ECO 2210Y

Topic 11: Medieval Banking and Finance: the Origins of European Commercial Capitalism

I. Italy, the Mediterranean and Western Europe:


   b) Armando Sapori, ‘The Culture of the Medieval Italian Merchant,’ pp. 53-65.

3. Raymond De Roover, ‘Organization of Trade,’ Cambridge Economic History, Vol. III (Cambridge, 1963), pp. 70-105. See also some of his principal writings republished in Julius Kirchner, ed., Business, Banking, and Economic Thought in Late-Medieval and Early Modern Europe (1974); and especially his Money, Banking, and Credit in Mediaeval Bruges (1948), chapter IV, pp. 48-75; or The Rise and Decline of the Medici Bank (1963), chapters 2 and 6.

   (b) Thomas Blomquist, ‘The Dawn of Banking in an Italian Commune,’ pp. 53-76.
   (c) Michael Prestwich, ‘Italian Merchants in Late Thirteenth and Early Fourteenth Century England,’ pp. 77-104.


II. Northern Europe: England and the Low Countries


QUESTIONS:

1. What was the Italian bill of exchange contract? How did it operate; what various functions did it serve? How did it evolve out of the instrumentum ex causa cambii? How did the northern, especially English, ‘letters obligatory’ differ from the Italian bill of exchange?

2. Explain the origins and development of commercial deposit-banking. To what extent were these
banking functions separate from bills of exchange banking; did medieval bankers engage in both?

3. What other credit and commercial instruments were utilized in the later medieval economy, especially to mobilize capital for investment?

4. To what extent were medieval credit instruments transferable and negotiable? Was ‘discounting’ of commercial bills legal and acceptable, in the eyes of secular and ecclesiastical courts? How, when, where, and why did discounting develop?

5. Why did the Italians dominate medieval banking and finance?

6. Did the use of credit and credit/banking instruments counteract periodic bullion shortages and the deflationary trends of the later Middle Ages?