

ECO 2210Y

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

I. Italy, the Mediterranean and Western Europe:

- *1. John H. Munro, 'Patterns of Trade, Money, and Credit,' in Thomas A. Brady, jr., Heiko O. Oberman, and James D. Tracy, eds., Handbook of European History, 1400-1600: Late Middle Ages, Renaissance and Reformation, Vol. I: Structures and Assertions (Leiden, 1994), pp. 147-95.
2. F.C. Lane and J.C. Riemersma, ed., Enterprise and Secular Change (London, 1953):
 - a) Gino Luzzatto, 'Small and Great Merchants in the Italian Cities of the Renaissance,' pp. 41-52.
 - b) Armando Sapori, 'The Culture of the Medieval Italian Merchant,' pp. 53-65.
- * c) Raymond De Roover, 'The Commercial Revolution of the Thirteenth Century,' pp. 80-85.
- d) F.C. Lane, 'Family Partnership and Joint Ventures in the Venetian Republic,' pp. 86-101.
- * e) A.P. Usher, 'The Origins of Banking: the Primitive Bank of Deposit: 1200-1600,' pp. 262-91.
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 Kirschner, 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.
4. Center for Medieval and Renaissance Studies, UCLA, ed., The Dawn of Modern Banking (1979):
 - (a) Robert Lopez, 'The Dawn of Medieval Banking,' pp. 1-24.
 - (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.
 - (d) John Munro, 'Bullionism and the Bill of Exchange in England, 1272-1663: A Study in Monetary Management and Popular Prejudice,' pp. 169-240.
 - (e) Abraham L. Udovitch, 'Bankers without Banks: Commerce, Banking, and Society in the Islamic World of the Middle Ages,' pp. 255-74.
5. Peter Spufford, Handbook of Medieval Exchange (1986), pp. xxvi-lxiii (bills of exchange especially).
- *6. Reinhold C. Mueller, 'The Spufford Thesis on Foreign Exchange: the Evidence of Exchange Rates,' The Journal of European Economic History, 24:1 (Spring 1995), 121-29.
7. Richard Goldthwaite, 'The Medici Bank and the World of Florentine Capitalism,' Past and Present, no. 114 (Feb 1987), 3-31; R. A. Goldthwaite, 'Local Banking in Renaissance Florence,' Journal of European Economic History, 14:1 (Spring 1985), 5-55; R. Goldthwaite, 'Banking in Florence at the End of the Sixteenth Century,' Journal of European Economic History, 27:3 (Winter 1998), 471-536.
8. John Day, 'Money and Credit in Medieval and Renaissance Italy,' in his The Medieval Market Economy (1987), pp. 141-61.

9. Reinhold C. Mueller, 'The Role of Bank Money in Venice, 1300-1500,' Studi Veneziani, new series, 3 (1979), 47-96.
- *10. Frederic C. Lane, 'Investment and Usury,' Explorations in Entrepreneurial History, 2nd ser., 2 (1964), 3-15; and Frederic Lane, 'Venetian Bankers, 1496-1533,' Journal of Political Economy, 45 (1937), 187-206; both reprinted in his Venice and History: The Collected Papers of Frederic C. Lane (Baltimore, 1966), pp. 56-68; and pp. 69 - 86.
11. Edwin S. Hunt and James M. Murray, A History of Business in Medieval Europe, 1200 - 1550, Cambridge Medieval Textbooks (Cambridge, 1999).
12. E. Ashtor, 'Banking Instruments between the Muslim East and the Christian West,' Journal of European Economic History, 1:3 (Winter 1972), 553-73 . See also Abraham Udovitch, 'At the Origins of the Western Commenda: Islam, Israel, Byzantium?', Speculum, 37 (1962), 198-(and also Udovitch above, in no. 4e).
13. R. S. Lopez and I. Raymond, Medieval Trade in the Mediterranean World: Illustrative Documents (1955), pp. 157-238.

II. Northern Europe: England and the Low Countries

- *1. Michael Postan, Medieval Trade and Finance (1973). Essays on 'Credit in Medieval Trade,' pp. 1-27; and 'Private Financial Instruments in Medieval England,' pp. 28-64.
- *2. Pamela Nightingale, 'Monetary Contraction and Mercantile Credit in Later Medieval England,' Economic History Review, 2nd ser., 43 (Nov. 1990), 560-75.
3. John Munro, 'Bullionism and the Bill of Exchange in England, 1272-1663: A Study in Monetary Management and Popular Prejudice,' [3d. above], pp. 169-240; republished in John H. Munro, Bullion Flows and Monetary Policies in England and the Low Countries, 1350 - 1500 (London, Variorum, 1992).
4. Herman Van der Wee, The Growth of the Antwerp Market and the European Economy (Fourteenth - Sixteenth Centuries), 3 vols., The Hague: Martinus Nijhoff, 1963. On credit, see Vol. II, pp. 333-367 (Part II, chapter 3: 'Trends in financial development').
5. John Munro, 'The International Law Merchant and the Evolution of Negotiable Credit in the Late-Medieval England and the Low Countries,' republished in John Munro, Textiles Towns and Trade: Essays in the Economic History of Late-Medieval England and the Low Countries (London: Variorum, 1994), no. X, pp. 49-80.

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?