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A HISTORY OF BUSINESS  
IN MEDIEVAL EUROPE,  
1200–1550

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JAMES M. MURRAY



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# I

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## ECONOMICS, CULTURE, AND GEOGRAPHY OF EARLY MEDIEVAL TRADE

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I saw a swelling tide of mobilized wealth, which seigniorial exactions channeled into the dwelling-places of the rich, and that new wealth fostered a taste for luxury and expenditure that laid the groundwork for the takeoff, for that crucial turning point in the European economy that inaugurated the age of the businessman . . .<sup>1</sup>

A world without business is as unimaginable in our fin de siècle age as one without light or air. Moreover, “doing business” has come to be an activity that bridges night and day, land and sea, and even airless space. Business is now all-embracing and, as it seems to some, all-consuming. This was not always so, and one of the purposes of this book is to trace the early history of what has become arguably the most powerful revolutionary force that Europe has unleashed on the rest of the world. But as Karl Marx, an early student of the historical implications of European business, has remarked, the revolution was not created “from whole cloth” but from materials found in the historical context of the period covered by this book.

The dynamics of the process of creation will be the particular focus of this introductory chapter. The reader may have already noticed that the authors believe the driving force for change in the medieval economy was created by the demands of the wealthy and powerful, the seigneurs of northwestern Europe. Clarifying the origins of this group and their needs and desires will cause us to range further in time from the strict confines of our delimited period and to concentrate our attention on economic and social developments to the north and west of the

Mediterranean basin. But the subject remains the same – the evolution of business in Europe as a whole.

Many languages have a variation on the well-worn cliché, “you are what you eat.” While this expression is absurd literally, when applied to economic systems it contains a kernel of truth: what people put on their tables will have a great impact on the organization of their economy. In the Middle Ages, what people ate, and just as importantly, what they wanted to eat, played a marked role in defining the possibilities and limitations of business organization. Therefore to understand medieval business, one needs to appreciate the tremendous transformation of northern European eating habits and agricultural practices that occurred roughly between 700 and 1000.

#### ROME’S DIETARY LEGACY — BREAD ABOVE ALL

Some of the most arresting images of the Christian New Testament have to do with food. Jesus of Nazareth throughout his ministry sought to use images and objects that were readily comprehensible to his audience to express his teachings. His miracles reflect this: the first was the transformation of water into wine, his most famous the multiplication of loaves and fishes, and his most enduring, the ritual of breaking bread with his disciples at the Passover meal of Holy Thursday. And despite his famous phrase borrowed from a psalm, “Man does not live by bread alone,” bread in fact dominated the diet of most of Christ’s audience in common with that of most inhabitants of the first-century Roman Empire. Thus, as Christianity was a Mediterranean religion, it is not surprising that the dietary expectations of Mediterranean peoples were sacralized in Christian liturgy. Christianity’s emphasis on bread, wine, and to a lesser extent olive oil, was to have a profound effect on the dietary and agricultural history of the vast non-Mediterranean territories of western Europe.

The Mediterranean as a region is not blessed with either great soil fertility or regular and ample rainfall. Arable land is widely scattered and abundant enough in only a few places, such as Sicily and North Africa, for large-scale grain cultivation during Roman and early Christian times. Rain is also often scarce and scattered, falling predominantly in winter months, leaving summers more or less arid. With an almost universal shortage of pasturage, significant stock-raising ventures were out of the question. Necessity dictated that the prototypical “Mediterranean diet” consisted almost exclusively of vegetable products, such as bread and other grain dishes, wine, and olive oil, supplemented with cheese, vegetables, and a scant quantity of meat. Only for a desert people like

the ancient Hebrews could Mediterranean Palestine seem like a land of “milk and honey”; by modern standards the preindustrial Mediterranean was arid and famine-ridden.

Over time a strategy developed to cope with the inherent poverty of Mediterranean agriculture and its attendant crop failures and famines. The Pax Romana, the extensive free trade zone within Roman boundaries, both permitted the spread of the Mediterranean diet to the four quarters of the empire and remedied local shortages and inability to raise certain staple crops. The keys were crop specialization and shipping services: simply put, those regions endowed with natural advantages for the raising of a particular crop specialized in it and shipped the surplus in return for surpluses from other regions of specialized agriculture. Thus North Africa and Sicily raised considerable quantities of wheat on large farms worked by slave labor; by the first century A.D., North Africa alone was exporting 250,000 to 400,000 tons of grain per year to Rome. Other regions, such as Greece and Spain, specialized in viticulture and olive oil production, while Italy was known for its cheese among other products. In this way, as one historian has put it, a common dietary language was shaped, more widespread and persistent than even the Latin tongue spoken by the empire’s rulers.

Common to all these staple foods is the need for a degree of processing – they are all to a certain extent manufactured. Not only is the production of wheat (the most popular bread grain of the Roman world), grapes, and olives time-consuming and expensive, but also the harvest of the crop is only the first step in the sometimes lengthy process of preparing it for the table. To speak only of wheat for the moment: after harvest it must be threshed to separate the edible wheat berries from the inedible chaff, then ground into flour, then mixed with water and some kind of wild yeast preparation, kneaded to develop a structure, allowed to rise, and lastly baked in a hot oven. The return for such labors is the capacity to be stored for a considerable period (properly kept, wheat berries remain edible for years) as well as a nutritious, portable, and slow-spoiling product – bread. No wonder then that daily bread was a given, and that the daily dietary question was what to have with bread, *cum panis*, the etymological root of the word “company” and its derivatives, which acquired great social and business significance over time.

What went with bread was more varied than suggested by Juvenal’s jibe directed at ordinary Romans that they lived on “bread and circuses.” The Roman diet even for the humble was never made up exclusively of cereal products. Garden crops such as onions, garlic, and green vegetables were always assumed to accompany bread as part of any meal.

Rations of meat were also commonly distributed by the emperor as part of the public dole, with pork being customary. Olive oil came in myriad varieties and was used for many purposes from culinary to cosmetic; wine was equally ubiquitous and diverse in kind and quality. Of course, for the rich of the Roman Empire, the choice of rare delicacies was endless. In the admittedly caricatured depiction of one Roman banquet, Trimalchio's feast found in Petronius' *Satyricon*, the courses numbered at least eight and ranged from simple black and green olives to roasted wild boar stuffed with live birds that were released when the roast was carved. Such variety and extravagant display of foodstuffs would only be equaled by the Burgundian dukes of the fifteenth century.

Even though the Roman Empire remained Mediterranean-centered throughout its history, its expansion under the first emperors had pushed its borders into a vast hinterland north, west, and east of the Mediterranean basin, from Britain to the Rhine and Danube river valleys. These were the vaguely conceived lands of "over there" across the Alps, whose peoples were barbarian both in speech and dietary habits, seemingly remote from the cultural norms of the empire. The names given these barbarians were as vague and imprecise as the Romans' geographical understanding of their homeland. Most were simply called *Germani*, Germans, and one of their chief identifying qualities was a preference for animal products – meat, both domestically raised and wild, milk and cheese, and beer, with butter and lard for cooking fats. To the mixed wonder and repugnance of Romans, this barbarian diet treated grain products from rye, wheat, and barley as distinctly second-class and in no way the principal object of food production. Indeed, much of the German grain crop must have been drunk in the form of ale, a product that the Roman historian Tacitus described as "a liquid distilled from barley and wheat, after fermentation has given it a certain resemblance to wine."<sup>2</sup>

From the second through fifth centuries of our era, the formerly distinct categories of "Roman" and "German" dissolved across increasingly broad areas of the western Roman Empire through intermarriage, settlement, and a mixture of Germanic conquest and Roman collapse. Nowhere was this merging of cultures more apparent than in diet: not only had the formerly rude barbarians acquired a taste for the bread and wine of Mediterranean provenance, but Romans also began to extol the strengthening qualities of meat and other animal products. The most important result of this shift in tastes, however, was in the lands of "over there," where the predilections and desires of the ruling class were translated into a new agrarian system whose formation would occupy the next several centuries and have consequences stretching across the next half-millennium.

Following the collapse of the western empire, the barbarian heirs of Rome still wished to retain the benefits of that civilization for themselves and their descendants; but numerous obstacles lay in their path. First among them was the geographical and climatological reality of northern Europe, which was a land of heavier soil, more constant rainfall, and ubiquitous forest – difficult conditions for large-scale wheat production. Second was a severe shortage of agricultural labor; where the Romans relied on slave gangs to farm the specialized crops of their agrarian system, German rulers could dominate only small settlements of peasants as their work force. Third was the absence of widespread, long-distance transport, due not only to political instability but also to the very different geography of the European north, where rivers, rather than a large inland sea, provided the transportation nexus.

Because specialization and transportation were out of the question, Germanic rulers and their peasantry forged a new economic relationship governed by the twin forces of compulsion and cooperation. Medieval peasants were unfree (their very name, *servi*, was derived from the Latin word for slave), but the essence of the serf-lord relationship was not the application of despotic force; rather, it was a remarkable meshing of interests. For the lord, the interest was provision of the elements of the “civilized” diet in sufficient quantities; for the peasant, it was to secure the survival of himself and his family through unfettered use of the land. Both sides came to agree on the purpose to which the productive potential of the land should be put: the realization of a diet based on bread.

Even though the goal and the social means to that goal were remarkably consistent across Europe, the reality of social and economic organization varied considerably. Village settlements were of many types depending on their location; the relationship of lord and peasant might vary in innumerable ways according to the evolution of custom; and the crop types raised also varied. The weather conditions of a region often determined that rye, spelt, and oats replaced wheat as the primary cereal crop, although wheat bread – the whiter the better – never ceased to be the ideal product of agriculture. Through all the bewildering diversity and local particularity, there remained continuous pressure for more and better bread grains, a pressure exerted both by the lords and, after ca. 750, by a growing population in the peasant community.

#### THE ROLE OF CHRISTIAN CULTURE

Christian culture played a crucial role in supplying the common vocabulary of diet in western Europe. As mentioned earlier, Christianity issued from a milieu foreign to many country dwellers, but through the assid-

uous encouragement of Germanic kings, notably the Carolingians after 725, the full power of its message was brought to the countryside of northern Europe before the year 1000. The first missionaries to these Germanic peoples – Anglo-Saxons, Saxons, Alemanni, and many others – borrowed copiously from the religious metaphors first fashioned by the church fathers of the fourth and fifth centuries. Their greatest source was Saint Augustine, who in a sermon addressed to a new Christian drew a powerful analogy between bread and religion. “This bread retells your history . . . You were brought to the threshing floor of the Lord and were threshed. . . . While awaiting catechism, you were like grain kept in the granary . . . [At the] baptismal font, you were kneaded into a single dough. In the oven of the Holy Ghost you became the true bread of God.”<sup>3</sup>

All this merely complements the central ritual of Christianity introduced to the new converts, the reenactment of Christ’s Last Supper, which is itself a metaphor for Christ’s presence among Christian believers. Even if the newly Christianized peasants rarely partook of the Eucharist, the Christian invocation of bread, wine, and oil, but especially bread, must have made a powerful impression among the European peasantry. Although we have no direct testimony as to its effect, we do have the startling data that between the eighth and eleventh centuries, cereals increased their share of the northern European peasant’s diet from approximately one-third to three-fourths or more of total consumed calories.<sup>4</sup> Thereafter until the modern era, bread was the most significant item in the diet of the average European man, woman, and child, and still today the price of bread is a politically sensitive subject in many European countries.

Christian influence was also buttressed by the institutional example of the monastery at the very heart of European agriculture. The founding father of western monasticism, Saint Benedict, had enshrined the vegetarian diet as the ideal of the ascetic life. Though considered moderate in allowing monks comparatively abundant food in proportion to the severity of their work, the Benedictine rule is uncompromising in restricting meat consumption to the aged and infirm. The monks were to be satisfied with a pound of bread a day and two cooked dishes, presumably gruel or porridge, and if any fruit or fresh vegetables were available, they could make up a third. Given the assumption that a monastery should provide most of its own food, it is not surprising that monastic institutions led the way in spreading cereal cultivation throughout Europe.

We have already noted the variety and hierarchy of bread grains and the pressure for more and better bread grains. For the elite, only white

loaves made of sifted wheat flour would do. Of course wheat was the most difficult of bread grains to produce under growing conditions prevalent in many areas of the European north. For the common people there were rye, barley, oats, spelt, millet, and a few others to make into their daily bread. These grains, especially rye, yielded more dependable and usually larger crops, but produced a darker, heavier bread without those qualities of whiteness and lightness esteemed in wheat bread. For centuries, the bread of the poor was understood to mean dark, heavy bread that was substantial and hard to digest.

Despite the cultural attraction of bread and other cooked grains, the consumption of other foods, especially meat, never lost its appeal for medieval Europeans. Domestically raised animals, especially pigs, cattle, and to a lesser extent sheep, as well as game, continued to supply the meat dishes demanded especially by the social elite. The Frankish king Charlemagne preferred roasted meat to all other foods and refused to give it up even upon the advice of his physicians. Somewhat surprisingly, there is evidence that ninth-century monasteries consumed large amounts of meat: the abbey of Corbie consumed 600 pigs in the year 822 alone. Pork remained the meat of choice for many, both for its flavor and for the relative ease of raising pigs, given their ability to forage for food. These preferences account for the fact that stock raising always remained an adjunct to farming in the medieval countryside and could become in some cases a specialization if sufficient demand were present for the meat, hides, or fibers.

The demands of religion also dictated a prominent place for fish in the European diet, especially after the seventh century, when meat consumption was prohibited for observant Christians on approximately 150 fast days per year. Much of the fish supply must have come from fresh water or coastal salt water, because deep-water fishing was not a significant activity until the later Middle Ages. Few data survive about fish consumption, but there are scattered mentions of fish ponds in sources predating 1000. In England, fish ponds are described in tenth-century charters, and the best documented case, the royal fishpond at Fosse, York, was constructed by William the Conqueror before 1086, supplying fish for the royal household and gifts for others until the thirteenth century. More sophisticated methods of farming fish began after the twelfth century with the development of specialized fish ponds, often linked with a system of pools by which supply could be tailored to fit the life cycle of the fish and to meet increased demand during Lent. Ingenious fish farmers also discovered that ponds could be drained every three to five years and planted with crops that profited from the enriched soil, then grazed over by stock and ultimately returned for use as fish ponds

in a regular rotation. Large-scale commercial fishing seems to have begun in the twelfth century, when herring became the quarry of English and German fishing fleets that ranged across the North and Baltic Seas. But it was not until the thirteenth century, when Lübeck merchants both financed Baltic fishing fleets and provided vast quantities of salt needed to preserve the catch, that herring became the Lenten dish par excellence in northern Europe.

#### LORDSHIP, COOPERATION, AND TECHNOLOGY

Given this common dietary goal of grain supplemented with vegetables and some meat and fish, how did European agriculture organize itself to meet the demand and in the process lay the groundwork for the economic success that followed? The answer is what the French historian Georges Duby described as the exercise of banal lordship – that is, the productive tension of cooperation/compulsion between the lords and peasants of Europe. The institutional form of this relationship in northern Europe historians call manorialism, which is best understood as the sum of man-made productive forces brought to bear on the fields, forests, and pastures of that region. As in modern factories, the architecture of villages, field organization, and crop choice could differ, but the forces at work remained the same.

Compulsion was applied to medieval peasants in many ways. They were not allowed to leave the land; they owed their lord labor on his demesne and the land set aside for his crops; they owed various rents and payments; and they could not choose the kinds of crops they grew. Peasants also had to have their grain ground at the lord's mill and often had to bake their bread at the lord's oven, both for a payment in money or kind. On the other hand, a peasant household, unlike that of slaves, could not be broken up and sold by the lord; serfs had customary rights to remain on the land, and lords were also prevented by custom from outright confiscation of the agricultural surplus grown on their manors. These factors, taken together, meant that there was a basis of cooperation built into an otherwise exploitative relationship.

A fine example of the interaction of compulsion and cooperation between lords and peasants is the development and deployment of rural technology. In most places, it was the lords who provided the land, the animals, and that most basic farm implement, the plow. In the European north, this was a considerable investment, involving a stout iron plowshare, a mouldboard to turn over the heavy clay soils, and a team of two to four oxen, or more rarely horses. Such heavy, wheeled plows

more than justified their expense and by the eleventh century were the standard tillers of the field across most of northern Europe.

A second implement provided by the lord but benefiting all was the watermill. Like the heavy plow, watermills had been known but little used by the ancient Romans. Some historians attribute this to a lack of fast-running streams around the Mediterranean, but there were plenty of exceptions, as in northern Italy, Spain, and southern France, where consistent flow was easily achievable with the construction of dams. Of probably greater importance, therefore, was the absence of a perceived need for a labor-saving device of this type. In the European north of the tenth through thirteenth centuries, however, there were perfect conditions for watermills and a real need to spare peasants the work of milling their grain so that their labor could be directed to more productive ends. This was especially true for women's work, which had traditionally included the hand milling of grain for domestic consumption. With the widespread construction and use of watermills, milling as women's work had practically disappeared by the eleventh century, "freeing" more of women's time for productive household and field work, tending animals, and brewing beer and ale.<sup>5</sup>

Mills and plowshares were just two of the many implements acquired and deployed across Europe, from England to the edges of European colonization in the east. Moreover, the effects of these and other tools and technologies rippled outward in their implications: for with the mill came the millwright; with the plow the blacksmith. In short, labor saved in the fields was redirected to more specialized pursuits, which aided but were distinct from work in the fields. Those who practised such pursuits are called artisans, and though they are often associated with urban crafts, the origin of artisanal labor lies very much in the countryside.

How the work of medieval artisans was organized is difficult to establish, but a useful approach is to examine the example of women artisans. From the earliest records of European manors, dating from the ninth and tenth centuries, there is evidence of the "women's workshop," a separate establishment given over to the production of cloth. Anglo-Saxon, Carolingian, and Saxon sources agree that cloth production occupied a special place in the rural economy, demanding separate investment in separate buildings and the tools necessary for spinning, weaving, dyeing, and otherwise finishing cloth. The laborers employed in this work were both female slaves and serfs together with free and even aristocratic women, all of whom had in common the expectation that women were the clothmakers. By the thirteenth century, however, men-

tions of such workshops disappear as does the apparent monopoly of women in the cloth trades. As the household became the locus of production, males came to share in the work of making cloth, so that by the thirteenth century, when more specialized cloth production was shifted to the towns, men and women worked side by side as weavers and dyers.

Technology, however, consists of more than tools; it includes strategies for production, in this case to create conditions for the enhancement of output of the prized cereal grains. The most significant brake on crop yields in all preindustrial agriculture was a chronic shortage of fertilizer, which in practice forced the farmer to “rest” or fallow a portion of land annually. Traditionally, half the arable fields were left unsown each year – the so-called two-field system – but beginning around the year 1000, a three-field system became increasingly deployed. This involved the entire village community in a compulsory pattern of dividing the arable land into three parts, employing a third for a winter crop, a third for a summer crop, and leaving the rest fallow. The fields were rotated annually, maintaining soil fertility while increasing production, often improving grain harvests by over fifty percent. With the gradual spread of the three-field system from the great grain growing regions of northern France to much of central Europe, the landscape of Europe was transformed.

The improvements in technologies of tools and land use nevertheless were not enough to satisfy the demands of lords and of an increasing population. Enhanced production of cereal crops demanded more lands beyond the settled islands of traditional village communities surrounded by tracts of forests, swamps, and waste. The conquest of the medieval frontier from the ninth to the thirteenth century is perhaps the best demonstration of the power inherent in the manorial social system. The dynamic was much the same: lords provided capital and incentives to peasants in order to capture their labor for the realization of a variety of objectives. Here, the lords – monasteries, princes, knights – offered peasants special privileges and power over newly won agricultural land. These “assarts” always gave peasants increased rights to the crops they produced, in the form of either reduced labor services owed or an increased share of the crop. Such incentives caused settled rural communities to chip away constantly at the surrounding forest, bringing more and more of it under the plow.

The gradual expansion of existing settlements was only one form taken by the opening of the medieval wilderness. Outright colonization was another, requiring the shift of peasants away from their native villages in order to found new ones some distance away. To secure these

colonists, lords often drew up agreements with representatives of prospective settlers, offering terms far more favorable than those obtaining in the old population centers. In exchange for payment of a small tax per homestead, colonists in frontier areas usually received ownership of the land they reclaimed, the right to dispose of the property, and complete personal freedom. Moreover, groups of peasants were often organized into rural communes or *Landgemeinden*, which had legal standing and were invested with the power to govern their members and to exercise lower justice. The result, particularly in Germany and central Europe, was the creation of groups of free and equal peasants who largely exploited their own land without the intervention of the lord. This movement reached its height in the twelfth century and is perhaps the clearest example of the expansive forces unleashed by the collaboration of lord and peasant.

The activities of Wichmann, Archbishop of Magdeburg (1152–92), exemplify the inner workings of the movement of colonization across Europe. Twelfth-century Magdeburg lay on the easternmost edge of settlement of German-speaking peasants, and archbishop Wichmann was determined to encourage colonization both to secure additional income for his see and to further the dispossession of the Slavic-speaking natives of the area. To this purpose, he hired *locatores*, men who would attract settlers from the west in return for grants of land. These land agents fanned out through relatively densely populated Flanders and Holland, extolling the advantages of moving to the east. The attractions were considerable: freedom from forced labor on castles or the lord's land, and possession of large amounts of fertile land in return for reasonable rent. The new villages thus realized the vision Wichmann had for his creation: "they (the locatores) will settle new colonists there, who will drain the marshy grasslands, which are presently good for nothing but grass and hay, and plow them and sow them and make them fruitful . . ." It is difficult to imagine a more succinct description of the colonizing mentality.

An even more remarkable form of creating new agricultural land occurred along the coast of the English Channel and North Sea shared by the modern countries of France, Belgium, and the Netherlands. Here, beginning in the tenth century and ending more than a millennium later with the vast Delta Project, submerged land was progressively diked, drained, and brought into use first for pasture and later, as the salt was leached from the soil, for crops. In this case, it was the great monasteries of the twelfth century, particularly the Cistercians, which organized and financed the largest projects along the Flemish coast. The most striking example was the monastery of Ter Duinen, "the Dunes,"

near Bruges, where the Cistercians supervised coastal reclamation work until the end of the eighteenth century, establishing villages complete with churches as every polder project reached completion. Ultimately, these monastic development projects were so successful that the abbot of "the Dunes" spent most of his time not at the monastery but in his opulent town house in cosmopolitan Bruges.

Analogous to the free villages of central European colonists were the so-called "water associations" that oversaw the maintenance and expansion of the reclamation projects along the Flemish and Dutch coasts. These organizations were composed of both peasants and representatives of monasteries or noble landholders who together apportioned the cost of construction and maintenance of dikes and canals among landholders, appointed the "Sluismeester" (manager of the drainage works), and even exercised some governing powers in the reclaimed areas. These became an institutional expression of the cooperation between lord and peasant in the drive to reclaim land from the sea and certainly contributed to the tradition of relative freedom of the peasantry in the coastal regions of Flanders. As institutions they survived for centuries, succumbing only to the near wholesale destruction of the French Revolution.

In north central Italy, the rural economy developed in yet another manner. The system of large estates left by the Roman Empire was inherited by the Lombard invaders in the latter half of the sixth century. They kept the estates intact, but, being pastoralists, they were more interested in animal husbandry than in agriculture. As a result, great stretches of the countryside gradually reverted to forest and marsh. The economic revival of the eleventh century reversed this process, although the origins and nature of the transformation are obscure and remained extremely localized. Whatever the causes, the big estates began to be broken into smaller and better exploited holdings, first by leasing and later also by purchase, with personal valuables of all kinds being used in addition to coin. In these circumstances, the great landlords tended to rely more on rental income and seigneurial rights than on direct exploitation of their demesne lands. Over the same period, much of the rural unfree population acquired free status, and although most remained tied to the land by poverty, many took advantage of the fact that there were no legal inhibitions upon seeking a better life in nearby towns.<sup>6</sup>

The evolution of Italian agriculture also differed from that of other parts of Europe because the old towns may have decayed but never entirely disappeared, thanks at least partly to the continuing moral, political, and economic power of the local bishops. As a result, there were always markets of a sort, and as the towns began to recover, they drew

increasingly on the surrounding countryside for their sustenance, encouraging the cultivation of a wide range of produce in addition to cereal grains. Another source of difference is that the feudal practice of primogeniture never entirely took hold among the great comital families, some of whom were prepared to pass on their lands and rights to more than one heir. Moreover, lordly landholdings were rarely far from a town, where nobles tended to participate in political, social, and business activities and to own property. The result of all these influences was a connection between town and country encompassing all segments of society that was absent elsewhere in Europe.<sup>7</sup> And when the elite of the north later began to have the desire and the means to acquire exotic goods from the Mediterranean region, the inhabitants of those towns, especially of the seaports, were ideally situated to take on the role of middlemen.

#### MARKETS, MONEY, AND MERCHANTS

In one of the earliest and most famous books about medieval agriculture, the French historian Marc Bloch described the basic structures of the medieval agrarian system sketched above.<sup>8</sup> Bloch took his inspiration from the medieval field patterns still visible in aerial photographs of the French countryside, finding in them the beginnings of rural France. But just as the medieval landscape was altered to meet the demand for cereals, long-suppressed patterns of economic integration inherent in a grain economy began to reassert themselves in the course of the eleventh and twelfth centuries. For despite the similarity in patterns of demand – for the foods made from wheat, and wines made from grapes – the fact was that not all of Europe was equally suited to these crops. Diversification and specialization had been the ancient Roman response to the vagaries of crops and climate, and Europeans reacted in a similar if more limited way, with greater reliance on local markets and less on the large-scale specialization of Roman agriculture.

Markets were the key: they made possible the beginnings of agricultural and along with it artisanal specialization and the closely related return of cities to the European landscape. A market at its most basic is simply a meeting place of buyer and seller where the needs of one are satisfied by the surplus of another. In early medieval Europe, the move to a grain economy created regions of surplus production near or adjacent to regions of underproduction of grain which had potential surpluses in other commodities or manufactures. The fertile plains of Picardy by the twelfth century were supplying grain to help feed more populous Flanders; the productive southeast and east midlands of

England fed the population of London and provided exports as well; whereas in France the fertile country both upstream and downstream of Paris kept that city's people supplied with foodstuffs. Many of these patterns of interregional trade were to endure for centuries.

The beginnings of market structure across Europe are difficult to trace. The word itself has ancient Germanic roots and first occurs in a document from the mid-eleventh century as *gearmarket*, or "year-market," akin to the modern German *Jahrmarkt*, denoting an annual gathering of merchants. Even though all the Germanic forms of the word are ultimately derived from the Latin *mercatum*, it is clear that before the eleventh century words in many languages were being coined to describe a developing new reality. And *mercatum* was not the only root to be so used: *port*, *burh*, and *fair* all were created to convey a similar meaning.<sup>9</sup>

It is unlikely, however, that markets and merchants were ever entirely absent from western Europe, even in the darkest of the so-called Dark Ages. Jewish merchants maintained their trading networks, and archaeological evidence has long revealed the existence of emporia or *wike* in such places as Dorstad and Quentovic from the Merovingian period until well into the ninth century, when they were destroyed by Norse invaders. And recent historical and archaeological research suggests that early trading was being conducted from large estates. There is also evidence of market development in the heartland of the Carolingian empire, the region between the Seine and Rhine Rivers, in the mid ninth century. Here early monastic polyptychs show an organized procedure for gathering up surpluses from the monastic farms and disposing of them at local markets, where grain was exchanged for wine or other more distantly produced goods. In England, markets were reported in and around London by the eleventh century, and in such places as Norwich, York, Winchester, and Lincoln, local markets had achieved regional importance by the time of the Norman conquest. In the Mediterranean, active trade continued in Visigoth and Muslim Spain and also in Italy, despite a temporary interruption in the north following the Lombard conquest in the sixth century. Genoa and Pisa remained backwaters until the late tenth century, although inland towns such as Pavia boasted a successful merchant class by the early eighth century.<sup>10</sup> The ports of southern Italy, including Amalfi from the sixth century, maintained a profitable trade with the Byzantines and Saracens. And Venice, already engaged in local commerce by the ninth century, became a serious competitor in Constantinople before the end of the tenth.

By one means or another, therefore, a modest level of commerce persisted in most parts of Europe, but before the eleventh century there is

an instability and vagueness about European market structure that reveals its essentially casual, ad hoc nature. Marketplaces and market times were rarely fixed or permanent; laws governing market conduct were imprecise or nonexistent; law and order on the roads and waterways was uncertain. Here again it was the intervention of the landlords and their assertion of privilege that established agreed-on terms, places, rules of procedure, and security for the buyers and sellers.<sup>11</sup> In England this jurisdiction was more often than not exercised by the king; in Flanders and elsewhere in the more decentralized dominions of the French kingdom, it was usually the duke or count who granted market rights and policed the market. In Germany the determining force could be wielded by a duke or count or by a bishop or archbishop in the role of secular lord. In Italy under the imperial system, the source of authority varied from city to city, residing in the office of the bishop or count or imperial agent or some combination thereof, but from the twelfth century onward, the commune assumed control in most towns.<sup>12</sup>

It should be stressed, however, that the seigneur was most often the organizing force or catalyst, not the original impetus for the development of markets beyond a local level. That came largely from the religious custom as the organizing stimulus for the cycle of fairs that spawned markets across Europe. Fair is often used synonymously with market, but actually it is derived etymologically from the Latin *feria* or festival and relates to the religious festivals that brought people together from various parts of Europe, often on the occasion of the feast of a particular local saint. Crowds of pilgrims provided both customers and merchants for trade, and as different localities had different local saints whose feast days encompassed the calendar, a progression or cycle of fairs could develop.

Originally, fairs were regional in their reach, as in Flanders, where with the encouragement of the count a cycle of fairs came into existence around the mid eleventh to early twelfth century. These were eventually five in number, shared among Ypres, Lille, Mesen, Torhout, and later Bruges, each lasting thirty days in a staggered cycle from late February through the beginning of November, with two to four weeks between them to allow for travel. In England there is evidence of a less organized cycle of fairs that becomes clear in the thirteenth century. Fair structure analogous to that in Flanders appears primarily in the fairs of Stamford, Saint Ives, Boston, Winchester, King's Lynn, and Northampton in the northeast of the island. Also in the thirteenth century the most important of the fair cycles, the Champagne fairs, evolved into their final form. These were the first to transcend the regional to become truly international in scope and significance.

By the thirteenth century all fairs were markets, but not all markets were fairs. What distinguished the former was their annual and extraordinary nature, recognized through explicit license from king or prince granting special conditions for trade and security for merchants en route. Thus in the hierarchy of markets, fairs became the outlets for more specialized, rarer commodities whose customers came from proportionately greater distances. The regional web of weekly and smaller markets remained, however; the great medieval fair rose like a cathedral tower anchored to a foundation of local and regional markets.

The renaissance of markets and trade in Europe from the tenth through the thirteenth century naturally brings the triple question of what was traded, by what means, and who were the traders. We have argued that inherent in the grain economy is a dynamic of frequent scarcity that encouraged exchange of agricultural commodities at least on the local level. In successive centuries, market networks grew to embrace regional and international areas, but more distant market relations brought greater problems of transport and payment, making the direct exchange of one commodity for another increasingly difficult. The incentive for traders to adopt coins as the medium of exchange thus became more and more compelling, until in truth it can be said, "no mint, no market."

The triumph of coins must be kept in perspective, however. Mints and markets tended to go together even in early medieval times. A glance at a map of Carolingian mints from 730 to 849 shows a preponderance of coinage activity precisely in the area of greatest economic expansion, that bounded by the Loire and the Rhine. Almost twice as many mints existed there as in the rest of the Carolingian empire combined, suggesting that even in the infancy of medieval economic expansion, money was greasing the wheels of growth. The coincidence of mint and market is equally true in Germany, where at the beginning of the tenth century there were virtually no mints east of the Rhine. Thereafter, under the Ottonian emperors dozens of new mints were created, many of them east of the Rhine. By the year 1000 these formed a chain linking the easternmost mint at Magdeburg to the western trade emporium of Cologne, itself perched on the eastern edge of the most densely developed minting network of the Carolingian heartland.<sup>13</sup>

To the phrase "no mint, no market," however, must be added another: "no metal, no mint." The surge of mint creation across Germany did not happen by accident; mints are only established when there is a critical mass of raw material to work with, and that appeared in plenty with the discovery of silver in the Rammelsberg above the town of Goslar in the Harz Mountains late in the tenth century. These supplies

were augmented shortly afterward by further discoveries in the southern Black Forest. The increased quantities of silver, promptly coined in the new mints, rapidly “irrigated” – in Peter Spufford’s elegant term – both countryside and city, greatly increasing the use of coin throughout western Europe.

Tracing the origins of markets and coins used for trade is analogous to describing the set and props of a play but leaving out the actors. Just who the actors were in the revival of markets in western Europe and where they came from is a subject of some debate among historians. Henri Pirenne’s classic argument was that the origins of medieval “marketers” (from the Latin *mercatores*) lay in the peasantry, specifically those who for one reason or another had been uprooted from the land, becoming vagabonds and wayfarers first and evolving into merchants in the course of their travels. Pirenne’s favorite example was the eleventh-century English merchant Saint Godric of Finchale, who began as a beachcomber collecting merchandise from shipwrecks, then became a merchant in his own right travelling with his wares from England to Flanders, Scotland, and Denmark. Godric ultimately made his fortune but turned his back on business in favor of voluntary poverty as a hermit.

Historians since Pirenne have disputed the idea that the origins of the medieval merchant class can be traced exclusively to the poor and dispossessed peasantry. Many have cited evidence from the north that merchants included the well-to-do peasantry with capital to invest, as well as younger sons in aristocratic families given money or other movables as their patrimony in lieu of land. And in Italy we have already seen that the nobility cheerfully entered into the trading life of cities. Given the fact that markets never really disappeared in most parts of Europe, it is somewhat futile to seek the “origins” of a prototype medieval merchant. Saint Godric was just one of many classes of individuals who ventured into trade.

Monetary stability and with it market expansion could only be guaranteed when mints and markets were anchored in the context of a new or revived social institution, the city. Only sheltered within the walls of an urban area could the kind of stability, market demand, and a modicum of law and order come about that in turn could lead to increased manufacture and trade. The history of urban origins is extremely complex, differing in detail from one part of Europe to another. In Italy, for example, cities enjoyed a measure of continuity after the collapse of the western Roman Empire that was lacking in many parts of the north. In Flanders, which became the most densely urbanized region of Europe, nearly every city was created during the tenth

or eleventh century. But despite this complexity, urban history itself is a model of the interaction of seigneurial power and merchant self-interest, the continuum of cooperation/compulsion in another arena.

The narrowest definition of the medieval city had little to do with economic fundamentals. The city was a creation in law, according its residents special rights of property holding, limited self-government, and jurisdiction. Such rights could be granted by the sovereign in a foundation charter ceded in most cases after prolonged struggle and negotiation. In Bruges and many other Flemish cities, for example, the first urban charters were granted in 1127 in the midst of a civil war between two rival claimants to the comital throne. The people of Bruges took advantage of the situation to extort what the chronicler Galbert of Bruges called a "little charter of agreement." Typically, the charter contained clauses guaranteeing freedom from comital tolls, security of urban property, and election of members to a governing council for the city.

It is obvious in the chronicle description, however, that Bruges already possessed the character and functions of a city well before the granting of urban privileges. It was already a market town with a populace made up of merchants and artisans. Galbert even gives us evidence of long-distance trade links when he states that merchants were so terrified by the news of the assassination of Count Charles the Good that they fled the fair of Ypres, which was then in full swing. This underlines the fact that in most cases the economic origins of cities lay more in their role as collection and trade points for regional and interregional commerce than as creations of kings or princes. The awarding of urban privileges thus fits neatly into the context of the steady seigneurial drive for greater profits. Recognizing cities was akin to encouraging peasant colonization of waste lands, investing in mills and ovens, and using the proceeds to obtain the trappings of noble life. This demand for luxuries thus both began and completed the circle, for if peasants supplied the surplus, it was the merchants who converted it into money, traded that money for the desired luxury good, sold the item to the lord, and profited from the role of entrepreneur. The first great age of European business history was nothing more than a nearly infinite number of variations on this simple theme.

#### THE CHAMPAGNE FAIRS

Just how far the linkages of local, regional, and extra-regional markets could extend is apparent in the Champagne fairs, which reached their apogee in the thirteenth century. Champagne, at that time a semi-autonomous region in north central France, lay across the most impor-

tant overland routes connecting the Flanders/England axis in the north with the Italian/Mediterranean trading network of the south. As part of the agricultural hinterland of Paris, the region had developed a significant agrarian economy before the twelfth century, generating urban markets, notably those in Troyes, Provins, Lagny, and Bar-sur-Aube. These became the venues for fairs, which were originally religious festivals, but through the assiduous attentions of the counts of Champagne, who granted special privileges and safe conducts to foreign merchants, the Champagne fairs became the favored meeting place of southern and northern merchants and merchandise. At intervals from January to October, the six Champagne fairs (Provins and Troyes hosted two) offered the regularity and security necessary for conveying merchandise, displaying it for sale, and arranging shipment and payment.

All these long-distance merchants from the north and south were obviously not trading grain and wine, but more exotic, high value, and easily portable wares. The southerners brought with them a range of articles from the western and eastern Mediterranean prized by the increasingly affluent elite of the north. In return, the northern merchants offered an array of woolen textiles, from ordinary to luxury, finished and unfinished; but their total value was inadequate to balance the demand for southern goods. That balance was largely made up by silver, both bullion and coin, made available in ample quantities from the new and exceptionally rich mines at Freiberg. Thus began what was to become a fixture of medieval long-distance trade, a large and persistent shortfall of merchandise movement from north to south, made up by quantities of silver and, to a lesser extent, of gold.

Although the net flow of specie was inevitably from north to south, there were myriad transactions among the participating merchants entailing flows in many directions. In this connection the international fairs transcended themselves as merchants developed a payment system based on credit instruments called *lettres de foire*, or fair letters. These documents recognized sales of merchandise, but often specified payment at a later fair, when the total of debits and credits for a season would be computed and a final reckoning made between buyers and sellers. Letters were not endorsable, but could be transferred from one party to another. Sometimes payment could be specified in a different coinage than the original transaction, and all in all the fair letter obviated the need for large shipments of specie. Thus the Champagne fairs increasingly came to play the role of financial clearinghouses for long-distance trade between north and south.

The Champagne fairs are significant for many reasons, but above all they symbolize the true dawning of the age of the international busi-

nessman in their integration of regional and long-distance trade through urban centers following the established pattern of annual fairs. And in true medieval fashion, they succeeded in becoming something new in the guise of something old, conforming to the role of a rendezvous of merchants while at the same time becoming a bridge between the great European economic zones of north and Mediterranean south.

We have seen that medieval business grew in the interstices of the dominant institutional forms of lordship and peasant-based agriculture. It is incorrect to think of the growth of merchant Europe as superseding either; rather, as entrepreneurs medieval merchants succeeded in completing what were simply potential trading and commercial systems, driven by the wealth and power of the seigneurial elite. Like grass growing in the cracks of a sidewalk, medieval business adapted to conditions not of its own making, yet ultimately succeeded in transforming them. Medieval fairs, cities, money, law – none of them were made-to-order for the growth of business. Yet they all became part of the essential infrastructure leading to the remarkable economic takeoff of the High Middle Ages.