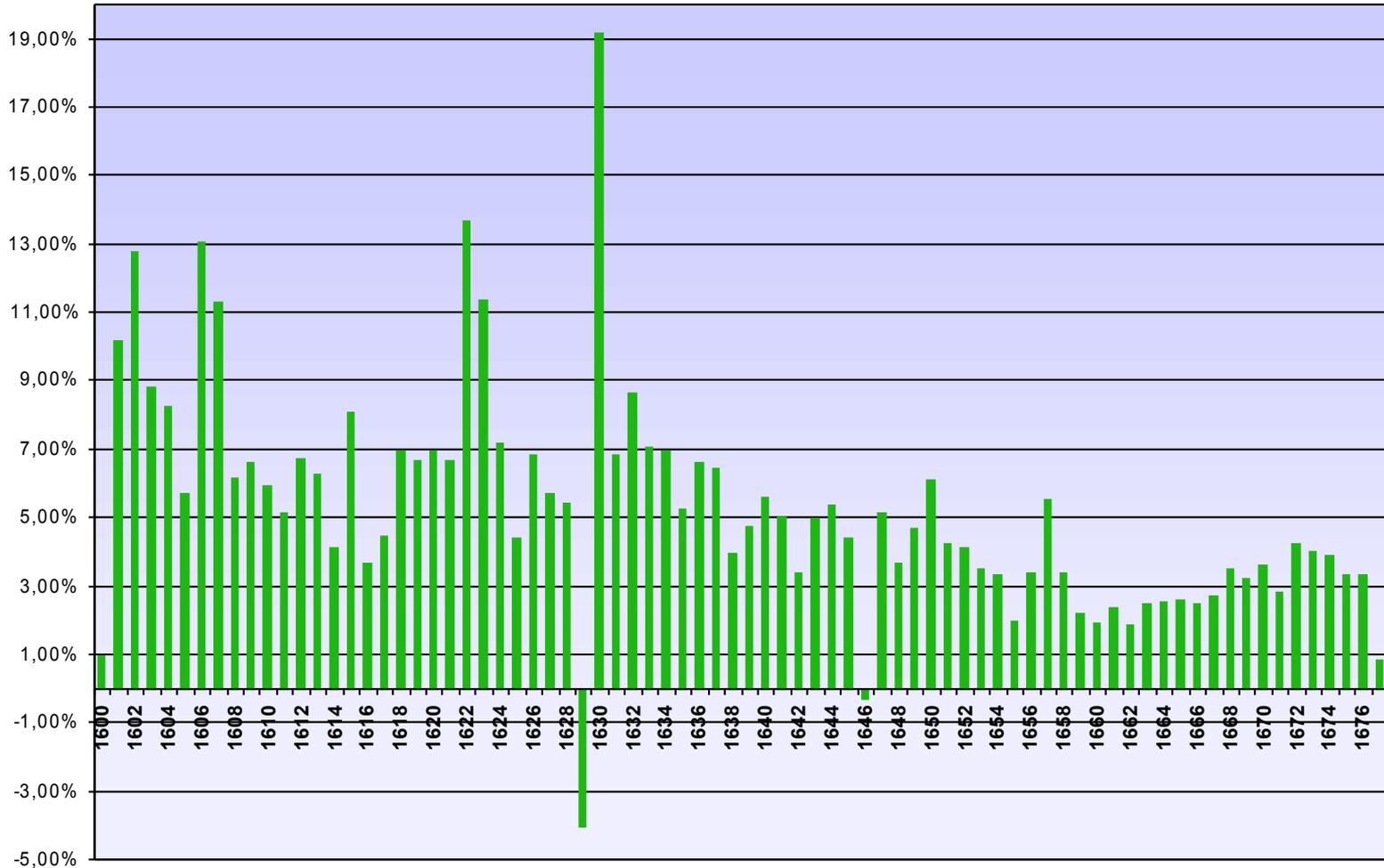
# Comparing the exchange rates of Antwerp and Amsterdam fairs of Novi (1639-1645)



# Interest rates (*per "fair" – 90 days*) Genoa exchange rates (1600-1677)



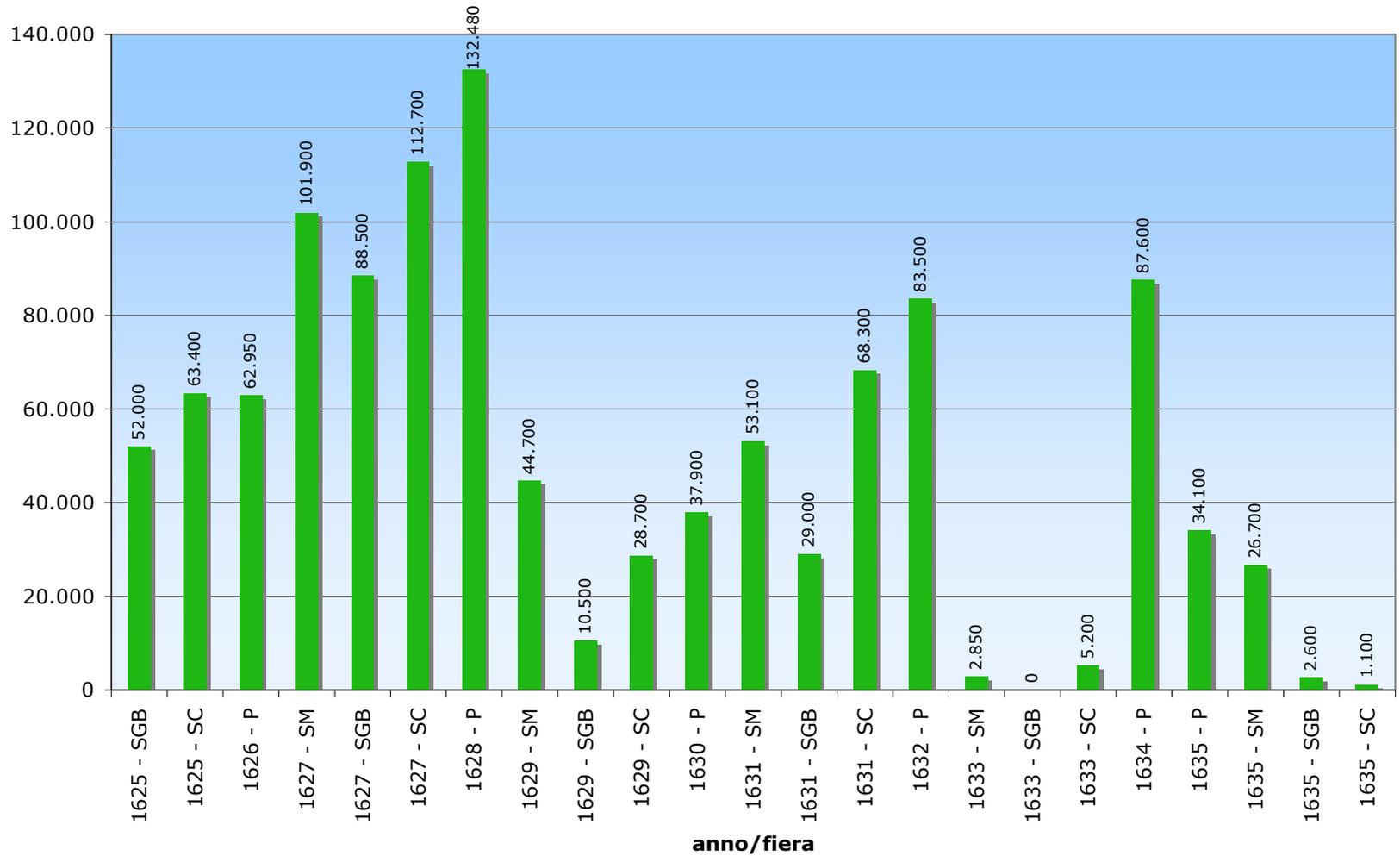
# Interest rates (*per year*) Genoa exchange rates (1600-1677)



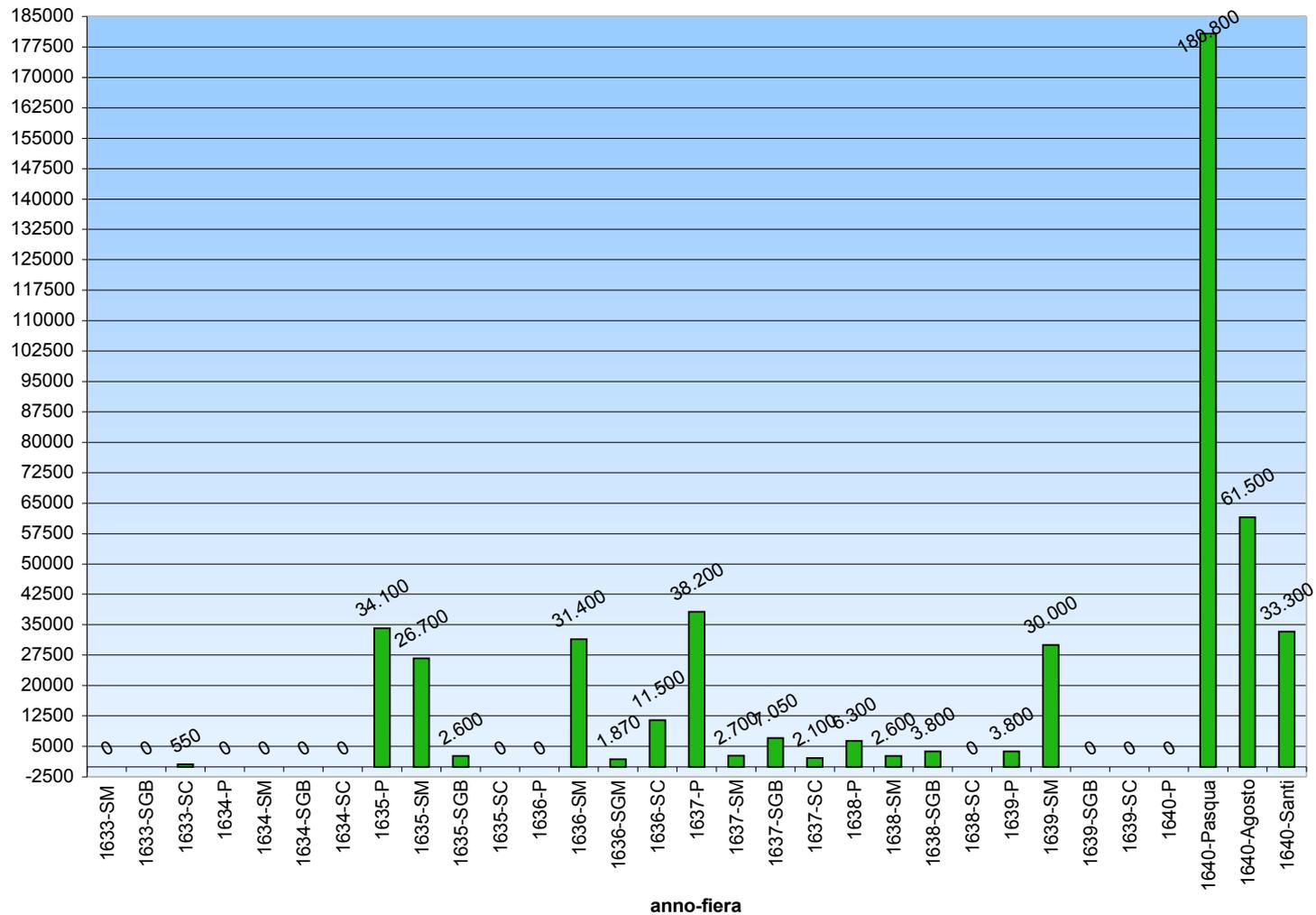
# *Cash money*

XVII<sup>th</sup> Century Italian fairs:  
subverting the rules?

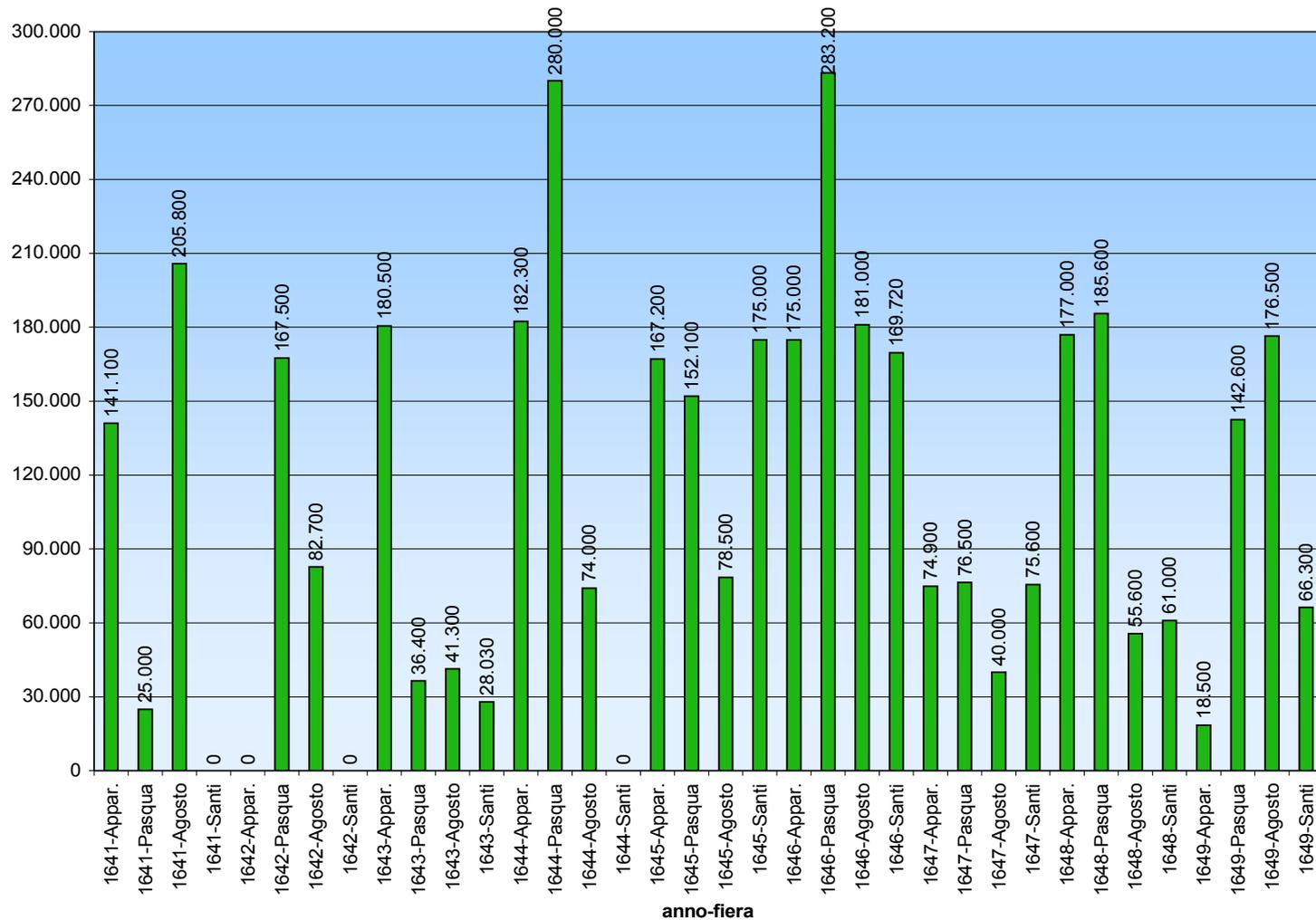
# Cash money (scudi di marche) registered Piacenza (1625-1635)



# Cash money (scudi di marche) registered Piacenza (1633-1640)



## Cash money (scudi di marche) registered Novi (1641-1649)



*Portugués era el amor  
Mas después que hay interés  
Es el amor fué genovés*

Sevillian popular song (XVII<sup>th</sup> Century)

# Different types of books of accounts (photos)

1580

Scog<sup>io</sup> di Luca avroto de' tena d'Apparizione 15 mo fatto nel loco  
di Piasenna

Alz. D. L. N. i. Die. X. m. o. B. t.  
P. e. i. t. e. r. e. t.

1	Spina di terra bianca	30	9	8
2	Spina di terra bianca	300	19	6
3	Spina di terra bianca	287	119	15
4	Spina di terra bianca	207	165	
5	Spina di terra bianca	207	991	19
6	Spina di terra bianca	207	510	
7	Spina di terra bianca	207	901	19
8	Spina di terra bianca	207	1000	
9	Spina di terra bianca	207	650	
10	Spina di terra bianca	207	1290	5
11	Spina di terra bianca	207	850	
12	Spina di terra bianca	207	370	10
13	Spina di terra bianca	207	5000	5

1	Spina di terra bianca	56	250	
2	Spina di terra bianca	207	370	10
3	Spina di terra bianca	207	292	5
4	Spina di terra bianca	207	850	
5	Spina di terra bianca	207	1000	
6	Spina di terra bianca	207	1000	5
7	Spina di terra bianca	207	117	15
8	Spina di terra bianca	207	100	19
9	Spina di terra bianca	207	200	
10	Spina di terra bianca	207	30	9
11	Spina di terra bianca	207	299	1
12	Spina di terra bianca	207	301	11
13	Spina di terra bianca	207	165	
14	Spina di terra bianca	207	510	
15	Spina di terra bianca	207	5000	5

1580

Scog<sup>io</sup> di Luca avroto de' tena d'Apparizione 15 mo fatto nel loco  
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1	Spina di ...	30	9	8
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3	Spina di ...	287	119	15
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7	Spina di ...	207	901	19
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2

1	Spina di ...	56	7	250
2	Spina di ...	207	370	10
3	Spina di ...	207	292	5
4	Spina di ...	207	850	
5	Spina di ...	207	1000	
6	Spina di ...	207	100	5
7	Spina di ...	207	117	15
8	Spina di ...	207	100	19
9	Spina di ...	207	200	
10	Spina di ...	207	30	9
11	Spina di ...	207	391	11
12	Spina di ...	207	301	11
13	Spina di ...	207	165	
14	Spina di ...	207	510	
15	Spina di ...	207	5000	5











et

Padernetto de Brusana tre de cambio auch  
e Brusana feu in quibus menses de anno 1585

Primo bilancio della casa <sup>no</sup> facc al primo Febro 1785

Fluppo e altri scudi	4	7	277	10	10
Franciam e ma	6	7	807	5	10
Franciam	5	7	1141	17	4
Franciam	6	7	310	4	
Gerommo terra	3	7	244	2	9
Gio: Voni Gambaldi	0	7	1071	19	
Spinnite carate	9	7	174	0	16
Coffi de franch	9	7	1142	7	4
Negrome e puelle	10	7	223	15	
am <sup>o</sup> d'indifer	10	7	1064	10	
Franciam carate	11	7	96	15	1
Donato e clauarella P. de franch	12	7	2016	2	20
Ben <sup>o</sup> Taneseto	12	7	2000		
Stato P. di ant <sup>o</sup> dona	13	7	600		
Paolo dom <sup>o</sup> S.	14	7	259	6	7
negro e spinnite	15	7	365	18	7
Spinnite d'acqua	16	7	435	0	6
bondum e balle	20	7	010	16	6
Capponi	21	7	2547	10	5
Gio: onom	21	7	2223	2	
Gio: balle farrate	22	7	3165	10	0
			791087	7	11

Bilancio di prima del 1785

Balano V. claua	5	7	4725	5	11
Gio: nero e p <sup>o</sup> d'indifer	6	7	446	16	0
Gracomo cattaneo	7	7	1500		
Gerommo terra	8	7	306	10	6
Spinnite P. di coffi puelle	10	7	309	10	1
Salutello e puelle	11	7	1054	16	6
Dommo cattaneo	11	7	499	5	4
Gio: balle farrate	12	7	101	14	5
Giuseppe balle	13	7	126	5	7
Corradino Spinnite	14	7	4000	10	7
Gio: Spinnite P. de Genole	15	7	597	5	7
Gio: balle con <sup>o</sup>	16	7	372	0	7
Fluppo Spinnite	16	7	1207	0	7
Giudice e franch	17	7	650		
Gio: franci balle	17	7	5360	10	6
bonum	17	7	3990	16	7
ottavo perucino	22	7	577	0	1
Franciam Donlesca	22	7	1019	10	
antonio e Samzaro	22	7	765	6	2
Gio: comb <sup>o</sup> ote	22	7	1660	2	6
Gio: Spinnite P. de lung <sup>o</sup> con <sup>o</sup> Spinnite	11	7	679	7	7
			792707	12	1
vallo del Disposto			710000		
			792707	16	1
			791087	7	11
manca			7066	5	2

Bilena del 1711  
De una fuesca no  
he 50 y 60 2 11

1000	16616.75
1000	4833.10
1000	13750.10
1000	10661
P	910.3
C	109.10
B	7066.8
<u>7066.8</u>	