

Reinhold C. Mueller

Finance in Renaissance Venice



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My aim in this year was two-fold: to write chapters of a book on the Venetian money market and to begin research on a comparative history of public debts in Europe.

In the fall I began writing on a chapter dealing with the presence of Hortentine entrepreneurs in Venice. Literary sources and naturalization records, account books and correspondence made it possible to identify many Florentines active in commerce, in banking and in the textile industry. Behind the elite of wellknown names (Gucci, Gaddi, Medici) was a largely nameless majority of smaller artisans and workers in the wool cloth industry — nameless unless they appeared in court records as criminals. It meant juggling the tales of two cities over two centuries. In the end I had both a draft of an important chapter and a very long contribution to a collective volume, which will be entitled *Venezia e Firenze*.

With that behind me, I began writing on the most important theme blocked out for this year — the several chapters dealing with bank failures, from 1340 to 1500. Bankruptcy was the historical moment that produced the best sources for our understanding of how banks functioned. Exogenous factors like the death of the principal and endogenous factors like abrupt shifts in the relative values of gold and silver could cause a run and bring a bank to its knees. The analysis of the causes, the evolution and the effects of failures and of the reaction of the Rialto market to financial crises constitute about one-third of the final text. The typology of bank

failures constituted, furthermore, the subject of a paper prepared for discussion at a session of the *International Congress of Economic History* at Leuven in August.

At the same time that I was writing first drafts of chapters, I was able to revise drafts of other chapters, dealing with the structure and regulation of banking in Venice, written before I was introduced to word processing. With the patient help of Frau Barbara Trofimow of the Fellow-Sekretariat, I now have those chapters on diskettes, for a further third of the proposed table of contents.

The last Venetian theme on which I worked in the course of this year was deficit spending in the wider context of medieval and Renaissance finance. It was my objective to explain the workings of the Venetian approach to raising money by forced loans, to measure the burden of taxation in some specific historical cases and to illustrate the operation of the open market in government securities. Venetian bonds, in fact, were assets that were much sought after by Renaissance princes in Italy and in foreign parts. These themes were the subject also of presentations given at a convention on the history of credit in Salzau (Kiel) and at the *Max-Planck-Institut für Geschichte* in Göttingen. Both occasions provided the opportunity to discuss the theme comparatively.

The project for new research that I had defined for myself concerned deficit spending and systems of raising money through public credit, in the form both of forced and of voluntary loans, on a Europe-wide basis. The history of this area of public finance is relatively well-known as regards individual Italian city republics, but it has never been studied comparatively. This year, however, I concentrated my reading on the public debts of north European towns, exploiting the occasion offered by the library service. With the help of the library staff I was able to track down a great many monographs dealing with the *Schuldbücher* of Hansa towns. This research will provide the underpinnings for a future monograph.

These results are relatively satisfying, particularly when one considers the fact that this medievalist was continually tempted by the historical events of our year to become a contemporary historian and political scientist.