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Lodovico Capponi: A Florentine Banker and a Lending Transaction in 16th Century Florence

Elsa Lindstrom

On Pope Leo X's death in December 1521, Lodovico Capponi was summoned to the Vatican by the Camarlingo, Cardinal Armellino, to loan money for the papal funeral and to fund the empty see.^[1] During this time, the Apolistic Chamber owed a total of 297,000.^[2] Together with a handful of business partners, they offered up the sum of 27,000 ducats. During this time, the Apostolic Chamber owed a total of 297,000 ducats.^[3] This shows that this one loan of 27,000 ducats was an incredibly large sum, almost ten percent of the Vatican's total debt. Although quite large, the debt was finally settled three years later by Pope Clement VII. Blurred distinctions between banking families, money, and lending institutions make it difficult to complete a conclusive study of economics in 16th century Florence. The term "bank" and "family" were used interchangeably, as well as coin denominations, such as "ducats" and "scudi." Years of detailed research on individual account books would be needed to construct a reasonably complete economic history for this era. However, much can be learned by examining individual transactions, like the ones that involved Lodovico Capponi and the executors of the estate of Pope Leo in 1521. In the paper that follows, Lodovico's life as a merchant-banker is outlined; some light is shed on the role of lenders, collateral, and interest in Italy; and the overall economy of Florence at the beginning of the 16th century is analyzed by looking at these lending transactions.

Much less attention has been devoted to the economic condition of the Florentine upper classes than to their cultural life. Without data for large numbers of individual families, it is difficult to come to satisfying conclusions about the general economic growth or decline in this period.^[4] It can be concluded, however, that with few exception, Florentine fortunes built by the early sixteenth century came from banking. Also, these fortunes were formed outside of Florence, often as the result of some connection with papal finances. For example, Lodovico Capponi was a Florentine banker but made his wealth in Rome dealing with the Apolistic Chamber. In sixteenth century Rome, the most influential group of Italians were the Tuscans. The Florentines were firmly established as the center of this group by the fourteenth century.^[5] The sway Florentines had in Rome only increased during the reign of a Medici pope, Pope Leo X. A cardinal once pointed out that Pope Julius "used to give about 4,000 ducats per month to the tinello; this pope needs 8 or 9,000, because so many Florentines claiming to be his relatives come to the tinello to eat."^[6] In other words, it was believed that Leo X's great extravagances resulted from his having to pander to the wishes of large numbers of Florentines who flocked to him expecting his patronage.

Lodovico Capponi the Elder was a Medici agent in service to the popes Leo X and Clement VII in the years leading up to the Sack of Rome. Capponi lived the life of an outsider, moving to Rome in his youth to seek his fortune at the time of Alexander VI. Having won a sizeable fortune and social recognition, Capponi decided in mid-life to dissolve his primary business and family obligations to return to his native Florence, but he remained in Medici service during his years in Florence and kept up a network of business ties with the Apostolic Camera.^[7]

Lodovico Capponi is best remembered as the patron of Pontormo who painted the family chapel in Santa Felicita at the southern base of Florence's Ponte Vecchio. As much as he wished to be seen as a Florentine, Capponi's patronage and fortune had Roman roots. Capponi was born and educated in Florence, and developed a love of letters at an early age. However, he was forced to put aside any possible literary career because of his father's banishment for complicity in Bernardo del Nero's plot of 1497.^[8] Capponi therefore moved to Rome in 1502 to begin a merchant's career. His first job was in a production house, and his impressive and loyal tenure with the house made an impression on the banker Giovanfrancesco Martelli who approved a match between Capponi and his only daughter, Maria.

It was through his father-in-law Martelli that Capponi made his successful entrance into Roman trade and papal banking. Upon marrying Maria, Capponi was made a partner in the Martelli firm that already listed Julius II and Leo X among his clients. From this point onward, his name and interests were inextricably bound with his wife's family. When Capponi later helped fund the empty see, he did so in his name and in the name of the heirs of the Martelli fortune. Capponi kept the business intact after his father-in-law's death in 1513, at first managing the affairs and then in 1516 adding his own name to the company and assuming legal power of attorney.

At the same time, Capponi pursued some of his own investments outside his wife's family. He purchased houses and tracts of arable land in Rome and cultivated an enormously profitable tie to the papal treasure in the form of Francesco Armellino, Cardinal of San Callisto.^[9] However, the cardinal's tie with Capponi goes back even to Capponi's Martelli father-in-law. Well before his rise in the church hierarchy, Armellino had done business with Martelli, and he continued to work with Martelli's son-in-law throughout the 1510s and 20s. Between 1517 and 1522 (the year Capponi dissolved his company), Capponi made credit transactions to Armellino through the company in excess of 46,000 ducats, a testimony to Capponi's significant wealth and liquidity. In a sign of lender's confidence, the orders rarely listed assets offered as collateral or specified terms for repayment. No mention is made of the interest to be charged, and it seems such matters were settled informally in letters and meetings between the two. It is clear, however, that the arrangement benefited both sides.

On Leo's death in December 1521, Capponi was summoned by Armellino to join three other papal lenders - the heirs of Filippo Strozzi, Bernardo Bracci, and Taddeo Gaddi - in funding the deceased pope's funeral and the empty see. Armellino profited from this and grew rich during the long absences of Leo's successor, Adrian VI. The partners also reaped benefits for their timely financing. Together they initially made 27,000 scudi available, receiving from Armellino an enormous jewel-encrusted chest plate worth 18,000 scudi as collateral to be kept in Capponi's

stewardship. He still had the cross in his care in August of 1522.^[10] Even with these business opportunities, Capponi decided to move back to Florence.

In the years after the loan from 1524 to 1527, the Florentine still undertook various tasks for Armellino, such as ordering brocade cloths, settling paperwork, and running errands through his household in Rome. For Clement VII, Capponi made orders of colored glass for the decoration of the Sistine Chapel. In 1525, Capponi opened a silk business in Florence with his late wife's brother. In a show of family solidarity, the two men joined together to start a company in the interest of their underage sons, both named for the deceased family patriarch Giovanfrancesco Martelli.^[11]

Camarlingo Armellino and Pope Clement VII both summoned him back to Rome numerous times, but Capponi always found ways of avoiding the return, instead concentrating on landing a desired position in Florence. Capponi was finally appointed as one of the *Monte* officials in 1525, but continued to set his sights higher. He wrote to Clement VII asking for the favor of being one of the two *veduti* for Santo Spirito in the upcoming election of the Gonfaloniere. He felt that he deserved the recommendation, based on the amount of money he had lent the Vatican, but sadly he never gained the office of a *veduto*.

Although his main career goal was unsatisfied, Capponi remained a Medici agent, a lender, and a confidant in contract with high circles of nobility in Florence and Rome. Much of the research in the period from the thirteenth to the fifteenth century underscores the relationship that existed between the Florentine merchant-bankers and the Roman Church. It was the papal exile in Avignon from 1309 to 1378 that strengthened this relationship, when the situation spawned financial need. By the beginning of the fifteenth century, the role of Florentines in Rome had risen to one of absolute domination.^[12] The Florentine Lodovico Capponi lived in Rome during this time. Melissa Bullard states that, during this time, Lodovico Capponi was one of the most prominent Florentine bankers in Rome.^[13] Non-Romans profited from papal financial transactions, and Florentines held a virtual monopoly on the ecclesiastical financial movements.^[14] In September 1540, 151,000 of the 297,000 Scudi that the Chamber owed to merchant-bankers had come from Florentine purses.^[15] In the course of the fifteenth century the Florentines had an increasingly stable role in the management of the affairs of the Apostolic Chamber. Bruscoli points out that Leo X and Clement VII were symbols of this "Florentinization," and should be understood in this context.^[16] Cardinal Giovanni de' Medici, the future Leo X, had become the focal point of a court which attracted the interest of the major Florentine bankers in Rome.

While the presence of the Medici popes in Rome had beneficial effects for Florence, such as reinforcing their financial connections between two cities and prolonging the life of their credit industry, it had some dangerous consequences as well. Under Leo X, Florentine bankers over-committed their assets in loans supporting papal military diplomacy. The pope ran up large credits which made the Florentine lenders increasingly dependent on his ability to repay them. In 1521 Pope Leo X died, and his Florentine bankers were left with unsecured loans for thousands of ducats and scudi. His incumbent, Adrian VI, was not very anxious to pay Leo X's balance. Luckily for the Florentines, Adrian VI served only a very short term, and the Medici Clement VII was elected pope, repaying

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many of his fellow Florentine's debts. However, this meant that the Florentine bankers were even more deeply entrenched in papal monetary deals. This led to "disastrous losses" with the Sack of Rome in 1527.^[17]

Even the largest banks suffered from the Sack and its aftermath. The death of Clement VII in 1534 was the straw that broke the money camel's back. All special favors the Florentines received from him stopped coming, and instead, under Paul III, Genoese bankers began to take over the patronage assignments that had previously been held by Florentines.^[18] The last payment from Clement VII to Lodovico Capponi was in 1524, less than three years before the pope's death. Capponi was lucky to be paid back before the pope died and Rome's relations switched from Florentine to Genoese.

It was the desperate need for revenue by the Florentine government that led to the weakening of economics run by private parties. The mounting pressures of warfare accelerated the flow of capital into the public money pot until, by 1427, virtually no Florentine with a modest patrimony (2,000 to 3,000 florins)^[19] was without holdings in the public debt. This prompted the formation of a unitary public economic structure. Over the first quarter of the fifteenth century, greater sums of citizen money found their way - albeit reluctantly - into the Florentine treasury.^[20] This eventually led to the fiscal system that most are familiar with today, a system run by the government.

Florentine economy, and the Italian economy in general, was full of life during this period. Loyalties, economic interests, and banking traditions were changing at relatively quick rates. Florentines, such as Capponi, at first were blessed with the fact that major Roman-Florentine economic relations were formed with the reign of Medici Popes. They were then tied in with papal affairs, for better or for worse. This was unfortunate, however, when the Sack of Rome and the death of the popes abruptly ended the Florentines' economic run with the papacy. Yet it was this break that helped Florence reform its economy from a largely privatized entity to one that was public and run by the state. By the early sixteenth century, all these events set into motion the forming of Florence's first economy that could be termed "modern." These pre-modern events and economic situations are difficult to study because of their nature, but an in-depth look at one lending transaction can help shed some light on this time period.

On Pope Leo X's death in December of 1521, Lodovico Capponi was "summoned in his own name, and in the name of the heir of Giovanni Martelli," together with "Bernardo Bracci, in his own name," and "the heirs of Taddeo Gaddi" by Cardinal Camarlingo Armellino dei Medici to Rome to loan money for "the expenses for the deceased pope's funeral, the Castle San Angiolo^[21] in Rome, and to fund the empty Holy See."^[22] Together they offered up the sum of 27,000 ducats to pay for the Funeral's expenses and for other expenses that arose during the time when the Holy See was empty.^[23] The debt was finally settled three years later by Pope Clement VII.

It is difficult to complete a conclusive study of lending transactions in early 16th century Italy. Lenders were as autonomous as the individual Italian cities they inhabited. From such a decentralized era it is difficult to match one institution's ledgers with another's, and therefore difficult to generalize on lending practices as whole. Despite this,

there exists a plethora of unexplored economic history, specifically on lending transactions, that reveals the value of money as well as insights on lenders, collateral, and interest charges during this time period. Historical research is lacking detailed research on individual account books, necessary for a reasonably complete economic history for this era. Much can be learned about the role of lenders, collateral, and interest charges by examining individual transactions, like the one that involved Lodovico Capponi and the executors of the estate of Pope Leo in 1521.^[24]

There were two major parties in any lending transaction: the people who needed money and the people willing to lend it. Anyone could fall into the first category, rich or poor. The idea of banking for the middle to lower classes stemmed from Jewish pawn banks. These banks extended small loans to people in return for pawns. These were sometimes known as loans of emergency.^[25] Along with the rapid growth of Jewish deposit banks, there was a rapid growth of anti-Semitism, which led people construct more possibilities for generating more socially responsible consumer credit.^[26] This culminated in the foundation of the "*monti di pieta*," roughly translated as a "pious support" for locals, with public pawn banks as substitution for the Jewish ones.^[27] The capital for the pawns came from deposits. At first these banks hoped that charity alone, and not the attraction of interest, would induce people to make deposits. From 1496 to 1499, 42 Florentines did make deposits, a total of 6,679 florins, while corporations and the state also made other contributions.^[28]

Although the *monti di pieta* seemed charitable to some, for others it was deemed usurious because it worked openly with interest. The Dominicans especially were opponents to the *monti di pieta*. They took the position that any interest charged to the clientele at all was against God's law, no matter how good its intentions were.^[29] On the other hand, some Franciscans believed that a lower interest rate from the state was a lesser evil than a higher interest rate from the Jews, and the fact that it stopped the Jews from profiting made the charging of interest canonically acceptable. Also, the *monti di pieta* held interest rates at a relative low: usually around five to ten percent.^[30] In Florence the *monti di pieta* went into practice in 1495.^[31] By the early 16th century they were effectively operating as full pawn banks with three branches in Florence.^[32]

Rich Florentines had used these institutions before to protect their valuables and even their cash when they went out of town for extended periods of time. Even men of middling status used these services.^[33] An early example of an institution such as this was the hospital Santa Maria Nuova, the city's largest pious institution. In 1464 it isolated its activity as a depository by opening its first ledger for this soul purpose.^[34] The lending documents between Pope Clement VII and Capponi show the Pope sent a necklace to Capponi as collateral, and it was kept in such a depository for safe-keeping in Rome, known as the Santa Maria della Pace.^[35]

Yet the *monti di pieta* did not operate as full banks. The highest function they performed was allowing depositors to order payment out of their accounts to third parties.^[36] This was done by slips of papers, or checks. By the 14th century the check had taken on its full form.^[37] They were used by men of all social ranks, not just the wealthy.^[38] They were also used by men of high caliber, for even the Pope used checks, one of which Pope Clement VII wrote to Capponi's lending partner Bracci for 325 ducats to pay him for his soldiers.^[39]

For those who required larger sums of money it was necessary to turn to private lenders. Private lenders filled the role that our banks fill today, lending large sums of money to those in need. It is a habit for some to automatically think of the Medici name when money or banking is mentioned in Italy. But although they might be the most well-known, they are far from the most important or vital lending family. This is supported by the fact that Pope Leo X, Camarlingo Armellino, and Pope Clement VII were all Medici themselves, but did not borrow large sums from their own family. To understand why this is so, it is important to examine the difference between our perception of the tightly-controlled and unified Italian banking families of earlier centuries, and the reality of decentralized banks with mostly independent branches that existed during the early sixteenth century.

Banking families in the sixteenth century followed the lending practices, but not the organizational practices, of former great banking families in the 13th and 14th centuries.^[40] These banks favored a more centralized structure. Earlier, there had typically been only one partnership. It owned the home office in Florence and all the international branches, which were managed by salaried employees. The capital was divided into individual shares, but the biggest decisions were still made by the head of the family. As a result, when these gentlemen died it left a void in the lead position that created quarrels within the business. This unrest was a great factor in the decline of many banks.^[41] The eventual failure of these businesses points to why banks eventually turned to a more decentralized structure, of which the Medici bank is the best-known example.

By the sixteenth century, the Medici banking house was not one partnership but a combination of partnerships, and distinct partnerships were formed for each new enterprise. Each of these branches was a separate legal entity that had its own style, its own capital, and its own books. The separate branches even charged interest to one another like they would with any other borrower.^[42] Only general policy was determined from above, and individual branch managers often made important decisions that concerned their branches.^[43] The branch managers were not salaried, but instead were junior partners who received a share of the profits. The Medici kept control by owning at least 51 percent of the capital, and they had the "good will attached to their name."^[44] Their good reputation kept their employees working for them and kept business up. Others banks from the 15th century forward worked as the Medici did with this kind of fragmented organization.^[45]

Neither the Medici, nor any other single family, monopolized the money market. In 1469 there were no less than 33 banks classified as *banchi grossi*, or the larger banks, which dealt in merchandise and exchange in all parts of the world.^[46] The Medici was the largest with 72,000 florins in capital in 1452. Yet other businesses, such as the one run by Gino di Neri Capponi, were not much smaller; Gino Capponi is listed in 1488 as having 53,000 florins in capital.^[47] This statement holds true for the international branches as well. In Lyons, the Medici company was no larger than the Capponi, and they shared international business there with almost 140 families working in the city at the same time.^[48]

So although the Medici was technically the largest, they were in no way the only commanding bank. Starting in the 15th century, no longer did one or two firms have the dominant position. The difference from earlier centuries was

not so much in a decline of banking, as some historians have concluded, but instead in changes in the overall economic structure of Florence. The very lack of a central structure was what saved the Florentine economy. As evidence of this, in 1494 when the Medici were exiled, the overall Florentine economy did not suffer much; the Medici were not vital to that economy, as they were only one bank in the midst of hundreds of other lenders. I would agree with the Medici expert Raymond de Roover when he asserts that the history of Florentine banking could be written without mentioning the Medici at all, and it might be corrective to some errant notions to do so.^[49]

This answers some nagging questions about the documents: if Pope Leo X was a Medici, as was Camarlingo Armellino and Pope Clement VII who dealt with the loans after his death, why didn't the Vatican borrow from the Medici bank? This look into banking structures shows that the idea of "keeping it in the family" did not exist, and just because Pope Leo X was a Medici did not mean that the Vatican would automatically borrow from that family. Even if they had chosen to borrow from the Medici, they still would have had to pick a specific branch from which to do it. Instead, they looked to other lenders to help foot the enormous expenses of a papal funeral.^[50]

Why was more than one lender necessary to pay for the Pope's funeral? Most probably to diversify the financial risk. With no government regulations, insurance, or even a set interest, lending could be a risky ordeal. Lending to the recently bankrupted Vatican, thanks in part to the fiscal exuberance of Pope Leo X himself, was an even greater risk. Perhaps the Vatican could not find a Medici branch willing to foot the bill in its entirety, ^[51] since the Medici had only just arrived back from exile. Or perhaps, because of the exile, the Vatican was not interested in tying themselves up in Medici finances, and therefore Medici politics. As of now, I can only speculate on the specifics of how the lenders and the borrowers were matched up. However, in this case the transaction did end up working out on both ends, with the Vatican paying off the last of the loan three years later, and Lodovico Capponi, the heirs of Giovanni Martelli and Taddeo Gaddi, Bernardo Bracci, and later the heirs of Filippo Strozzi reaping the rewards.^[52]

The Vatican settled their loan in this case, but there were times when borrowers were not able to pay their lenders back. In a world where interest was technically usurious, collateral played a key role in any lending transactions, from large sums borrowed from private persons down to pawn shops that dealt with the lower classes. Much like today, collateral could consist of anything from a piece of land to a handful of family jewels.

For the larger loan of 27,000 ducats to the Vatican, however, a handful of jewels would not be enough to ensure the lenders of their money. On December 2, 1521, during the night after Pope Leo X's death, the Sacred College of the Cardinals under Camarlingo Armellino issued a decree to "make an inventory of the Pope's treasures and goods he left behind with plans to use these objects as collateral to pay for the Pope's funeral."^[53] The inventory they drew up contained lists of platters, plates, and cups, each with their estimated worth. Capponi also drew up his own list of the items, totaling the "possible losses" to his revenue if the "silver pieces given as collateral for Pope Leo X"^[54] were melted down, most probably into metal rods to be taken to the mint and made into coins.^[55]

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Along with the silver, the most important piece of collateral offered for the loan was Pope Leo X's personal jeweled pectoral, valued at an incredible 18,000 ducats. This was offered as collateral on July 26, 1522, seven months after the initial agreement for the loan, and was probably an extra reassurance to the lenders that the Vatican was very serious about paying back the loan. It was put under the care of Lodovico Capponi. This did not mean that the Vatican simply handed Capponi the valuable artifact. Instead, they placed it in a chest and sent it to Santa Maria della Pace, a monastery in Rome.^[56] It was recorded that

the pectoral of gems valued at 18000 ducats used by Leo X is in the hands of Lodovico Capponi and the heirs of Giovanni Francesco Martelli. The pectoral was placed in a chest and was then given to the p.p. Santa Maria della pace.^[57]

Using the Santa Maria della Pace as a middle-man, this extremely valuable piece of collateral was kept safe for the lenders, but also from the lenders. Once the issue of collateral had been settled, the important yet complex role of interest was considered.

The ideas of interest were changing during the sixteenth century, which paved the way for capitalism and profit on money in the modern era. There were many different kinds of interest being charged during this time period. Some by the *monte di pieta* were new, yet governmentally accepted, while others such as interest on loans were old, but technically usurious. However, although they were not officially accepted, even the Vatican paid interest on their loans. Though confusing, this paradox is well worth examining, to understand what exactly was the church's position on interest and how they felt and dealt with it on an every-day basis.

There is little specific economic data to be found on the subject of interest, but the documents that exist disprove the notion that the church severely condemned all forms of interest. Nor was the church attempting to throttle all business enterprises with their usury doctrines.^[58] To the church, there was a big difference between profit openly demanded on a loan versus a reasonable return stemming from a partnership, with both partners sharing a risk and a venture of the capital. These sorts of "partnerships" were normal affairs, far from devious strategies to gain upon loans.^[59]

Despite this, the church employed some harsh language concerning people they deemed as usurers. The church councils of the twelfth and thirteenth centuries forbid usury to be taken by anyone, clergy or commoner, and lay down strict rules for dealing with the offenders:^[60]

- 1) Clergy who lend money to persons in need, take their possessions in pawn, and receive profits beyond the capital sum lent, are to be deprived of their Office.
- 2) Usurers are not to be admitted to communion or Christian burial; their offerings are not to be accepted; and ecclesiastics who fail to punish them are to be suspended until they make satisfaction to their bishop.^[61]

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The Council of Lyons and of Vienna then supplemented these rules, condemning the money-lender as an outlaw. Declaring that they had learned with dismay that "there are communities which, contrary to human and divine law, sanction usury and compel debtors to observe usurious contracts," they formed the punishments:[62]

- 1) No individual or society, under pain of excommunication or interdict, was to let houses to usurers, but was to expel them (had they been admitted) within three months.
- 2) They were to be refused confession, absolution, and Christian burial until they had made restitution, and their wills were to be invalid[63]

They recognized, however, that usury was hard to prove, and compelled usurers to come forth themselves, stating that they should be compelled to "submit their accounts to examination;" the church wished for the sinners to come forth themselves.[64] Anyone who declared that usury was not a sin was to be punished as a heretic.[65] These strict measures show that the church was finding itself increasingly unable to stem the flood of usury in Italy, something it admitted to at the Second Council of Lyons in 1274.[66] It would be a relatively short time until the church would have to reform their views on who counted as a "usurer."

At first, a usurer was anybody who either committed his crime obviously (such as engaging in a pawn shop), or confessed to usury or was condemned in court for it.[67] A usury charge was not something that would come about just by rumor, and charges of usury were attempted only in extremely obvious cases. Larger bankers and international merchants concealed their demands for interest, therefore avoiding notoriety, and were not subject to any more scrutiny than were the smaller practitioners of usury. It was not the amount of business that made someone a public usurer in the eyes of the church. Instead, it was purely based on visibility.[68] For example, although the Capponi family would have made much off of usury, they still would not have been charged any sooner than a single commoner who made a mere ducat off of a personal loan, as long as the Capponi family kept their affairs private. Because, in account books, interest charges would be altered, hidden, or left out all together, there is almost no way of knowing how much interest anybody made, except to know that it existed and people were profiting from it. If they hadn't been, there would have been no need for these strict rules in the first place.

The acceptance of usury began in the fifteenth century, when humanists justified being wealthy. Earlier in the century the humanist and historian Leonardo Bruni had stated that "the foundation of the state itself was wealth." [69] The great humanist Alberti even suggested that it was impossible to have a loving family or faithful friends without wealth.[70] And in a famous speech of 1427, the Capitano del Popolo Stefano Porcari proclaimed, "Whence are our houses and palaces procured? . . . from riches! . . . Whence the means to educate our children and make them virtuous? . . . from riches!" [71] Wealth was becoming less and less a threat to spiritual well-being.

Punishment for usury weakened along with its negative, sinful aspect in the culture. Despite the strict rules that remained in writing, the historian Benjamin Nelson has pointed out that, as yet, he has "not found even one testament drafted in Italy after the fourth decade of the fourteenth century clearly calling for the return of

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usurious gains to specified victims in foreign lands."^[72] Another historian, Tawney, conceded to this, stating that "It is evident from the number of doubtful cases referred to Rome for decision that the law with regard to usury was not easily administered."^[73] The proceedings at these cases are also lacking in evidence. Tawney also points out that there is only one mention that in the late thirteenth century when an inquisitor in Florence "collected 7,000 florins in two years from usurers and blasphemers,"^[74] while other numbers such as these are hard to hunt down.

Nelson also points out that repayment of usury seemed almost to completely vanish from the testaments of men, who were viewed as usurers only by the most "straight-laced of clerics."^[75] This did not mean that all guilt of usury was gone, for Cosimo de' Medici appealed to Pope Eugene IV to advise him how to make restitution of money he had improperly acquired. At the Pope's suggestion, Cosimo donated to the monastery of San Marco.^[76] Yet the Medici, along with other leading families, did not see their economic transgressions as impeding their way to eternal salvation. From the later middle ages onward, these families were generally certain of their service to society. More, they were proud of their fortune and power, "convinced of their worthiness in the sight of God."^[77] Therefore, economic growth during this time period was less hampered by the church than one would think. In fact, it was the church's acceptance of the *monte di pietà* and its willingness to compromise with businessmen that helped turn the usurers of earlier centuries into "merchant princes" by the time of the Renaissance. This change of character in religious thought gave the secular economy an opportunity to develop.^[78] The Vatican itself paid interest on one of their loans, and if the Vatican was doing it, it was likely a practice everyone engaged in.

Although becoming more acceptable, the word "interest" was still not usually uttered out loud. For larger private loans, ways of surreptitiously charging interest were highly developed. One widely practiced subterfuge was the *deposito a discrezione*, or so-called "discretionary loan."^[79] This loan was a deposit made to the borrower on the understanding that the borrower would, at his discretion, make a gift to the lender in return for the use of the latter's money -- an act of gratitude and generosity that churchmen could hardly condemn.^[80] For example, during a war with Siena, the Ricci family lent money to Cosimo de' Medici with no official interest charged. To express his gratitude, the Grand Duke paid them back in full but also put most of his treasury in the Ricci's hands out of gratitude for their help in a moment of need.^[81] For the Ricci family, lending to Cosimo was a good investment because they knew they would receive a "thank-you" from Cosimo as soon as he was financially stable to repay what he owed, as well as repaying the risk the Ricci family took to help him in his time of need.

Clement VII writing a recommendation on behalf of Lodovico Capponi would have been part of a *deposito a discrezione*. Although Capponi felt he deserved his desired political position, Clement VII did not end up sending a recommendation. Perhaps Clement VII felt that the extra money he paid to Capponi was a sufficient end to their deal. This reveals that interest was ambiguous in the way it was applied to loan, but once it was paid the agreement was over and both parties were to move on.

As informally acceptable as interest was, the banker's fear of condemnation is inferred from the absence of written evidence of interest charged. Evidence of interest is instead found tucked away in personal receipts. For example, the documents from the Capponi transaction show that Clement VII was paying off the loan in relatively minute chunks for up to 3 years after the sum was borrowed, and each of these payments was accompanied by a receipt. Capponi kept one of these receipts, sent to him from a bank in Rome, saying that that Clement VII left enough coins to settle the remaining 5,000 ducats in debt. The receipt also says this payment was accompanied by precious jewels,

Receipt of Clement VII to Martelli and Capponi from the Banco of Rome, on March 3rd, 1524. Mandated by Clement VII to give Martelli and Capponi creditors [...] The sum of 5,000 along with some precious gems valued at 6,000 ducats, because there has been recalculations of the superfluous by the Holy See. Counted in place for Giovanni Francesco Martelli and Lodovico Capponi in the sum of 1,000, by the minister of the holy pope.^[82]

It articulates that after recalculations of the funeral expenses, the jewels were to settle unforeseen "superfluous" charges that arose. A sum of an additional 1,000 ducats was also mentioned to go to Capponi. The wording of the receipt makes it difficult to decipher how much extra Capponi was paid. Were the jewels worth 6,000? Or only 1,000? In the other documents along with this receipt, all other lists and numbers are much clearer, leading to the conclusion that this last batch payment is purposefully confusing in order to mask the amount of interest that was paid. It should also be taken into account that this is a record of only the last installment and there were other batches of the 27,000 ducats that were settled, but not all the receipts were kept.^[83] In essence, interest was underhanded, yet rampant. Because the bankers feared being discovered as sinning interest-chargers, they chose not to adopt the most advanced accounting techniques. When they wanted to know their capital, they had to count their revenue by hand each time because they left interest capital out of their records. In doing so, they deprived themselves - and us as researchers - of clear records of their financial positions.^[84] This also makes it difficult to determine whether or not Florence was experiencing an economic recession during this time period.

If not declining, money was definitely changing. The Castato documents of 1427 tell that by this time a fourth of the total wealth of Florence was in the hands of only 100 men. But there was still a higher number of middle-class in this city than in other Italian cities, showing that wealth was more balanced in Florence as compared to other places. This kept wealth in Florence fluid, less frozen by social or business structures.^[85] Even the affluent, however, held a limited amount of capital at any one time. By 1485, Piero di Gino Capponi had a bank, a wool and dye shop, a shop for goldbeating, and two companies abroad.^[86] The Medici, the most recognizable wealthy family, had only three cloth shops and one banking office in Florence in 1470. ^[87] The family, like most other banking families, had extended their wealth out from Florence and into other surrounding cities and countries. This created a fragmentation of banks, with each branch working independently.

Along with the fragmented banks came the fragmentation of Florentine coins. Up until this point in history the glorious fiorino of Florence had remained practically unaltered.^[88] But during the fifteenth century the florin lost its preeminent position and the ducato, Venetian in origin, asserted itself as the more popular gold coin in Europe. By the end of the fifteenth century it was so popular that even in Florence the florin was often referred to as a ducato.^[89] This is the main coin that the Capponi family worked with when they lent money to the Vatican for Pope Leo X's death.

Minting these coins was simple on the outside but complex on the inside. The weight, fineness, and design of the coins were severely regulated by law, but the volume of the minting and their breakdown was left to the discretion of market forces. Transactions were carried out as follows: an individual, who could be a foreigner, took metal to the mint or had it taken by a representative. The mint credited him with an amount based on an officially established price. The mint then delivered coins for the amount credited to the person or to his representatives. The dealer who took the metal to the mint could request that some be delivered to third parties. Lodovico Capponi had already been totaling his losses if he had melted Pope Leo X's silver, most likely to make the liquidated assets into coins.^[90] This sort of triangular transaction was often used when paying taxes, or when private dealers or bankers took in receipts in foreign coins and were indebted to the ducal treasurer for taxes.^[91] In practice, however, things were neither simple nor straightforward. When metal in the form of foreign or prohibited coins was involved, the mint did not consider itself bound by the official price. Instead, it bargained. For example, in 1562 the Spanish reels should have been paid at 69 lire 4 soldi and 5 denari on the pound. However on May 9 and 25, the mint paid Niccolo and Francesco Capponi only 68 lire, 10 soldi, and 3 denari per pound.^[92]

However, limiting oneself to the study of coinage can be misleading, as credit played an increasingly important role in the mass means of payment. Florence in the sixteenth century is a perfect example of this.^[93] There is a debate on whether or not Florence was experiencing a decline of economy by this time. Different historians have different data and different ways of finding their answer. These range from statistical graphs to personal accounts told by people living at the time. It is important to see more of these personal accounts of the time to make up either for the lack of or the ambiguity of the quantitative data we have, yet neither research source should be disregarded. In order to present the arguments and evolution of this debate, a handful of key historians who have done their research on this time period will be examined: Raymond de Roover, Carlo Cipolla, Gino Luzzatto, R. S. Lopez & H. M. Miskimin, Eric Cochrane, Melissa Bullard, Richard Goldthwaite, and Francesco Bruscoli.

One of the first people to attempt to give an account of Florence's economic situation during the late middle ages is Raymond de Roover, who wrote a series of articles in the 1940s. He did so while writing in-depth on Medici affairs, using the economic data from their ledgers while cross-referencing his findings with the Medici's personal correspondence. De Roover was aware of the change of economy and society in Italy, but was wise enough not to make overly specific remarks based on what little information he had. He saw a decrease in the wool industry but suggested this might be made up by an increase in the silk industry, although he recognized that the records on the silk industry had not been extensively studied.^[94] A year later, the firmest statement he made was to claim that

"business conditions were in general unfavorable after 1465,"[95] attributing the unfavorable business conditions partly to the depreciation of Florence's silver currency. The Medici had over-relied on borrowed capital, and owed their debts in gold. It seems he saw unfavorable business conditions relating only to the Medici and their investments; business was not bad for all of Italy. The only "crisis" he mentioned was when he said that the problems with coinage weakened the Medici and made them vulnerable when the crisis came,[96] most probably referring to the political crisis of the Medici exile, instead of an economic crisis. Raymond de Roover followed the Medici's decline with well researched data, and was the first to assert that the Medici were not the soul economy in Florence. Therefore, it would be foolish to conclude that if there truly was a decline in the general economy in Florence, one could deduce its extent by exclusively studying the Medici.

In 1949, Carlo M. Cipolla continued the tradition of Italian economic research, and added to and revised his conclusions for at least a 15 year period thereafter. Cipolla first stated that studies of economic history in Italy prior to the eighteenth century "are much impeded by deficiency of documentation,"[97] Yet he did still assert that it is possible to make certain conclusions about trends during this time period.[98] Cipolla pointed out that in Florence there was a brief economic decline in the first decades of the fourteenth century, and compared it to America's Great Depression,[99] pointing to the bankruptcy of banking houses and the decline of the wool industry. However, he then said that Florence experienced economic growth and recovery that continued to the fifteenth century,[100] coming to a conclusion that Florence did not experience a drastic economic decline.

In 1961, Gino Luzzatto picked up the discussion of late medieval and early modern Florentine economics. He seemed to truly spark the first major debate about the Italian economy, for later historians refer to his works time and time again. Luzzatto represented the first line of thought on the Florentine economy in the later Middle Ages, making the assertion that Florence was not in a state of economic decay. In fact, he took almost the opposite claim, saying that from the 14th century on interest rates were lowered because there was "a greater abundance of money." [101] Luzzatto said that "the domain of the money economy was widened," and "the production of precious metals was increased to meet the sharp rise of demand." [102] He did say that population growth dropped, but attributed this to civil and foreign war instead of economic matters. He then claimed that, though the population briefly declined, it rose again to its original numbers. [103] However, Luzzatto failed to give supporting numbers or data for these claims, and the reader is left to speculate from where they came.

Luzzatto did not hesitate to say that the range of Italian commerce was enlarged in all directions. [104] He pointed out issues of Turkish dangers in the East, the rise of united monarchies in the West, and the divided state of Italy, but thought "it would be wrong to conclude from these adverse circumstances that Renaissance Italy was in a state of unrelieved economic decay." [105] Yes, he said, many things had changed. Florence no longer had a monopoly on international banking, the wool industry had fallen to less than half of its former state, and the fusian industry was also declining. [106] But he had responses to all of these issues, saying that the decline in the wool industry was replaced by the rise in the silk industry, which in turn stimulated a new love for refinement which new production of luxury goods rose to meet. [107] This agreed with a former assertion of Cipolla, who said that

the silk industry made up for the loss in wool. Luzzatto acknowledged the disappearance of the old monopoly, saying that it is right to speak of economic decline. But he said that using the word decline in the sense of "an absolute fall in the volume and value of production and exchange would be wholly unjustified."^[108] There was a brief crisis that affected the great banking houses of Florence, but they recovered.^[109] This means a brief decline eventually simply turned into economic change. Luzzatto clearly stated that, with few exceptions, production and exchange remained quite unaffected, even going so far as to say that the manufacture of artistic and luxury goods sustained Florence at the same economic level, and "may even have raised it higher."^[110] However, although he painted a pretty and uplifting picture, one should be cautious in taking his word for granted because unfortunately, Luzzatto was unable to offer up much, if any, economic evidence for his claims. He said that "we find evidence of a changing world,"^[111] which anyone could agree with, but failed to convince the competent reader of his convictions, based on the lack of evidence in all other matters.

Other historians found holes in this argument as well. Just a year later, in 1962, R.S. Lopez (with H.A. Miskimin contributing the qualitative data) wrote on an economic depression in Florence. Lopez's argument comes across as annoyingly smug, but he must be given credit for his attempt to apply quantitative data to qualitative data. He gave numbers that support the fact that the number of destitute people increased in Florence, although he then went on to say that a greater disparity in wealth could be a sign of a growing capitalism.^[112] He then pointed out that a lack of statistical information from before the mid-fourteenth century makes it wrong to speak of a Florentine economic spurt. Lopez plausibly pointed out that this could be no more than a slight recovery after a steep plunge earlier.^[113] Most interestingly, Lopez and Miskimin attempted to use statistical data they had in creative ways. For example, the article used the data they had on the construction of the town walls in Florence to show that there was a steep drop from the year 1400, which could reflect a decline in urban development.^[114] A counter argument that arises is that perhaps they simply did not have as many walls to build, but one must still appreciate the resourcefulness of the argument. When the article did single out views by other historians, it was not Luzzatto with his more forceful assumptions, but Cipolla whom they singled out. They said his arguments had some "semblance or validity," but ultimately claimed them "lost from the start."^[115] Lopez pointed out that Cipolla offered only qualitative statements, without a single figure to back it up, reminding the readers that an economic recovery might not have been sufficient enough to make up for previous losses.^[116]

Lopez and Miskimin concluded that "nodes of prosperity sometimes exist in the midst of economic decay," giving the example of the Medici.^[117] They claimed the Medici as the "greatest single economic force during the fifteenth century."^[118] This statement goes against most historians' beliefs, who generally accept that the Medici were in fact *not* to be viewed as the most important economic bank in Florence. Unfortunately, Lopez didn't reveal why he does not follow de Roover's way of thinking. Lopez gave graphs that show that the Medici before the plague had less capital than the Peruzzi, but did not gain all the wealth that disappeared when the Peruzzi and Acciaiuoli's (the third-ranking bank) capital declined. They were unable to make up the difference in their capital. He asked the question: where did that capital go? and concluded that it was lost. Lopez said that if the Medici,

whom he believed were the most important bank, couldn't make up the capital, then "where may the proponents of prosperity seek a champion?"^[119]

Cipolla in his reaction article that came out in 1964 labeled Lopez and Miskimin and all others like them as "stagnationists," based on the dark tones of their historical descriptions.^[120] Cipolla obviously did not appreciate the article, claiming that the general tone was one of "complacency and self-satisfaction."^[121] But Cipolla did not rely on tearing apart the article purely because of the way it was written. He showed the holes in the quantitative argument as well. First, he pointed out that Lopez and Miskimin never revealed where they got their quantitative information.^[122] The authors did not possess overall figures, but only rough figures for limited geographic areas, from which they made incorrect assumptions because they were unaware of these limitations.^[123] Cipolla pointed out that Florence voluntarily turned in directions other than wool production, and the recession in this market was not due to a recession in the overall market. The two stagnationists also completely ignored other economic areas that were expanding, and Cipolla reasserted his claims about the growth of the silk industry.^[124]

Cipolla then refuted Lopez's concluding argument about graphs showing that the largest banking families lost capital. Firstly, he pointed out that the graphs are at a 150 year interval, making them poor representatives of the volume of business. Then, Cipolla pointed out that the amount of banking capital of *one* bank, no matter how important, cannot be indicative of the whole economic situation of a city.^[125] Thirdly, Cipolla used his knowledge of coinage to remind readers that the "florin" of 1451 represented much more than the "florin" of 1308-1310,^[126] making the graphs irrelevant to each other. Cipolla reminded readers that many things were changing, which undoubtedly caused some "difficulties and hard times in old established sectors," because "economic change always has its victims. Life is harsh enough, even without the Pessimism of the 'stagnationists.'"^[127]

However harshly Cipolla reacted, he did not let grudges keep him from doing his best to give an honest historical account. He published a list of many different people and their writings on Italian economy, as if to guide readers to make their own informed decisions.^[128] In his later writings, such as in a book published in 1987, he admitted to an economic decline in Florence at least, though not until the 1570s.^[129] This time he had much more qualitative data to back up many of his conclusions, after an extensive study on coinage with abundant numerical data. He recognized a housing market decline, and depressions in both wool and silk.^[130] Cipolla claimed that the strict monetary policies that began in the mid-1560s had a considerable impact in "throttling the Florentine economy." Consequently, in the long run, Florence continued economic decay, though "paradoxically, its reputation for good monetary management remained intact."^[131]

This marked a new era in the perception of Italian economics. In fact, the last person to claim that Florence experienced no economic decline at all was in 1973, years before Cipolla's book. Eric Cochrane wrote that what business had lost in innovation was made up for by the by-products of new fiscal policies created by the merchant's guild. For example, the policies created internal peace, which "let the businessmen at last get back to work."^[132] However, Cochrane mainly attributed Florence's rapid recovery after a brief crash to the "lasting vitality of its traditional business than to innovation or legislation."^[133] He stated that we cannot know exact

numbers since nobody has the time, patience, or technical training to go through the financial records, but he claimed that we know enough to disregard claims of Florence's sixteenth century financial crisis, calling this a "19th-century myth."^[134] He went on to support his claims by listing the many Florentine international companies. He reasoned that though there were weaknesses, even after the expensive wars of the 1550s Cosimo was still able to pay what he owed the banks of Florence "with perfume on it," which probably alluded to the fact that Cosimo had enough to repay his loans with interest.^[135] Cochrane spoke of economic decline only after this period in Florence; Cipolla admitted to an earlier decline than Cochrane did, and with more specific dates. However, Cochrane warned in the first sentence of his introduction that he wrote his study more for pleasure than for instruction, excusing him from some ambiguity on his dates.^[136] Still, the fact he voluntarily left out footnotes means that his claims about a stable Florentine economy appear weaker next to those that claim economic decline with sources to back them up.

A work that reargued the debate on economic decline in Florence, with important supporting data, was Melissa Bullard's 1980 study on Filippo Strozzi the Younger and the economic factors with which he lived. Strozzi enjoyed the patronage of Leo X and Clement VII, just like Lodovico Capponi. Bullard started with the usual claim that "without more extensive data for large numbers of individual families, it is especially difficult to come to satisfying conclusions about the general economic growth or decline of the *ottimati* (the large banking families) during this time period."^[137] However, she did have data that showed wealth was being redistributed in Florence. For example, Strozzi became what today would be considered a multi-millionaire, while former millionaires were losing so much of their money that they started having to borrow to pay for their real estate.^[138] She pointed out that a small elite experienced happy circumstances, but that the general economic picture of the *ottimati* was one of a polarization of wealth.^[139] The traditional pillars of the Florentine economy were textiles, commerce, and banking said Bullard, "all of which experienced considerable upheaval in the early sixteenth century."^[140] Bullard then mentioned the silk-replacing-wool debate, and came down on the side of Lorenzo more than Cipolla, saying that the silk industry compensated for the wool to some extent, but that "recovery had been only partial."^[141] It seems that for the *ottimati*, investment opportunities were shrinking in textiles.

Bullard did point out that this led to a growth in banking as an alternate investment, becoming by far the most active sector of the economy in Strozzi's, and therefore Lodovico's, life during this period. She claimed that the finance industry retained its vitality, and that it then "breathed new life" into Florence, delaying the economic decline until the second half of the sixteenth century.^[142] This corresponds with Cipolla's final view on the economy and when it began its permanent decline. She also pointed out that there was an increase in international trade that led to rapid increase of large merchants' fortunes, mentioning and not countering Luzzatto that this flowering of the banking industry was a "European-wide phenomenon," representative of a new age, "the age of the great merchants."^[143] She then applied this to Florence, saying this supports her claim that a polarization of wealth took place in the city. She modified Luzzatto's argument, saying that he over-estimated the number of great banking families. She supported her point by giving historical evidence on how many families held what amount of capital,^[144] but said it would be foolish to generalize on the Florentine economy based solely on these

top families. Bullard asserted that no matter what others argue, the textile industry was in trouble and the huge fortunes in finance went only to a select upper crust of wealthy bankers, who provided credit to princes and popes.^[145] Then the Sack of Rome in 1527 ground all business to a halt. The second Medici Pope, Clement VII, died and shook an already weakened Florentine economy.^[146] All in all, "the general economic picture in Florence by the 1530s was not encouraging and... the financial positions of the *ottimati* had considerably weakened."^[147] The Genoese were to step in where the Florentines left papal finances, and it is doubtful that Florence was able to make up all economic losses, as other accounts claim.

Richard Goldthwaite in the 1980s and 1990s also wrote on the Florentine economy but did not add much to the argument, as his own viewpoints changed back and forth. Goldthwaite, in one of his most recent articles in 1998, pointed out that since de Roover there still have not been many studies to fill the economic void, and he mentioned a few studies that he waited for, including the recently published book on the Olivieri bank by Francesco Bruscoli.^[148] Goldthwaite himself avoided making any firm statements about the Florentine economy. He did mention that there was an "enormous accumulation of capital that took place in the sixteenth century that was complemented by the rise also in the demand for it."^[149] But he avoided making declarations on whether or not this wealth was polarizing, or declarations on the overall economy in Florence. He seemed to allude to an economic growth when he mentioned that the lowering of the interest rate could be indicative of the generation of more wealth by the economy and the re-channeling of that wealth into more productive sectors of the economy.^[150] Yet he failed to recognize that it could simply be a re-channeling of money to banking, a shift Bullard already mentioned and supported.

If he was waiting for Bruscoli to bring new light to the debate, Goldthwaite was disappointed. Perhaps because, by now, Bruscoli realized that there was not much more to add to the debate, for he made a point of avoiding the largest question of overall decline. Interestingly, he gave the latest estimations of population in Florence as one of constant growth from the 14th century to 1600.^[151] Bruscoli also mentioned a growth in luxury goods, like the one mentioned by Luzzatto, Cipolla, and Bullard.^[152] Population growth and expansion in a luxury goods market would allude to an increase in Florence's economy, yet he never stated this outright. He agreed with Bullard that the Sack of 1527 brought economic upheaval, but deviated a bit by making the claim that the *ottimati* kept the economy going by providing demand of services from professional classes, such as notaries and doctors.^[153] The furthest Bruscoli went was to say that his character, Olivieri, lived during the "boom years" of Florentines in Rome.^[154] The latest resource published on Italian economics during the forgotten years offers us no extra insight, and the debate rages on.

Although the "we don't have enough information to really make a decision, *but...*" disclaimer on every Italian economic resource gets tiring, it is something only a careless historian would leave out. However, I do believe there is sufficient enough information today to discount earlier theories of economic growth. Yet I would not go so far as to claim the Florentine economy was as of yet steeply declining. The documents on the lending transaction between the Vatican and a handful of Florentine bankers show a few things that we can be sure of. Firstly, in 1521

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when Pope Leo died the Vatican did not have the money in their treasury to cover funeral costs. This was probably due to the fact that Pope Leo had been an extremely exuberant spender, and had emptied out the papal treasury because of it. However, the Vatican was able to find a source to lend them the large sum of 27,000 ducats to cover all their costs. The fact they were able to find people with this kind of extra capital shows that there were bankers in Florence whose economic situations were flourishing. Secondly, the loan was paid back in a mere three years, which shows that they had the economic capabilities to do so in a timely manner. Lastly, there was interest paid on the loan on top of that. If Florence was experiencing some sort of steep economic decline, interest would have been the first thing to go, yet Capponi was paid back in full plus bonuses. I cannot compare this loan with another, but it seems unlikely that Capponi got lucky while the Vatican faulted on every other loan they had. Although an important merchant, Capponi never held much political sway and therefore would probably have been one of the first ones the Vatican may have taken longer to pay back. The fact that this didn't happen alludes to some economic stability. Obviously, there were a lot of changes during this time period, but it seems that these were more indicative of a shifting of money in Florence, and not a drop in the overall economy. Different people were making money in different ways, but Florence was in no way destitute. In summary, Florence seemed to be experiencing only a slight economic decline, with most changes being connected to the way the economy was made up. In truth, there are many ways of measuring economy: domestic production, international trade, interest rates, inflation rates, and more, and they will all give you slightly different results. In the question of Florence's economy, a wise economist and historian does not settle for an easy answer.

It is difficult to sum up Italian banking during the pre-modern era. In the late fifteenth and early sixteenth centuries you can not really speak of a "banking system" as we imagine it today. Banking functions were performed by several different kinds of businesses such as state institutions and banking families, and books were kept by private persons, and not shared between one lender and another, even within a single family.^[155] Even if one managed to trace and study the account books of the major Italian banking families, immense work involving decades of research by dozens of researchers, the resulting data would "still be grounded at individual firms, with little possibility of tracing macroeconomic data."^[156] I am attempting to provide some help in understanding this economic environment by using just one such lending transaction, but I recognize the need for further research. The documents from Lodovico Capponi's contract with the Vatican do show that there were many private banking families to choose from, that the offering of collateral was a standard part of borrowing, and that, although devious, interest was understood between both parties as an expected payment in a lending transaction. However, I look forward one day to a more thorough historical analysis of this time period, and in the meantime I attempt to apply the valuable, available information to research one individual transaction, hopefully adding more information for the next scholar.

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[2] Guidi Bruscoli, *Papal Banking in Renaissance Rome: Benvenuto Olivieri and Paul III, 1534-1549* (Hampshire: Ashgate Publishing, 2007), 18.

[3] Ibid.

[4] Melissa Bullard, *Filippo Strozzi and the Medici: Favor and Finance in sixteenth-century Florence and Rome* (Cambridge: Cambridge University Press, 1980), 11.

[5] Bruscoli, *Papal Banking in Renaissance Rome*, 1.

[6] Ibid., 4.

[7] Much information on the life of Lodovico Capponi was gained through correspondence with Niccolo Capponi, one of his descendents.

[8] This plot was for the restoration of Piero but failed, leaving the Capponi family in strained circumstances.

[9] Having gained substantial wealth through grain markets in Rome, Armellino purchased a cardinal's hat in 1517 from Leo X for 40,000 ducats, and then invested another 15,000 ducats to buy the office of *camarlingo*, or chamberlain, with direct control over papal finances, in 1517.

[10] "Notation of Collateral," from the Capponi Archive, Florence, Italy.

[11] The business is a sign that Capponi still felt some tie to the Martelli clan.

[12] Bruscoli, *Papal Banking in Renaissance Rome*, 5.

[13] Bullard, *Filippo Strozzi and the Medici*, 148.

[14] Bruscoli, *Papal Banking in Renaissance Rome*, 6.

[15] Ibid., 18.

[16]Ibid., 11.

[17]Bullard, *Filippo Strozzi and the Medici*, 23.

[18]Ibid.

[19]Ibid., 38.

[20]Marvin Becker, "Economic Change and the Emerging Florentine Territorial State" *Studies in the Renaissance* 13 (1966): 11.

[21]The Castello San Angiolo was the Pope's fortress, where he kept an apartment. The fortress may have needed decorations for the funeral, or funding for extra guards as protection during the empty Holy See.

[22]Convenzione tra il Cardinal Camerlingo di Roma Armellino dei Medici da una, e Luigi Gaddi ministro complim[?] degli Erdidi di Taddeo Gaddi, Lodovico Capponi fano in nome suo, che degli Eredi di Giovanni Francesco Martelli, e Bernardo Bracci e suoi compagni dall'altra per conto dell'imprestito che facevano detti mercanti di Ducati 27,000 per le spese da farsi per le Esequie di Leone X, Il castello S. Angiolo di Roma, e per l'altre spese da farsi in tempo di sede vacante. "Lending Contract and Agreement," from The Capponi Archive, Florence, Italy.

[23]"Lending Contract and Agreement," from the Capponi Archive, Florence, Italy.

[24]This brief study fits in well with the works of Richard A. Goldthwaite and Raymond de Roover, particularly Richard A. Goldthwaite's "Local Banking in Renaissance Florence" and Raymond de Roover's collection of articles on the Medici bank found in *The Journal of Economic History*. Goldthwaite completed one of the only general studies of Florentine economics during this time period, while still recognizing the difficulty involved in studying it in the first place. De Roover's extensive studies on the Medici provided a helpful example of the way a banking family was organized during this time period.

[25]Richard A Goldthwaite, "Banking in Florence at the End of the Sixteenth Century" *The Journal of European Economic History* 27, no. 3 (Winter 1998): 509.

[26]Ibid.

[27]The monti di pieta was almost a reverse bank. Banks today pay people a small amount of interest so that they may use that money to lend to larger corporations, charging them greater interest. They then profit off this interest charged after they have paid the smaller interest they owe to the people. Inversely, the monti di pieta lent money to the people who then owed them a small amount of interest to cover their expenses, but then the monte di pieta owed interest to the large private investors that was funding them. In both cases the modern bank and the monti di pieta were acting as intermediary finance markets, however, the monti di pieta was not profiting. It also never grew large enough to provide support for those who needed greater loans.

[28]Goldthwaite, "Banking in Florence at the End of the Sixteenth Century," 512.

[29]Carol Bresnahan Menning, "The Monte's 'Monte': The Early Supporters of Florence's Monte di Pieta" *Sixteenth Century Journal* 23, no. 4 (Winter 1992): 664.

[30]Ibid., 662.

[31]Goldthwaite, "Banking in Florence at the End of the Sixteenth Century," 510.

[32]Ibid.

[33]Richard A. Goldthwaite, "Local Banking in Renaissance Florence" *Journal of European Economic History* 14 (Spring 1985): 44-45.

[34] Goldthwaite, "Banking in Florence at the End of the Sixteenth Century," 515.

[35] "Reference to Collateral," 1522, from the Capponi Archive.

[36] Goldthwaite, "Banking in Florence at the End of the Sixteenth Century," 520.

[37] Marco Spallanzani, "A Note on Florentine Banking in the Renaissance: Orders of Payment and Cheques" *Journal of European Economic History* 7 (Spring 1978): 145.

A concise study on a few of the remaining checks can be read in this article, nearly all checks written during this time period are lost or destroyed.

[38] Spallanzani, "A Note on Florentine Banking in the Renaissance," 164.

This idea is gathered from a look at one surviving check, from a minor retailer written in 1477 for the payment of less than half a florin to pay for the emptying of a cesspit.

[39] "Check to Bracci," 10th of December, 1521, Capponi Archive, Florence, Italy.

[40] Raymond de Roover, "The Medici Bank Organization and Management" *The Journal of Economic History* 6, no. 1 (May 1946): 28.

[41] Ibid.

[42] Ibid., 31.

[43] Ibid., 51.

[44] Ibid., 31.

[45] Richard A. Goldthwaite, "The Medici Bank and the World of Florentine Capitalism," *Past and Present* 114 (February 1987): 11.

This article gives an interesting theory on why the Medici bank survived as long as it did, calling it "genealogical fate." The first entrepreneur of the company, Giovanni di Bicci, had two sons: Lorenzo and Cosimo. Lorenzo died prematurely so Cosimo took over the business and the raising of Lorenzo's son, Pierfrancesco. This allowed Pierfrancesco to establish emotional ties with his uncle's bank. Cosimo then secured enough political power to ensure the durability of his descendents in the business. Cosimo had two sons, but one died before he did, leaving everything automatically to the other son, Piero. Piero also had two sons, but the murder of one in the Pazzi conspiracy left everything again to the other, Lorenzo the Magnificent. However, the bank still almost split up because of tension between Pierfrancesco and Lorenzo. Only Lorenzo's political sway kept Pierfrancesco from severing business ties. Pierfrancesco also died an early death.

[46] De Roover, "The Medici Bank Organization and Management," 26.

[47] Goldthwaite, "The Medici Bank and the World of Florentine Capitalism," 16.

[48] Ibid.

[49] For a study on the Medici and their importance, see Raymond de Roover, "The Decline of the Medici Bank" *The Journal of Economic History* 7, no. 1 (May 1947).

[50] Because I only have sets of documents from Capponi's lending aspect, I am unable to discern if the Medici did lend a sum for the funeral. However, Capponi and the others lending such a large sum of 27,000 ducats shows at the very least that the Medici were not the most important bank in this transaction.

[51] Niccolo Capponi, email message to author, October 20, 2007.

[52] Strozzi, Martelli, Gaddi, Bernardo Bracci e compagni del partito de dan davere a pagare per le cose opportune in questa vacatione de sede. "Installation Payment," from the Capponi Archive, Florence, Italy.

[53]del Sacro Collegio dei Cardinali per cui stante la morte seguita in quella notte di Leone X, si da commissionava alcuni di loro di far l'inventraio dei Tesori, Beini e cose lasciato da esso, e di prendere in prestito qualunque soma per fargli l'Esequie. "Decree of the Sacred College of the Cardinals," from the Capponi Archive, Florence, Italy.

[54]Nota della perdita che poteva farsi degli argenti dati in pegno per l'Esequie di Leone X quando foessero fonduti. "Liquidated Losses," from the Capponi Archive, Florence, Italy.

[55]The process of coin minting initially seems straightforward, but becomes more complex with further study. For a concise study of the minting process, see Carlo M. Cipolla, *Money in Sixteenth-Century Florence* (Berkeley, New York, London: University of California Press), 1989. The mint worked on commission by making coins for citizens or foreigners who brought in gold or silver in the form of rods, ingots, or foreign coins. The weight, fineness, and design of the coins were severely regulated by law, but the volume of coins minted and their breakdown in coinage was left to the discretion of market forces.

[56]"Receipt for the Pectoral of Pope Leo X," from the Capponi Archive, Florence, Italy.

[57]il Pettorale di Gioeie Valutato ducati 18,000 servito a Leone X era appresso Lodovico Capponi, e gli Eredi di Giovanni Francesco Martelli, I quali lo riposero in un cassone, che fu consegnato ai PP. di Santa Maria della Pace. ed altri attestati di alter cose e [...] in mano di diversi mercanti per conto dell'Esequio del Santo Papa. "Receipt for the Pectoral of Pope Leo X," from the Capponi Archive, Florence, Italy.

[58]Benjamin N. Nelson, "Religion: The Usurer and the Merchant Prince: Italian Businessmen and the Ecclesiastical Law of Restitution, 1100-1550" *The Journal of Economic History* 7 (1947): 104.

[59]Ibid.,.

[60]R. H. Tawney, "Religious Thought on Social and Economic Questions in the Sixteenth and Seventeenth Centuries: I" *The Journal of Political Economy* 31, no. 4 (August 1923): 483.

[61]Ibid.

[62]Ibid., 484.

[63]Ibid., 483.

[64]Ibid., 484.

[65]Ibid.

[66]Nelson. "Religion: The Usurer and the Merchant Prince," 106.

[67]Ibid., 107.

[68]Ibid.

[69]Menning, "The Monte's 'Monte'," 666.

[70]Ibid.

[71]Ibid.

[72]Nelson, "Religion: The Usurer and the Merchant Prince," 116.

[73]Tawney, "Religious Thought on Social and Economic Questions in the Sixteenth and Seventeenth Centuries," 485.

[74]Ibid., 488.

[75]Nelson, "Religion: The Usurer and the Merchant Prince," 118.

[76]Ibid., 119.

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- [77]Ibid.
- [78]Tawney, "Religious Thought on Social and Economic Questions in the Sixteenth and Seventeenth Centuries," 461.
- [79]Goldthwaite, "Local Banking in Renaissance Florence," 32.
- [80]Ibid.
- [81]Carlo M. Cipolla, *Money in Sixteenth-Century Florence* (Berkeley: University of California Press, 1989), 105.
- [82]Quietanza di Clemente VII a Martelli e Capponi di Banco di Roma, 1524, 3 marzo. Mandato fatto da Clemente VII a saldare Martelli, e Capponi creditori [...] di 5,000 con alcune gioie di valore di 6,000. Essendo stato rifatto il sovrappiu dalla Santa Ragione contante in fede di Gioavnni Francesco Martelli, ed in Lodovico Capponi in soma di 1,000 ai ministratori di suo santo pontefice. "Interest Charged," from the Capponi Archive, Florence, Italy.
- [83]There may have been many other batch payments where a bit of "recalculations" had been made, and some "extra" money was sent to make it up. Perhaps many of the receipts were lost on purpose to make it harder to track the bonuses Capponi was receiving.
- [84]Goldthwaite, "Local Banking in Renaissance Florence," 37.
- [85]Gino Luzzatto, *An Economic History of Italy; from the Fall of the Roman Empire to the beginning of the Sixteenth Century* (London: Routledge and Kegan Paul, 1961), 60-61.
- [86]Ibid., 54.
- [87]Ibid.
- [88]Ibid., 38.
- [89]Cipolla, *Money in Sixteenth-Century Florence*, 13.
- [90]"Liquidated Losses," from the Capponi Archive, Florence, Italy.
- [91]Cipolla, *Money in Sixteenth-Century Florence*, 77-78.
- [92]Ibid., 80.
- [93]Ibid., 101.
- [94]De Roover, "The Medici Bank Organization and Management," 51.
- [95]Raymond de Roover, "The Decline of the Medici Bank" *The Journal of Economic History* 7, no. 1 (May 1947): 76.
- [96]Ibid., 78.
- [97]C.M. Cipolla, "Revisions in Economic History: XII. The Trends in Italian Economics History in the Later Middle Ages" *The Economic History Review* 2, no. 2 (1949): 181.
- [98]Ibid.
- [99]Ibid.
- [100]Ibid., 182.
- [101]Luzzatto, *An Economic History of Italy*, 135.
- [102]Ibid., 138.
- [103]Ibid.
- [104]Ibid., 139.
- [105]Ibid., 141.
- [106]Ibid., 141-142.
- [107]Ibid., 142-143.

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- [108]Ibid., 142.
- [109]Ibid., 144.
- [110]Ibid., 143.
- [111]Ibid., 167.
- [112]R.S. Lopez and H.A. Miskimin, "The Economic Depression of the Renaissance," *The Economic History Review* 14, no. 3 (1962): 411.
- [113]Ibid., 412.
- [114]Ibid., 415-416.
- [115]Ibid., 413.
- [116]Ibid., 414.
- [117]Ibid., 425.
- [118]Ibid.
- [119]Ibid., 424-425
- [120]Carlo M. Cipolla, "Economic Depression of the Renaissance?" *The Economic History Review* 16, no. 3 (1964): 519.
- [121]Ibid.
- [122]Ibid.
- [123]Ibid., 520.
- [124]Ibid., 521.
- [125]Ibid., 522.
- [126]Ibid.
- [127]Ibid., 524.
- [128]C.M. Cipolla, "List of Books and Articles on Italian Economic History Published in Italy, 1939-49," *The Economic History Review* 4, no. 2 (1951): 271-280.
- [129]Cipolla, *Money in Sixteenth Century Florence*, 115.
- [130]Ibid., 116.
- [131]Ibid., 119.
- [132]Eric Cochrane, *Florence in the Forgotten Centuries: 1527-1800: a History of Florence and the Florentines in the Age of the Grand Dukes* (Chicago: The University of Chicago Press, 1973), 55.
- [133]Ibid., 56.
- [134]Ibid.
- [135]Ibid.
- [136]Ibid., xi.
- [137]Bullard, *Filippo Strozzi and the Medici*, 11.
- [138]Ibid., 12.
- [139]Ibid., 12-13.
- [140]Ibid., 13.
- [141]Ibid.
- [142]Ibid., 14.

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- [143]Ibid., 15.
[144]Ibid., 16.
[145]Ibid.
[146]Ibid., 23.
[147]Ibid.
[148]Goldthwaite, "Banking in Florence at the End of the Sixteenth Century," 473.
[149]Ibid., 525.
[150]Ibid.
[151]Bruscoli, *Papal Banking in Renaissance Rome*, 1.
[152]Ibid., 6.
[153]Ibid., 15.
[154]Ibid., 207.
[155]Ibid., 41-50.
[156]Cipolla, *Money in Sixteenth-Century Florence*, 103.