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The Language of Trust: Sixteenth-century Genoese Commercial Correspondence.

Ricardo Court

Sixteenth-century merchants plying the waters of the Western Mediterranean used commercial letters written in a nuanced language that enabled them to communicate trust. The Language of Trust was so strong that it enabled traders to bridge more traditional methods of enforcing their agreements. For example, they rendered strong bonds of kinship or matrimony unnecessary to long-distance trade. Genoese merchants active in the western basin conducted trade within a large but closed community of merchants, probably several hundred in number, but certainly too many for each to know the other intimately.¹ Traders had scores of agents from which to choose and could shift between them at will. None of these traders were invested with any more than the most transient ties. At every turn, the Genoese traders seem to go against the common sense dictum to trust only when trust is earned. The social landscape that the Brignole documents reveal was constituted of hundreds of relationships that were weak, flexible, resilient, and unregulated by state, clan, or guild.

There is a counter-intuitive characteristic to these particular commercial networks: no merchant could be assured of repeated exchanges with any specific trader. This 'weak' characteristic was deliberately preserved in their networks. Each trader relied on future exchanges with some members of the group as a whole. In

¹ An accurate number is hard to verify. The enrollments of *nobili nuovi minori* into the Golden Book of the Genoese Nobility in 1528, the approximately 2000 shareholders in the *Banco di San Giorgio*, the lists of major and minor office-holders compiled in the eighteenth century, and the numbers of agents and merchants found in the Brignole and Sale ledgers strongly suggests hundreds or perhaps a few thousand, rather than dozens, of Genoese merchants active in the Western Mediterranean.

the Genoese commercial sphere, there was no formal or informal institution that had the ability to transmit effectively the reputation of any given trader to the whole group. Every season Genoese merchants and agents entered into joint ventures with different members of the larger group, determined by market realities, without knowing any specific information about an individual trader beyond their limited personal experience. Historians have long assumed that such guarantees were necessary to the preservation of trust.² In fact my evidence shows that trust, and consequently the mitigation of risk, was preserved without them.

The potential of future dealings kept alive the promise of future economic gains, but it did something more important. Potential future dealings acted as a reserve that allowed traders to confront greater complexity and uncertainty in the economic world. The bank of potential relationships bridged periods of activity, and periods of economic gain. Weak relationships based on calculated risk enabled traders to confront uncertainty with flexibility that close coalitions or kinship could not. Traders were constantly on the lookout to initiate new weak relationships. The commercial environment of the second half of the sixteenth century allowed traders to pool capital, to spread risk, and to enjoy the services of agents in distant locations without having to invest heavily in most of their relationships. Their enterprises were more flexible and their transaction costs were greatly reduced, compared to those

² Important background for this study is provided in: "Un quadriennio critico: 1575-1578, Contrasti e nuovi orientamenti nella società genovese nel quadro della crisi finanziaria spagnola," in *Fatti e idee di storia economica nei secoli XII-XX*, (Bologna: Il mulino, 1976); J. Francis Guilmartin, *Gunpowder and galleys: changing technology and Mediterranean warfare at sea in the sixteenth century*, (London: New York: Cambridge University Press, 1974); Gioffrè, *Gênes et les foires de change: De Lyon à Besançon*, (Paris: S.E.V.P.E.N., 1960); H. Kellenbenz, "Die fremden Kaufleute auf der Iberischen Halbinsel vom 15 Jahrhundert bis zum 16 Jahrhundert," in *Fremde Kaufleute auf der Iberischen Halbinsel*, (Köln, Wien: Böhlau, 1970); H. Lapeyre, "Les exportations de laine de Castille sus le règne de Philippe II," in *La lana come materia prima: I fenomeni della sua produzione e circolazione nei secoli XIII-XVII*, (Firenze: Le Monnier, 1974); R. Ragosta, ed., *Navigazioni mediterranee e connessioni continentali (secoli XI-XVI)*, (Napoli: L. Pironti, 1982); C. Trasselli, "I rapporti tra Genova e la Sicilia dai Normani al '900," in *Genova e i Genovesi a Palermo*, (Genova: Sagep, 1980), pp. 26-28; C. Trasselli, *Messina nei secoli d'oro: storia di una città dal Trecento al Seicento*, (Messina: Intilla, 1988); Various authors, *Atti del Congresso Internazionale di Studi Storici "Rapporti Genova-Mediterraneo-Atlantico nell'Età Moderna"*, (Genoa: Sagep, 1983); V. Vázquez de Prada, *Lettres marchandes d'Anvers*, (Paris: S.E.V.P.E.N., 1960); C. Verlinden, *València, un mercat medieval*, (Valencia: Diputació Provincial de València, 1985).

entailed in the contracts of *comenda*, traveling agents, and resident agents typical of the first half of the century. The commercial world had become more complex and uncertain, and the language of trust evolved to manage that complexity and uncertainty.

Traders used their correspondence to prevent fraud, communicate expectations, and encourage vigorous effort on their behalf, and thus promoted trust which allowed partners to signal mutual obligations and a willingness to reciprocate trust. An extensive system of correspondence -- bills of lading, exchange notes, insurance policies, purchase orders, and above all, letters between partners -- would eventually expose any obvious violation of trust. The ability to communicate a willingness to reciprocate trust with unfamiliar colleagues is one reason these ethnically homogeneous trading networks were so successful. Such culturally defined networks did much more than punish defectors. Their ability to rely on reciprocal interactions allowed all traders to enjoy cheap, reliable, short-term relationships, to concentrate their trust costs, and to maintain flexibility. All of the Brignole's foreign agents, with the exception of two shipping agents in Tuscany, were Genoese living abroad. In this environment a seemingly irrational reciprocity, that is cooperation without the ability to widely sanction violators of trust, was stable and utilized as a public good in the real world.

The Brignole placed themselves in just such a framework of relationships, at first incidentally to their manufacturing, and then purposefully with their dealings in commodities. Antonio Brignole started a small venture in Flanders in 1554, the year of his majority at the age of twenty. The venture was independent and disconnected from the family enterprise to shield the rest of the family business from the risks of an untried agent. During his son's stay in Antwerp, Giovanni did not have to pay for Antonio's upkeep. To the contrary, Giovanni was able to compel his other partners to utilize his son's agency services in Antwerp, thus financing his son's foreign apprenticeship. Even though he was not legally responsible for his son's actions, Giovanni lent his son his prestige, and therefore took responsibility for Antonio as he would have for any other agent. The activities of Antonio's business adolescence were folded back into the larger family endeavor six years later, when his foreign education was deemed complete. Antonio's accounts receivable were transferred to the Brignole's deposit banker in Antwerp, whereby the banker became the Brignole's debtor and agent. Precisely because he was no

longer green, Antonio's activities were registered in the master ledger together with the *Volta* and all the rest of their assets and liabilities.

Antonio's presence is evident everywhere in the first ledger after his return to Genoa from the Low Countries. Antonio immediately expanded his exchange business beyond his tried-and-true cousins while the possibilities of dealing with acquaintances began to pervade their commerce. Antonio began to work with non-kin merchants and agents, whom he trusted as deeply as he had trusted close kin. By 1567 Antonio had built a network of his own, buttressed by the joint ventures with which Giovanni had supplied his *Volta*. The difference between Antonio's network and his father's was that Antonio focused solely on the commodities trade. Antonio's brother Francesco took over the day-to-day running of the *Volta* while Antonio concerned himself with sales, supplies, and trips to the quarterly exchange fair. Antonio's network was so completely focused on commodities traders that when his brother died suddenly in 1567, Antonio abruptly abandoned the *Volta*; he stopped delivering raw silk to the artisans, he stopped paying rent on the buildings that housed their looms, and he sold the looms themselves. In a matter of a few days, more than five decades of work was reduced to a few minor debts and a small amount of left-over velvet. A half-century of effort came to a sudden end when the *Volta* simply ceased to exist.

Despite the drastic changes in their activity the Brignole took great pains to preserve continuity, to demonstrate to all of their associates, from kin to the most distant acquaintance, that their series of exchanges would continue as before. Continuity was an important element in communicating a willingness to cooperate. The Brignole took steps to avoid the problem of cheating in finite series of exchanges. Cheating was always a danger when a trader's last transaction was known because there are no adverse consequences for the cheater. If a merchant were going to retire, he might as well cheat all of his associates on the last exchange. He might do this by committing outright fraud, but more likely he would not observe his obligations, would act slothfully, or would refuse to make his assets available to his associates after they had done so for him. If a merchant were close to retirement, or if he were making arrangements to scale down his business, his associates might cheat him preemptively. They might not know for sure when the last exchange would come, but they would know that they were involved in a finite series. Finite series of

exchanges destroy confidence since everyone can be expected to cheat on the last exchange; the penultimate transaction then becomes in effect the last one, and therefore everyone will cheat or be cheated. This continues to the third to last, to the fourth to last, etc., in an infinite regression until no honest trades are possible. Without outside enforcement, trust collapses as soon as the total number of future transactions is known to be finite, even when the exact number of future trades is unknown. Even though this discussion is highly schematic, the Brignole seem to have been vividly aware of it, and took steps to preserve the relationships that they had built over fifty years.

The tactics the Brignole employed to preserve trust among their partners and associates confirms that trust is transferable, and, that in the right environment, cooperation is rational. In order to preserve continuity, the Brignole twice used a tool called an *avallo*, which roughly translates to "guarantee." The *avallo* was an important and publicly declared bridge that transformed a finite series of exchanges into an infinite series, by transferring the ownership of accounts receivable and the responsibility for accounts payable between two individuals. The Brignole Company was not legally a "*compagnia*," or a partnership, it was a sole proprietorship, or the sum of Giovanni Brignole's assets and liabilities. It would come to an end when Giovanni died, or shortly thereafter. Even if the heirs of a business were clear, multiple heirs could mean a division of assets, and therefore a division of responsibilities, and certainly a disruption of a smooth relationships. An *avallo* was a convenient legal fiction occasionally employed by merchants that allowed for the renaming of an account from "Giacomo Rossi" to "the heirs of Giacomo Rossi." Giovanni's ledger-books were the legal expression of Giovanni himself. They were proof of his activities: debits, credits, property, and responsibilities. Legally a merchant's ledger-book was much more than a merchant's notebook. It was so universally respected that it could be entered as evidence in a civil trial on an equal footing with notaries' documents. By definition, these books were not transferable. Giovanni Brignole employed the *avallo's* accounting gymnastics to preserve and cultivate continuity.

The first *avallo* transferred the accounts of Antonio's business apprenticeship in Antwerp to his deposit banker, Geronimo Lomellino Chiavari. Antonio left Antwerp in 1560, to follow his uncles as an apprentice in their international exchange banking

business. After four years as a resident of Antwerp, he needed to declare publicly the continuity of his accounts before leaving the city.³ Giovanni transferred the net value of Antonio's accounts into his own account book as a debit account owed by Geronimo Lomellino Chiavari. The individual accounts receivable and payable were entered into a clearing account "*avallo*", in place of an exit balance sheet, and were from there linked to new accounts in Geronimo's ledger. In the aggregate, no money had changed hands, but relationships certainly had changed. With an accounting sleight-of-hand, Antonio had transferred his ownership and his responsibilities to Geronimo. Since his accounts had been backed by their connection with the Brignole, Geronimo not only acquired a ready-made activity, he also enjoyed a transfer of Antonio's and his father Giovanni's considerable reputations. After four years setting up his first venture, the twenty-six year-old Antonio could concentrate on other activities, letting his first entrepreneurial offspring run itself.

The second and far more substantial *avallo* transferred the bulk of Giovanni's activities to his remaining sons Antonio and Teramo in 1573, just one year before his death at ninety-one. Antonio, with his younger brother, Teramo, had been in command of the day-to-day functions of the family firm since 1567, and afterwards they effected major changes in the direction of their enterprise. When they were at the quarterly exchange fair, they did business under the name "Antonio and Teramo Cicala Brignole of Besanzone"; in limited activities they were "Antonio and Teramo Cicala Brignole of Genoa"; and when they ran the family business, they did so under the name of "Giovanni Cicala Brignole of Genoa." In every practical sense, the prestige and reputation of "Giovanni Cicala Brignole of Genoa" was already synonymous with "Antonio and Teramo Cicala Brignole of Genoa." Antonio had already changed the direction of their family enterprise by liquidating the *Volta* in 1567. The *avallo* had set those changes in stone and merged the various "Antonio Brignoles" into one.

³ Archivio Storico Civico di Genova, Fondo Brignole Sale (ASCG-BS) volume 9, quaderno B, *Avallo*, p. 192. There is reason to believe that before an agent could leave town he had to reconcile his accounts. When Antonio's younger brother Teramo left Seville to return home to Genoa in 1572 he had to send a barrage of letters to declare that the company "Teramo Cicala Brignole and Antonio Pallavicino Coronata of Seville" would hereafter be known as "Antonio Pallavicino Coronata of Seville" and that all assets and liabilities were to be transferred from one entity to the other. That particular *avallo* does not survive. ASCG-BS 102, pp.1-20

When Antonio returned to Genoa in 1562, after six years abroad, his early experience profoundly influenced how the Brignole would manage their enterprise in the future. Like his father, Antonio wrote letters to his close associates to manage his affairs abroad, but Antonio used the elements of those letters to promote trust in a more subtle way, and with a wider range of different traders. The rhetoric of his letters was an important element in his strategy to expand his activity beyond his kin. Like any of his contemporaries, every outgoing letter he wrote was copied into his letter register, a practice which was both mandatory and overt. Generally, each letter opened with when the letter was sent, by what means, to which letter it responded, and how many of the addressee's letters were received, when, and by what route, since the last letter was sent. The common phrase, "confirming what we have already written," reassured the addressee that while writing his response Antonio had his letter register opened to the most recent information sent to that correspondent. A premium was placed on maintaining clarity and consistency in multiple business letters. Even the rigorous use of the second person plural, *voi* and *vostri* was more than an archaic formality. It served to prevent confusion by eliminating the ambiguity between the formal second person singular 'your', *suoi*, and the third person singular 'his', *suoi*. The meticulous communication of exactly when information was received helped mitigate the effects of a slow postal system and quickly changing conditions. Reporting those changes was even more important;

April 22, 1572, to our Teramo and Antonio in Seville.

Dearest noble brothers, written on the eighteenth of this month by way of post and on the fourteenth of this month by way of the galley in the hand of Nicolò Usodimare Maggiolo embarked to sail to Granada in which you will have seen how we approve of your resolution to not continue in that activity and for which we are waiting desirous of newer letter from you in order to understand...⁴

In this letter Antonio Brignole writes to his brother Teramo, who had been sent to Seville with Antonio Coronata, the younger

⁴ ASCG-BS 102, p. 20.

brother of Antonio's close associate Bartolomeo Coronata. Antonio was not responding to specific letters in the past, for as he says in the letter, they were all too old and he was awaiting letters that were *più fresche*. A letter sent with the *corriere*, the regular post, was quick but it might never arrive. The letter sent with their cousin Nicolò would arrive more slowly, but barring some misfortune, it would definitely arrive. The more important the letter was, the more likely it would be sent two or three times, in as many different ways. On April 28, Antonio was still waiting and he sent a third letter, "Still we are without your letters, it will suffice to affirm that which we have written to you adding that we still are waiting."⁵ Antonio repeated his approval of Teramo's decision to suspend their current wool venture in Seville, but was being kept waiting as to the latest details and conditions:

The first of April, we find two of your dear letters of the 31 of January arrived on the sixth of February and the other on the fourteenth and after those a copy arrived on the first of March, in response to which we say that we have understood that the commission for wool has already been given to Usodimare for which we have a 50 percent interest...⁶

At first glance, the letter of April 1 seems in response to a letter from an agent who said, "I have received your order and I have carried it out." However, when considered with the previous letter, Antonio Brignole was communicating something more complex. Antonio was also doing more than confirming that he had received letters from his Seville agent, Antonio Coronata (his brother Teramo had long since returned to Genoa). He was also confirming that he had received word that his associate had made a decision on his behalf and when he knew of it. He continued the letter with further instructions concerning the decision to buy wool. Antonio was telling his agent, "I know that you have made changes on January 31 and February 14, I learned this on February 6 and March 1, and I confirm this along with further instructions on April 1. By the time you learn of these instructions conditions may have changed so as to render everything I have instructed you to do irrelevant and incorrect, you decide."

⁵ ASCG-BS 102, p. 20.

⁶ ASCG-BS 102, p. 22.

The reality of delay was ever-present in the minds of all traders. Acknowledgment of the delay between any two points was a constant feature of every letter. The letters cited above moved very quickly--one took only six days to arrive. Depending on the weather, war, or a thousand other obstacles, letters between Seville and Genoa could have taken six or seven weeks each way. Frequently, several letters in which desperate pleas not to enter into a certain venture are followed by one letter in which the writer claims that God's will must have prevented the warnings from arriving on time--*come piace a Dio*--and in which he resolved to make do--*pigliar in grado*. Delay proclaimed at the top of every letter that the writer was separated from the decisions he would make and the information he would analyze. The addressees of both of the above letters were expected and trusted to act on the writer's behalf. Antonio confirmed this in the first letter: *approvavamo la resolutione fatta*, we approve of the action taken. Teramo had acted independently of his brother; he was not just following orders. Delay, delineated in every letter, reinforced the space of autonomous action. It is not too hard to imagine that Teramo might have acted himself; he was after all Antonio's brother. Similarly, Antonio Coronata was neither a family member nor employee, but he was still described in the letter headings as *nostro*. *Nostro* meant our man, and *Nobile fratello carissimo*, dearest noble brother, at the top of the first letter signaled a fraternal relationship with a brother, a cousin, or someone like a brother; someone with whom trust was, by definition, secure. However, the autonomous space necessitated by delay had a similar effect on all correspondents. In the fabric of the letters' rhetoric we may read the limits of the autonomous space allowed even a short-term trader.

The younger Brignole inherited from their father a fraternal network, which was based on brothers and near brothers (cousins, uncles, and various other kin by marriage; sons and nephews of his father's close partners). Giovanni had built his network on his cloth mill and by building family associations. Antonio would reform it to engage in trade, and as a result the frequently used form of address *nostri* would refer to an increasing number of people outside of the family. Antonio addressed these close partners as *fratello carissimo*, dearest brother. The term of affection was reserved for those partners with whom a relationship of trust was beyond reproach, and from whom autonomous action was expected. The autonomous space that delay afforded to the

nobili honorandi Nazelli and Ferrero in Naples was more constricted, but nonetheless present. *Nobile honorando*, honored noble, was the default form of address reserved for unallied traders of equal or inferior status; *Magnifico honorando*, honored magnificence, referred to unallied superiors. For example, Nazelli and Ferrero were Genoese merchants, *nobili honorandi*, who ran a firm of their own based in Naples. While they were independent, they required relationships with firms like the Brignole to operate effectively. Nazelli and Ferrero bought southern oil and raw silk, and sold light cloth and northern manufactured goods. They needed assistance from larger concerns to move their wealth to where it was needed. By living abroad, Nazelli and Ferrero were investing heavily in trust in Naples. As a result they did not have to invest heavily in transient partners like the Brignole, with whom they conducted piecemeal, tit-for-tat, and unsupervised exchanges. In exchange for the transfers of funds that a larger concern could efficiently make for them, Nazelli and Ferrero rented out the trust investments they had with their own debtors and rented the ability to collect on those accounts receivable to whoever needed them.

Nazelli and Ferrero had to be able to assure their transient partners, like the Brignole, that they had invested in trust in their locale. In practice this meant that, when it came time to transfer funds or to deliver commodities, Nazelli and Ferrero guaranteed their debtors would pay. The Brignole were always fearful that transactions with secondary and tertiary agents would fall through because they were unconnected to the original contract establishing the debt to be collected, and because they often had no information beyond what amount they could collect, where they could collect it, and when. When entering into ventures with transient partners as well as with *fratelli* that necessitated the use of secondary agents, the Brignole insisted that their agent research local people, such as the buyers of Brignole wool, velvet, or light cloth, or from whom the Brignole would take delivery of cash, raw silk, or grain, in order to assure that cash would be on hand, or that no delay in the shipment of commodities would occur. *Avertendo, come sempre, al ben fidar*, went the refrain: "Reminding you, as always, to trust well," that is, to act with care when trusting outside the circle of *fratelli*.

The first surviving letter to Nazelli and Ferrero begins as would any letter to an agent:

April 4, 1572 to Nazelli and Ferrero in Naples

Honored nobles, we find your dear letter of the 21 of the last month, in response to which we say that the reason for which you were not able to load the doblotte on the galley...we must make do...⁷

When selling commodities, Nazelli and Ferrero were similar to any of the Brignole's close associates. The letter continues:

We have also seen how you have arranged your deficit in the remittance to Montelione and how again three hundred ducats were contracted to you and you have remitted five hundred ducats all of which we approve, awaiting [confirmation] so that we may issue a credit. And because said Simone insists that that money be remitted to Montelione having insisted also to you, you have procured or will procure the effect and when you have, between contracts and remittances the provided 10,000 ducats circa, you will procure the rest on credit, you will know from him how much he needs and procuring for him until they do not have money unavailable...Farewell.⁸

Antonio Brignole wrote as he awaited confirmation of two remittances, for three hundred and five-hundred ducats, before making funds available in Genoa. Apparently, Antonio's brother-in-law's insistence was not enough to get Nazelli and Ferrero moving. Antonio had asked that Simone be given money whenever and wherever needed up to around 10,000 ducats and beyond that amount in order to secure loans. Antonio would make a similar sum available elsewhere in Europe after each payment. In other words, Antonio was willing to move 10,000 ducats for Nazelli and Ferrero in exchange for services extended to him and his kin. Nazelli and Ferrero would pressure their own debtors to pay in cash or in the commodities that Simone had purchased. As long as Nazelli and Ferrero heeded the reminder "to trust well," *avertendo al ben fidar*, they could maintain a cool, or weak, relationship with the Brignole, and their debtors had no need to invest in trust with the transient Simone Lomellini in order to sell their wares.

⁷ ASCG-BS 102, p. 130.

⁸ ASCG-BS 102, p. 133.

Everyone benefited from the exchange: Simone got a roaming credit-line; Nazelli and Ferrero got their capital moved out of a closed marketplace, in this case Naples; Antonio was able to import commodities from people with whom he had absolutely no relationship, brokered by someone in whom he needed to make only small piecemeal trust-investments; costs were greatly reduced, as in-coming and out-going transfer commissions canceled each other out. Antonio had already built a limited relationship with Nazelli and Ferrero buying and selling commodities and merchandise. The fruits of that relationship were much more than light cloth, grain, oil, or raw silk. Neither party maintained a continuous relationship with the other and yet continued to trust each other. One day they sold commercial paper (*tratte*) to the Brignole, the next day they sold to one of the Giustiniani or the Bacciadonna. If Nazelli and Ferrero had cheated their clients, they would have lost their ability to move their own capital abroad. If their clients had cheated them, Nazelli and Ferrero's local capital, contacts, relationships, and knowledge of the region would become unavailable to them, or exceedingly expensive. The result would have been the same if either party entered into agreements on the local level with people who could not pay when their debts came due. They had to trust well outside the sequence of partners. They were reminded repeatedly, sometimes three times in the same letter, of their responsibility to trust well: *Avertendo sempre al ben fidar*.

Nazelli and Ferrero were neither family nor allies, but they were essential to filling in the gaps between family and ally. On April 28 Antonio asked that 300 ducats be sent wherever Simone Lomellini was at the time the letter was received.

...send the remittance directed to Geronimo Naschetto for our Simone to Montelione with an order that it be sent to him in Messina in the case that he is [no longer in Montelione].⁹

The Brignole company was in the *Mezzogiorno* to buy. The little that they made selling Dutch cloth and finished velvet bore no comparison to the amounts they spent on raw silk and grain. In order to do business in the South, Antonio needed partners with complementary activities. Even a rough fit would work:

⁹ ASCG-BS 102, p. 131.

We have seen how it was not convenient for you to remit money in Montelione. That you can send the 1,400 ducats via Cosenza remitted to Luigi Ferrero is fine. We believe that you have done as you write in regard to the order from Simone, from whom we have not had any news, an order will be given for the completion of the commission in the [fair of the] Annunciation for which you should tell us how to issue the note

Nazelli and Ferrero could not engineer their debtors to make payment in Montelione. Antonio suspected that his brother-in-law Simone might go on to Cosenza and instructed Nazelli and Ferrero to look into the possibilities of capital there. In Naples there were other opportunities:

... for the needs of the war with the Turks we understand that there, there are opportunities for life and perpetual annuities, that are very safe and give a good revenue sanctioned by his holiness. Since we desire to take part it would be appreciated, if it does not burden you, to advise us on what is available day by day...¹⁰

While they relied on each other, neither the Brignole nor Nazelli and Ferrero were inclined to deepen their association. Both needed the flexibility to decline a commission or to request a remittance to a far-off city, while "...asking that you give the usual attention to the attached..." as needed.¹¹ Still, there existed an implied mutual obligation to deal with each other when their requirements meshed. When Antonio had to carve out some space for his in-law and take business away from his usual Messina agent he had to stress that notwithstanding the temporary change, he still felt obliged to Alessandro Lercaro. Lercaro had the same kind of interactions with the Brignole in Messina as did Nazelli and Ferrero:

in response to your dearest letter of the 14 of the last, we shall say that we are not for now able to please you

¹⁰ ASCG-BS 102, p. 131.

¹¹ ASCG-BS 102, p. 133.

this year by giving you commissions for raw silk having the same reason as you to search for them, on behalf of our Simone Lomellino (married to Antonio Brignole's sister Minetta) ...would that the deal be already concluded but since he is there for other particular business of ours, we are constrained by kinship to deal with him and not with others. We tell you definitely that when we do not have our own person there, we shall not neglect to give you a part...conforming to the promise made to you which we will not neglect you, when a similar occasion fixes itself, we are at your pleasure. Farewell.¹²

Antonio was not obliged to conduct trades in Naples or Messina, but he was moved to explain why he was doing business whenever he engaged anyone other than his usual agent. Antonio was loath to lose his ability to maneuver in Sicily, and understood that Alessandro Lercaro would not take the loss of a conduit for his capital sitting down. Alessandro Lercaro and Antonio Brignole were not allied traders, nor were they members of a common coalition. Antonio was explicit that the Brignole did not have their own man in Messina: "*vi diciamo bene che sempre che noi non haremo costí persona propria*, we declare, as always, that we do not have our own person there." They were not Alessandro Lercaro's only clients, and he was certainly not the only agent in town, but when the Brignole needed something done in Messina, Alessandro Lercaro expected the commission. If Messina silk were low quality, if there were an over-abundance of specie driving prices up, or if there were advantageous conditions elsewhere, the Brignole were free to buy in another city. Their relationship was only as strong as their seasonal dealings required.

Nazelli and Ferrero traded their associations with the Brignole at a low cost. Neither risked heavily in their relationship, their dealings were tit-for-tat, but the little they had invested was very useful. Both could have easily defected to another agent or client with no consequence other than the loss of that trader's services in the future. This was the hazard that concerned them most, against which no one had even theoretical legal recourse. Their aversion to burning their bridges would have prevented them from ever trying to damage the other's reputation for any such defection.

¹² ASCG-BS 102, p. 152.

However, because their own association had a history, and because of a mutually perceived obligation, their weak relationship was nonetheless stable.

Antonio could even lend his association with Nazelli and Ferrero to a third party. That is to say, he could lend out his own ability to borrow Nazelli and Ferrero's investments in trust. The chain of associations could be stretched further:

The carrier of this letter is our Gio Battista Usodimare Maggiolo who passes by on this galley on route to Palermo on his own business and since he might be able to conduct some business there for Palermo or might have other needs when he requests it you will pay him up to 1,000 ducats making the debt out to Cibo and Usodimare of Palermo, valuing it according to the order given in person by said Gio Battista because no matter what happens the debt extended will be paid. Farewell.¹³

Antonio was able to set up his cousin, Gio Battista Usodimare Maggiolo, and his sister's husband, Giulio Cibo Sale (whose wool dealings are described below), with an efficient agent in Naples. Nazelli and Ferrero were willing to execute an order, not from Antonio, but from two unknowns, because Antonio was willing to guarantee it informally, "since no matter what happens the debt will be paid," and because it represented a new conduit for capital and effort to Palermo, Leghorn, Florence, and other useful points north. Although the relationships were expressed in currency and commodities, there is little doubt what was really being traded: trust was transferable and rentable. It flowed easily between acquaintances and allowed complete strangers to associate and interact.

No one, not even the Brignole and their allies with their growing success, influence, and wealth, could conduct mercantile activity alone. Genoese commerce was conducted within a community of merchants constantly searching for temporary complements and synergies. That community was far looser than previously assumed. Trust could be maintained from deal to deal. Genoese merchants did not jump into unmediated high-value exchanges with strangers. Unlike the Venetians they did not have the

¹³ ASCG-BS 102, pp. 134-35.

opportunities of government subsidized trust in the form of state-run insurance and state-run convoys of ships that enforced extremely tenuous connections between traders. They did not, on the other hand, try to incorporate all of their agents into their coalitions.

Alongside their traffic in raw silk, oil, and light cloth, Nazelli and Ferrero specialized in connections to credits throughout Calabria and Sicily that could be brought to bear on purchases for traders like the Brignole. One needed only pay Nazelli and Ferrero in Genoa, who, by selling their own credits, moved capital northward, reinvesting it when convenient, turning it into cash when not. Nazelli and Ferrero rented their efforts, associations, and trust-investments in exchange for transfers of funds. Some of their associations in Naples and the *Mezzogiorno* were the short-term and weak connections with their own customers; others were strong relationships from within their own coalition. They solicited their own debtors and exploited their own trust relationships on behalf of the Brignole and other merchants. Within limits, traders like the Brignole and Nazelli and Ferrero could shift between traders and agents without fear of retribution or moral hazard. Nowhere was this more apparent than in the Spanish wool business.

At first glance the Brignole and their allies in the Spanish wool trade, the Sale, seem to have had a rather large group of agents doing their bidding in Spain. Their agents were, however, independent, and had relationships with the Brignole similar to that of Nazelli and Ferrero. The scale of their operations in Spain dwarfed that of Naples, both in numbers of agents and in volume of business done, but this did not mean that the relationships were any more complex. The Brignole also worked from commission to commission with their agents in Spain. Typically, there were two different types of arrangements, occasional commissions and joint ventures, signaled by the phrases "*impietate il procevuto in,*" to employ the proceeds in, and "*spettante a/2 a noi* " "half of the stock in the deal belonging to us."

In *Impietate il procevuto in*, the occasional commission, an agent bought a commodity, such as copper implements, velvet, or coral, from the Brignole. The agent then sold the commodity in the local Spanish market, taking on local debtors. When the debt came due, occasionally he collected cash, but more often he connected the debtors with credits located where the Brignole wanted to buy other commodities, principally wool. When it came

time to invest the *utile* in wool the agent took a commission on the exchange, netting 3 2/3 percent on the transaction. For their 3 2/3 percent, the Brignole were able to access local buyers and sellers without investing trust with any of them, and without investing heavily in trust with their casual agent. In their dispatches, the Brignole repeatedly remind agents and partners of all stripes to trust well, *avertendo al ben fidar*. When the Brignole wrote to their agents to remind the agent that his debtors owed him money, message written in-between the lines, was that the agent also owed an debt of effort to the Brignole. The agent did not simply owe the Brignole money, he was also expected to invest that money on the Brignole's behalf. The agent was asked to extend the service for which he had already been paid:

April 18 to Fornari of Toledo,

Honored noble, we find your dear letter of the 8 of the past month in response to which we say that we wait for you to give service to our people in Seville when you have collected for our account as well as for our Mr. Giovanni and our Antonio [Brignole] and Bartolomeo [Coronata] since you sent someone specifically for the extinction [of the debt] and similarly for as much as you will collect pressuring the debtors to put an end to [the commissions] as soon as possible doing everything you can to follow the orders of our people in Seville according to the orders given to you as well as [to collect] our share...they will not go unsolicited at your end.¹⁴

Fornari owed an debt of effort to the Brignole. He had already made use of Brignole commodities, had sold them, and perhaps had collected enough of the resulting debts to have realized a profit for his labors. However, he still owed the Brignole. Although the purchase of commodities was the ultimate goal, the debt that Fornari had incurred in Toledo was more than a debt in goods. It was to be paid in some form, most likely wool, in Seville or wherever the order specified. Fornari owed the Brignole an amount wherever they were ordered to pay. The Brignole relied on the connections that enabled them to move capital to where it was needed, and they were willing to risk a finite amount of that capital

¹⁴ ASCG-BS 102, pp. 135-36.

for this service. In this case, if Fornari had taken his profits by paying the debt through a remittance to the Brignole at the exchange fair, and against Brignole orders, he would not have been doing his job, and it would have constituted a violation of trust on his part.

The Brignole often had to cajole their short-term collaborators, "To Lomellini of Granada...as soon as it becomes possible send the completed account soliciting the mature debtors and those who are maturing doing everything to forward [funds] to our people in Seville according to the order already given advising of your success."¹⁵ All of the short-term collaborators 'employing the proceeds' were asked to coordinate their debtors' payments with the needs of 'our men' in Seville, Teramo Brignole and Antonio Coronata of Seville.

April 18 to Boggio and Pinello of Seville

...we are waiting for you to satisfy our agents there the *marvedis* 36,020 that you still owe us and we ask that you do this pleasure for us as soon as possible to annul our accounts if we are agreed, also since the ship never arrived in Cadiz which has caused no little anxiety here, we hope that it pleases God to liberate us from it soon, for our interests and in the worst case if God wants it to pass, you will remember to send the returns so we may be reimbursed by the insurance, Farewell.¹⁶

The Brignole had to encourage their agents to concentrate on the family business when it was successful, and especially when it was not. Pestering, cajoling, and leaning, collectively called "soliciting the debtors," they kept short-term agents on the jobs for which they had already been paid. Again, Antonio Brignole leaned on Fornari in Toledo:

in the account of our Mr. Giovanni there are 4,305 *marvedis* that for a long time now remained in the account of your agent in Cuenca for which it needs to be said that [the efforts of] the man that you sent to Baeza have not borne any fruit at all in the extinction of

¹⁵ ASCG-BS 102, p. 136.

¹⁶ ASCG-BS 102, p. 139

the debts which distresses us because since they were incurred in 1568 and in regard to the [wool] laundry things have been left for so long that we doubt that it is little hope without your usual diligence given to its collection and we believe similarly in regard to the sack of Calatrava [wool] that remains in Alicante, for which we desire an end. For similar pending ventures we beg you to procure an end, making the proceeds of what ever you collect available to our people in Seville or remitting them in the next [fair]...¹⁷

And Lomellini in Granada:

... not having received the [completed] account for the shearlings purchased and resold by you on our account...since you have finished selling the third [quality wool] from last year, solicit all of the debtors...¹⁸

Debts were not left alone to build up because they represented more than cash owed. Effort, service, and diligence, or the lack thereof, were signaled in the balance of an agent's account. [Our money, credited to you]...has not rendered any fruit...[the fact that you have done nothing] in the retiring of those debts...in truth displeases us." In most cases, there was no cash to be had from any debtor; payment was typically made in other commodities. An outstanding debt was a blockage, indicating a blockage in the system. The agent would have to be motivated to keep the firm's purchases, and therefore its capital, moving and circulating.

The second typical relationship that the Brignole conducted in Spain was a joint venture, characterized by the phrase "*spettante a/2 a noi*," our one-half share. This type of contract derived from similar ventures that Giovanni Brignole directed in the velvet trade in Flanders. In this type of arrangement the agent usually supplied half, or another fractional part, of the capital, and was responsible for his share of the expenses, tariffs, and insurance for a venture. In return for foregoing the 3 2/3 percent commission the agent gained access to markets beyond his local reach and enjoyed sellers, shipping, and banking services, without paying the

¹⁷ ASCG-BS 102, pp. 136-37.

¹⁸ ASCG-BS 102, p. 137.

commission called the *provigione*. The joint venture was still a casual business relationship; it could be suspended and restarted when conditions dictated, as seen above in the transaction with Alessandro Lercaro of Messina, and the risk of defection was the same.

The lower costs, and therefore higher profits possible for all parties, served as a robust incentive to cooperation, encouraging all partners in a joint venture to make a great effort to maintain those joint ventures season after season. It also encouraged commissioned agents to demonstrate that they were trustworthy and merited the increased risk involved in a promotion into a joint venture.. Both the joint venture partner and the commissioned agent were obligated to collect funds from debtors to fund the clients' capital needs. In addition, the partner in a joint venture also needed to supply his own capital for one half of the venture. The joint venture meant that all of the parties-- buyer, shipper, seller, and bank --were all working for themselves as they worked for their partners. Past experience with less complex and risky, and therefore less profitable, ventures allowed each partner to gauge the others' proclivity to reciprocate and cooperate, and to assess whether a prospective partner had the cash, connections, and savvy to be worth the increased risk, in conditions of incomplete enforcement.

April 23, copy sent, to Antonio Pallavicino Coronata in Seville. We find your dearest letter of the 19 of March, in response to which, affirming what we have already written in regard to the errors found in the wool accounts it remains to be said that the unpacking of the [bales] from Ferruffino and in regard to the sad assortment therein, in our view they are of little use since so much of this wool is a bad sort. It is not for this reason that we advise him of the way he had done this [since] we doubt that he will repurchase them, if this turns out all right then we would do well to give over the proceeds to God's account because this year there is nothing else to do since Ferruffino is running the *Lavadero*. Do not hesitate to send another trusted person to look after our interests pleading you to do everything to expedite said *Lavadero* sending the low grade wool as well as the high grade to the docks since

they write from Florence that they can scrape more from the low grade here in Italy than you can there.¹⁹

The marketplace was far from a utopia, and traders sometimes tried to pass off inferior goods. The error committed by Antonio Coronata Pallavicino did not result in his termination as agent. Antonio wrote that Ferruffino should be informed of their dissatisfaction, but that he doubted that Ferruffino would buy back the wool; even if he did, low prices would have meant selling at a loss. What remained was to remove the incompetent Ferruffino from running the Brignole's *lavadero*, where the wool was given a first wash, and ship the wool on to Florence, where a small profit was still possible:

We were all pleased that you thought to wash [the wool there] in a convenient location for shipment to Alicante as well as to Cadiz. When you have the opportunity to do so if it seems that you should send it to Alicante it is better for everyone if it were sent to Cadiz and since a 1300 salme ship was leased for your associates here to pick up the majority of it in Cadiz. When you have exhausted this lease, lease more space without listing us as the addressee on our wool affirming everything as for your part.²⁰

The most striking property of the joint-venture agent was his autonomy. Notwithstanding the intermittent quality of this type of association, the agent acted on his own, even while acting in concert with his other partners, in this case in Alicante, Genoa, and Florence. In the paragraph cited above, Antonio Brignole acknowledged Antonio Coronata's decisions to wash the partner's wool near to where it was sheared and to send it cleaned to Cadiz and Alicante. News of space for lease onboard a galleon stopping in Cadiz, together with a suggestion to send the remainder of their wool there, was sent with a reminder to address the wool as coming from a 'foreigner' and not by name for tax purposes. These are suggestions and not orders. When merchants gave orders, as Antonio had given to Nazelli and Ferrero in Naples, they were always explicit:

¹⁹ ASCG-BS 102, pp. 138-40

²⁰ ASCG-BS 102, pp. 138-40

...in regard to Granada nothing is happening save that we are anxious to know the amount of [next years' fleece] that Usodimare has reserved and that he has received the orders that you sent him. Since he has not heard otherwise from us he should send [our part from this year] here as he has already been ordered advising you this by this same courier we have written to Imperiale to send [our part] with the first secure vessel, on your judgment, seeing that it is not tatty and not of a lesser capacity than 2000 salme. Resell the insurance and invest it in the above said wool futures. When you have occasion for passage on a similar ship write us with the particulars of the shipment of the Serena [wool] you should resolve to send it to Alicante with orders for shipment to Leghorn as soon as possible conforming to the orders given to you by Cibo when they gave you this commission.²¹

Antonio Coronata was an agent as well as a joint partner. He executed simple orders: to reinvest insurance claims paid the previous year, to lease space on ships, and to gather and report information on futures purchased. He had collected his $3 \frac{2}{3}$ percent commission on these simple tasks when money changed hands. Ultimately, the joint venture was the desired return for his continuing investment in trust, paid in installments of savvy and perseverance. Part of that trust was that the commission could be withdrawn without the relationship suffering ill effects:

...for the coming year, 1574, from our Nicolò and Giulio Cibo [Sale] you have been given a commission for 10,000 *rube* of wool, half of which will be the responsibility of you and your friends and half for us that is, our part will be one quarter and all will be sent on to Florence to the above said Cibo. When you can conclude this commission we will be satisfied with the said one quarter part in all you will serve the order of said Cibo. You will not be surprised by the low commission since we anticipate that prices will fall we

²¹ ASCG-BS 102, pp. 138-40.

do not want it to cost more. You will send notice of all changes day by day, Farewell.²²

His payoff for diligently following shipping orders, channeling communiqués between agents, and pressuring debtors was participation in a joint venture involving eight to nine tons of wool. More casual agents invested the proceeds of goods sent to them for sale or from Brignole debtors with the "*solita diligenza*, the usual diligence," in return for 3 2/3 percent commissions. They were always looking to build their relationships from humble beginnings to participate with a number of merchants in far-off cities in mutually beneficial and complementary ventures.

Antonio Coronata purchased 10,000 *rube* of wool placing a deposit on flocks-- *incapperando*, wool 'futures' in the modern sense -- which he or his associate would inspect in the fields. The deposit gave them the right to buy the wool when sheared six months later. This was a difficult and time-consuming job. Although the distinction is lost on the modern reader, joint partners stressed the differences in wool from various regions. Granada, Toledo, Serena, and Cuenca rose and fell in esteem along with the weather, the condition of pasturage, and with the local money supply. One year futures in Serena would be dumped in favor for Cuenca but in another year Toledo would be dropped for Serena. Futures could be sold, or the traders might take delivery only to sell it in Alicante, where profits might suddenly evaporate due to the low quality or over-supply, of either wool or money.

The ability to have more casual business relationships, and to suspend them or restart them at will, was a fundamental feature of the wool business. The volume of the wool trade, and in the commodities trade in general, in the western Mediterranean, meant that the flexibility required by the Spanish market could not be supported by networks of kin or members of coalitions alone. No single coalition had the resources to station an employee or buy futures in all of the places that the ever-changing market conditions demanded. No joint-venture could honor its offers of commissions when profits from a certain region dried up. The range of relationships, from the most casual to those consecrated by marriage, was chosen in this context, and traders were ever mindful of these conditions. ...” As Antonio wrote to a transient

²² ASCG-BS 102, pp. 24-25.

agent in Seville, "You will not be surprised by the small commission because we anticipate that prices will fall..."²³

The wool eventually went by galleon to Leghorn or Pisa to the Brignole's shipping agent Salvator Quaratesi. From there it travelled overland to Florence, where it was cleaned a second time, and it was sold by Antonio Brignole's brother-in-law, Giulio Cibo Sale. Giulio's role in Florence was similar to Antonio Coronata's; he maintained casual relationships with brokers and consumers of raw wool. Antonio Coronata traded his connections, effort, and savvy, for Giulio Sale's and Antonio Brignole's. Ideally, as in the case cited above, the agent in Spain reserved the right to buy the next year's fleece as the current year's bales were leaving port for Tuscany, while the proceeds of the last year's sales were returning to Spain, in the form of merchandise and remittances.

The letters contained in this small register reveal repeated but non-sequential joint ventures with a wide range of partners. Due to the vague agreements between the participants, which often did not become clear until the venture was reconciled and dissolved, it is difficult to see how anyone could sue if they thought they had been defrauded. There were so many traders that no one trader was ever assured a repeated venture with the same players. From the general pool, the Brignole mixed and matched partners whenever convenient. Since no trader could be assured of a repeated relationship, the threat of forfeiting future gains could not have been a significant barrier to fraud. Nor was the threat of damage to a trader's reputation a significant barrier. In the hundreds of letters in the Brignole archive, Antonio Brignole wrote to complain only to those who could directly influence an outcome, and in those cases, only gingerly. In no letter, did any trader seek to dissuade another from a potential joint venture.

The reassurances that made trust possible in sixteenth-century Mediterranean trade were far weaker than generally assumed. While strong bonds of kinship or matrimony were useful to long-distance trade in the sixteenth century, by the second half of the century they were no longer central in commercial ventures. In any given season, Genoese merchants active in the western basin of the Mediterranean conducted trade within a subset of active Genoese merchants. Each interacting merchant sought partners with complementary activities, in order to fill holes in their organizations. Contrary to common perceptions, merchants did not

²³ ASCG-BS 102, pp. 24-25.

always seek to upgrade relationships and make them ever more intimate and allied. Connections were often maintained at weak levels, and this useful characteristic of Genoese commercial networks was deliberately preserved to allow for maximum flexibility. No trader relied on repeated exchanges with another specific coalition of traders, but he always relied on future exchanges within a broader group of active merchants. The weaker arrangement could take actions that strong family ties could not. If it was inconvenient to continue in a relationship in any given year, the merchant could decline to give contracts until it became convenient again. The merchant could then call upon the investment in trust that he had made with the agent. The language of trust, and the potential future dealings it communicated, meant that he did not have to start over from scratch.

This characteristic of the Genoese network meant that there was no formal or informal institution that effectively transmitted the reputation of each trader to the whole group. Each trader had to manage his own joint ventures and the levels of trust within each venture. Ironically, weaker relationships helped them to do just that, enabling traders to enter into joint ventures without knowing any specific information about any trader beyond their own limited personal experience and without a guarantee of future repeated exchanges, long assumed to be necessary to the preservation of trust.