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Market Expansion: The Case of Genoa

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Market Expansion: The Case of Genoa

THE honorable program chairman has appended to my paper a title I had not entirely foreseen, and this drove me to modify my line to some extent. I had toyed with the idea of taking a long look at a short period in the fifteenth century, when the Genoese did all they could to adjust to shrinking opportunities and to find new markets in the place of those they were losing. This will still take about one half of my time, if only because it dovetails with the paper of Harry Miskimin. But if Genoa has to be considered as a test case for market expansion, we cannot restrict ourselves to the years when the going was not so good.

For medieval Genoa, just as for the larger number of European towns, the age of sweeping growth was between the mid-tenth and the mid-fourteenth century. These four hundred years have often been explored—they are, if I may say so, the period that Reynolds of Milwaukee made famous—and hence I shall survey them but briefly. If my cursory list of achievements should sound too much like a Chamber of Commerce booster, you may lay it down partly to patriotism, for I was born in Genoa and have not forgotten it; but consider as well that its inclusion represents a compromise between my intended theme and the keynote of this meeting.¹

¹ It seems unnecessary to supply specific references for every point of this well-known period, especially as the second volume of V. A. Vitale, *Breviario della storia di Genova* (Genoa: Società Ligure di Storia Patria, 1956) is entirely devoted to a critical survey of the bibliography of Genoese history. The following works can help an American reader to obtain a general picture of Genoese economy before the mid-fourteenth century crisis: *Sources*: R. H. Bautier, "Notes sur les sources de l'histoire économique médiévale," *Mélanges d'Archéologie et d'Histoire*, LIX (1948); R. S. Lopez and I. W. Raymond, *Medieval Trade in the Mediterranean World* (New York: Columbia University Press, 1955). *General views*: R. L. Reynolds, "In Search of a Business Class in Thirteenth Century Genoa," *JOURNAL OF ECONOMIC HISTORY*, Suppl. V (1945); R. S. Lopez, "Le marchand génois," *Annales (Economies, Sociétés, Civilisations)*, XIII (1958). *Specific periods*: *Storia di Genova*, II: U. Formentini, *Genova nel basso Impero e nell'alto medioevo* (Milan: Garzanti, 1941); R. S. Lopez, "Aux origines du capitalisme génois," *Annales d'Histoire Economique et Sociale*, IX (1937); E. Bach, *La Cité de Gênes au XIIe siècle* (Copenhagen: Classica et Mediaevalia, Dissertationes, 1955); H. C. Krueger, "Post-War Collapse and Rehabilitation in Genoa, 1149-1162," *Studi in Onore di Gino Luzzatto*, I (Milan: Giuffrè, 1950), and other papers in the same volume; V. A. Vitale, *Il Comune del Podestà a Genova* (Milan: Ricciardi, 1951); R. S. Lopez, *Studi sull'economia genovese nel medio evo* (Turin: Lattes, 1936); G. Caro, *Genova und die Mächte am Mittelmeer, 1257-1311* (Halle a. S., 1895). *Special topics*: E. H. Byrne, *Genoese Shipping in the Twelfth and Thirteenth Century* (Cambridge, Mass.: Mediaeval Academy, 1930); R. Di Tucci, *La nave e i contratti marittimi; la banca privata* (Turin: Bocca, 1933);

We must now go back to markets a thousand years ago—or rather to the premarket age, for Genoa in the tenth century is not known to have had a market in the strict legal and institutional sense, although of course it had something of a market economy. Whoever looks at a map may think that the Genoese harbor, at the top of the second deepest gulf of the Mediterranean and close to both the northern Italian plain and the passes leading to France, had the manifest destiny to become the main intermediary of trade between the Levant and western Europe. But a good map will also show that Genoa is hemmed in by the Apennines, still today a hindrance to communications and then a much more serious obstacle when there was no dynamite to blast rocks and there were rocks to blast passers-by from every mountain castle. When the tenth century began, Genoa still was a diminutive town, with a bishop, some monks, a few petty noblemen, and a small community of fishermen toiling in notoriously understocked waters and of agriculturists working a stony, bumpy, thirsty, narrow strip of land.

We can not even claim that Genoa woke up to the challenge of the sea spontaneously. It was the merciless Arab raids of the early tenth century that forced the fishermen and agriculturists to fight back, capture booty, and learn the advantages of robbing, buying, and selling commodities of foreign countries. Unlike many other fighters of the Christian frontier, who just became Crusaders or Junkers, the Genoese were quick learners. At the beginning, the Pisans had some edge on them, and the Venetians had a headstart of several centuries, to say nothing of the seamen of Constantinople and Alexandria; by the end of the thirteenth century, Genoa had caught up with Venice and had left behind all other maritime rivals. In 1293, the returns of taxes derived from her sea trade postulated a taxable income of nearly four million Genoese pounds, roughly ten

R. S. Lopez, *La prima crisi della banca di Genova* (Florence: Olschki, 1956); *idem*, "Back to Gold, 1252," *Economic History Review*, IX (1956); A. E. Sayous, "Aristocratie et noblesse à Gênes," *Annales d'Histoire Economique et Sociale*, IX (1937); R. Di Tucci, *Le imposte del commercio genovese fino alla gestione del Banco di S. Giorgio* (Bergamo: Nava, s.d.); *idem*, "Genova e gli stranieri," *Rivista Italiana di Diritto Internazionale Privato e Processuale*, II (1932). *Special directions*: A. Schaube, *Handelsgeschichte der Romanischer Völker des Mittelmeergebiets* (Munich: Oldenbourg, 1906); R. S. Lopez, *Storia delle colonie genovesi nel Mediterraneo* (Bologna: Zanichelli, 1938); R. Doehaerd, *Les relations commerciales entre Gênes, la Belgique et l'Outremont* (Rome: Academia Belgica, 1941); G. I. Bratianu, *Recherches sur le commerce génois dans la Mer Noire au XIIIe siècle* (Paris: Geuthner, 1929); R. S. Lopez, "L'extrême frontière du commerce de l'Europe médiévale," *Moyen Age*, Livre Jubilaire (1963). Obviously, this selective list does not aim at completion.

times the receipts of the French royal treasury for the preceding year.

This success story was partly the result of luck, partly the reward of fighting, as most success stories are. Above all, however, it was the product of private initiative, both by individuals and teams, and it led to incessant market expansion. Perhaps, if I were a registered Republican, I would stress that it was initiative unhampered by government control, for the Genoese had one of the weakest governments ever, in a period when most governments were weak. But I am an unregistered Democrat, and I observe that Venice, with one of the strongest governments in history, made out very well too.

From the mid-tenth to the mid-fourteenth century there was a general tide of population growth, technological advances, and social progress, which carried on its crest all Europeans equally. Some Europeans, however, proved more equal than the others, no matter whether their government was loose or tight, so long as it was not absolutely stifling or utterly powerless, and so long as trade was regarded as a worthy occupation, as indeed it was in every Italian Commune.

In many respects, the development of Genoa conforms to the well known pattern of the commercial revolution of the later middle ages. Certain traits, however, were different or more pronounced than in other towns and should be noted briefly. Genoa stood out for the liberality of its immigration policy: foreigners were freely apprenticed to guilds, hired to man ships, licensed to set up banks, welcomed as business partners, and naturalized at once if they accepted the duties as well as the privileges of citizenship. In their colonies, the Genoese admitted to citizenship many Greeks, Armenians, Tatars, and other people of strange background and questionable religious beliefs; at home, they went as far as good Catholics could to ignore heresy and let infidels alone. They wound up by christening children of the best ancestry with such uncanny names as Saladin, Hethum, or Hulagu, writing love poems in Provençal, and setting up a tribunal to hear claims of friendly Muslims against unlicensed native pirates.

These seemingly strange practices were in keeping with a native propensity to the open society. The habit of sharing risk on the decks of the ships and rubbing shoulders in the narrow alleys and shops of the business center created a strong equalitarian tradition. Ever since the origins of the Genoese Commune, the law admitted

no privileges of birth and ignored the very word "nobility." Naturally, this does not mean that nobility was unknown, for aristocrats turned businessmen played leading roles in town and at sea; but the first official recognition it got was through fourteenth-century decrees that excluded noblemen from public offices. The informal term *bonitas*, good or solid citizens, described the Genoese upper class more accurately. No doubt, status differences based on income were very conspicuous, and taxation, as befits youthful capitalism, hit the poor hard that the rich might be spared. Still, there were plentiful opportunities for the humblest sailor and huckster to raise his income, and credit was easily available to any enterprising young man. The master lent to his servant, the servant to his master; minors and women, clergymen and farmers were actively involved in commerce and credit. We shall soon see that in the fifteenth century, when credit was tighter and opportunities fewer, these Genoese characteristics were eroded.

Again, the directions of market expansion during the commercial revolution are a matter of common knowledge, but we may note what was special in Genoa. Population growth and urbanization were faster and greater: by the end of the thirteenth century, Genoa proper may have reached the 100,000 mark, with probably another half million people in the territory of the state, which included several smaller urban centers. These figures are no more than very rough approximations, but they would indicate that the capital city was the fifth largest in Europe (larger than Paris and London, but smaller than Constantinople, Venice, Milan, and Florence) and the entire state was more thickly settled than Pennsylvania today. Moreover, extreme poverty was rare, extreme affluence not uncommon, and the average level much higher than in better endowed regions of Europe. Throughout Italy, people talked of the conspicuous consumption of luxury goods by the Genoese bourgeoisie. Retail trade was sophisticated enough to support such specialized professions as "maker of inkwells" and "seller of chamber pots." Even in years of famine, Genoa did not let her poor starve. Yet her territory produced exportable surpluses of only one staple, olive oil, and had to import cereals, cheese, and salt. Shipbuilding, the only industry that took care of large foreign orders beside satisfying a heavy domestic demand, by the thirteenth century depended on imported lumber and iron. The other industries were of minor size, but they also got most of their raw material from abroad.

What made the expansion of the domestic market possible was the relentless expansion of foreign trade. Genoa stood out among her competitors for the good balance maintained between sea and land trade, eastern and western markets, imports and exports. This was neither a lucky accident nor conscious planning, but mainly the result of individual initiative flowing indiscriminately into all available channels. The Venetians swarmed out of their maritime façade as far east as Peking, but hardly opened their back door except to let in and out customers from inland cities. The Florentines rode to every western European town and made connections in Greenland as well as in Morocco, but were rather shy of ships. The Genoese both rode and sailed; they preferred to sail, of course, for sailing is cheaper, but one of their oldest and strongest guilds was that of the muleteers.

In the eleventh century, when Genoa was still an upstart in business, her merchants tried their luck chiefly in the nearest, comparatively underdeveloped markets of Corsica, Sardinia, Provence, and Catalonia; it was hard to compete with the Venetians and other old timers for the trade of the Levant, or with the Piedmontese and the French for the control of the Alpine passes. But in the twelfth century, the Genoese jumped on the opportunity offered by the First Crusade to make room at the top in Syria, and became lenders and financiers in order to penetrate the courts and markets of France and England. Then, in 1204, the Fourth Crusade delivered the keys of the hitherto inaccessible Black Sea to the Venetians, but the Genoese got hold of the keys in 1261, by assisting the Byzantine emperor-in-exile to recover Constantinople from the Latin emperor and his Venetian props. The second half of the thirteenth century saw the Genoese fanning out in all directions: they were first in getting the commercial dividends of the Castilian and Portuguese reconquest of the Iberian South, first in establishing direct communications by sea through Gibraltar to London and Bruges, first in opening the western Mongolian states of Persia and South Russia to European trade, and first in numbers if not in chronological priority in prolonging that trade to the eastern shores of China.

Priorities in geographical expansion are more easily singled out than the underlying advances in business methods and technology, for innovations spread rapidly from one center to another, and documents are too erratically preserved for comfort. Genoa certainly beat Florence by a few months, Venice by thirty-two years, and England

practically by a century, in reintroducing gold coins in its normal circulation. It is a moot question whether Genoa or Florence was first in developing the techniques of bills of exchange and double-entry accounting; whichever was second promptly caught up with the other. A Genoese found in Asia Minor the richest mines of alum, a key material for the most important industries of the time; another Genoese exploited the Cornish stannaries. Maritime insurance found in Genoa either its birthplace or, at least, its paramount center of diffusion. Nautical maps are first mentioned in Genoa and continued for centuries to be a Genoese specialty, although Majorcan cartographers soon shared the craft. We hear of a good many innovations in ship designing: the Genoese *tarita*, combining the speed of the oar-propelled galley with some of the roominess of sailships, won special praise. Above all, the Greeks and the French alike marveled at the fact that the Genoese alone navigated in the heart of winter, thus almost doubling the utilization of their ships.

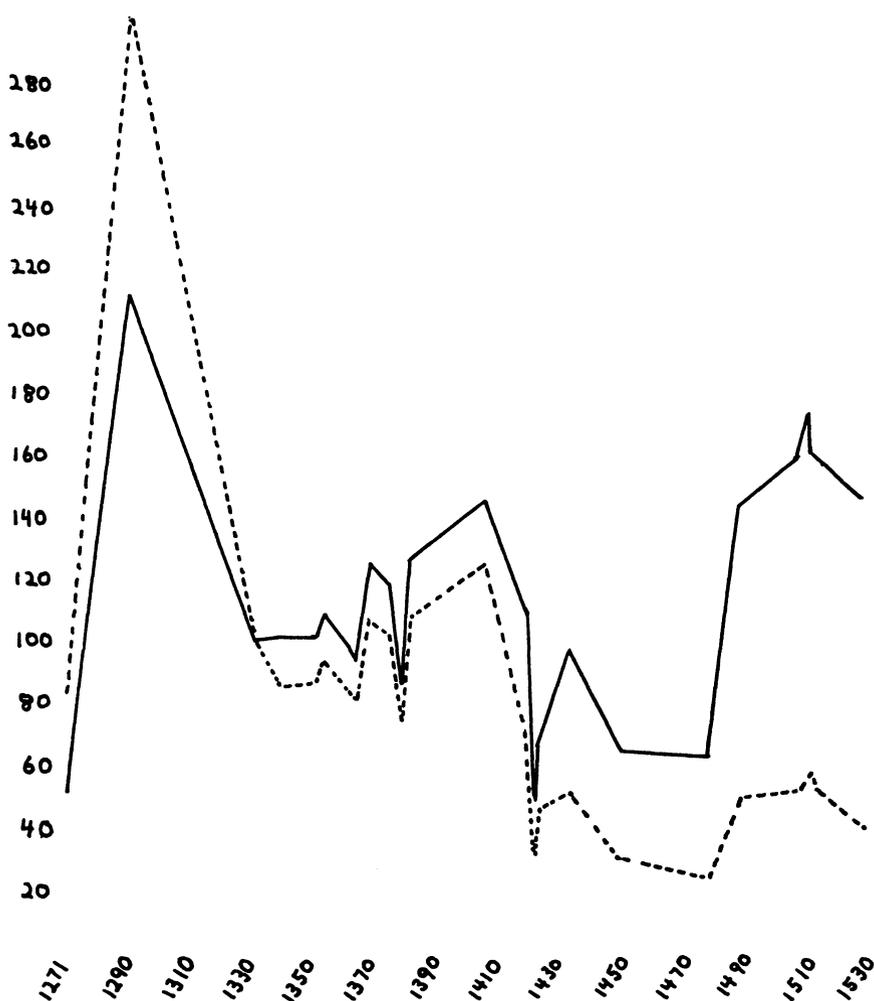
Before moving on to the changed scene of the fifteenth century, let us cast a final panoramic glance at the Genoese economy in its highest medieval crest, before the mid-fourteenth century crisis. Agriculture, as we have seen, contributed little to the general prosperity; even in rural areas, it neither fed nor occupied fully all people. Industry was somewhat more important; apart from the shipyards and from workshops catering to ordinary local needs, old skilled crafts, such as spinning gold and making arbalests, and the recently introduced production of low-grade woollens were going concerns. Commerce, the backbone of the economy, was too diversified for summary description. Success sometimes rewarded adventure, sometimes drudgery, seldom specialization, almost always good planning. A wise long-distance merchant would strive for a good balance, in both weight and value, of outgoing and incoming commodities, in order to use constantly all loading spaces and to settle his accounts without outlay of cash. The classic example was the exchange of valuable French and English cloth for expensive Asian and African spices, with Genoa acting as a pivot. Shorter circuits afforded balances for bulkier goods: it paid to transport alum to England and come back to Genoa with wool. Northwest Africa, whose exportable staples were heavier and cheaper than the goods it imported, redressed the balance with Senegalese gold. The heaviest cargoes could be hauled over short overland stretches and over longer stretches at sea if the ship also contained some valuable items. Fre-

quent stops along the way multiplied the opportunities to make a profit on any cargo, and credit took care of temporary gaps. Indeed, the Genoese, alone among maritime traders, were getting as adept as the Tuscan and Lombard bankers in seeking gain from credit for credit's sake.

What happened later may be grossly illustrated by two graphs of the maritime trade of Genoa and that of Pera (the Genoese self-governing suburb of Constantinople) which Harry Miskimin has been kind enough to prepare. In each graph, the solid line indicates the volume of trade in Genoese pounds of account, according to the data on tax farming collected and processed by Heinrich Sieveking, the eminent specialist of financial history, more than fifty years ago. The dotted line indicates the same figures adjusted to incorporate changes in the actual weight of gold caused by the fast debasement of the Genoese coinage, as calculated by Cornelio Desimoni, the hard-working student of numismatics, almost a hundred years ago. No attempt has been made at measuring the purchasing power of the Genoese pound or of precious metals; we simply do not have any groundwork upon which such a calculation could be based. Nor would I vouch for the accuracy of the methods used by my learned predecessors, although they did their best in an almost desperate statistical dearth. All I can say is that whatever mistakes may have been made in the absolute figures, they should not affect too much a profile where the mistakes are consistently repeated. I shall also note that the more precipitous fall of trade in Pera during the fifteenth century is obviously connected with the crumbling of the Byzantine Empire. Apart from this, there is no discrepancy between trends in Pera and trends in Genoa in the period when figures are available for both. ²

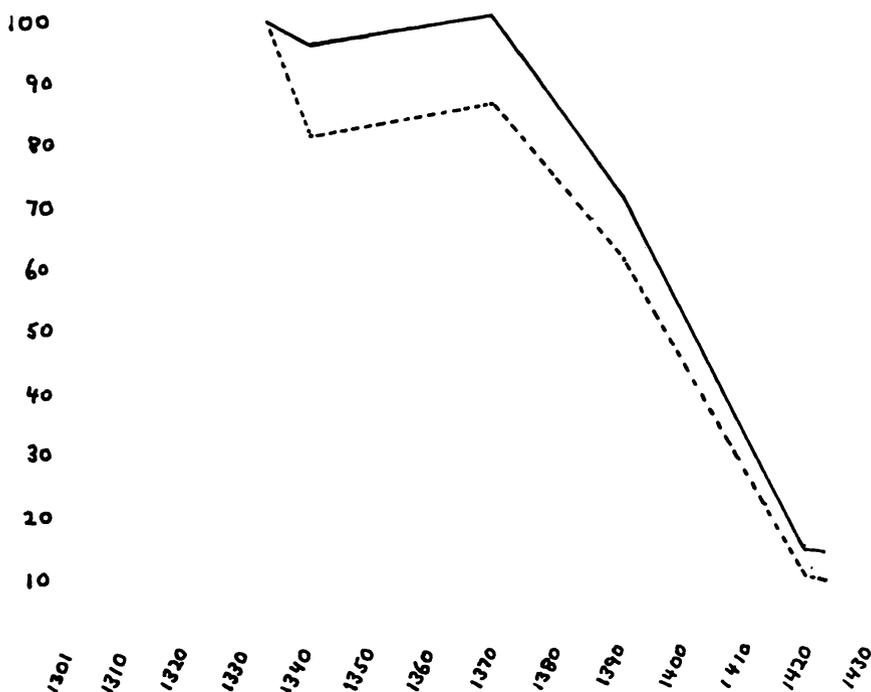
To be sure, maritime trade is not the only index of economic life; nor do our graphs carry the conviction that would come from the plentiful and accurate statistics of our times. Yet the graphs, in the lack of anything better, are useful pointers of trends that could also

² H. Sieveking, "Aus Genueser Rechnungs- und Steuerbüchern," *Sitzungsberichte der K. Akademie der Wissenschaften in Wien*, Phil.-Hist. Klasse, CLXII/2 (1909), 48-52, 55; C. Desimoni, appendix to L. T. Belgrano, *Della vita privata dei Genovesi* (2nd ed.; Genoa: Tipografia Sordomuti, 1875), p. 506 ff. Other available figures, though not very significant in themselves, seem to lend support to the assumption of a crest just before 1300. For instance, tax-farming data indicate that the number of contracts drawn in Genoa exceeded 30,000 in 1191, but 80,000 in 1291. Again, the number of major ships composing the Genoese war fleet rose steadily during the thirteenth century, reached its peak in 1295, then steadily declined.



GRAPH I
MARITIME TRADE OF GENOA
(1334 = 100)

be demonstrated through nonquantitative approaches, and altogether they agree with other tokens of economic trouble: a stagnant or diminishing population, a contraction in the number and, probably, the aggregate tonnage of ships at sea, a desperate crisis of public finance, the decline and fall of the Genoese colonial empire, the withdrawal of some of the early capitalists from business activities, the restlessness of a lower class whose hopes for improvement seem now doomed. If you take all this into account, you will



GRAPH II
MARITIME TRADE OF PERA
(1334 = 100)

easily understand why I cannot comfortably use fifteenth-century Genoa as a test case for market expansion. Still the partially successful efforts of the Genoese at braking and offsetting adverse trends involve market expansion in certain sectors, or, more precisely, the opening or broadening of some channels in the place of others that get silted.³

Let us first take what had always been the weakest side of Genoese economy: agricultural and natural resources. Deforestation

³ The most important, and recent, work on the late medieval economic history of Genoa is J. Heers, *Gènes au XVe siècle: Activité économique et problèmes sociaux* (Paris: S. E. V. P. E. N., 1961); it contains a large, though not exhaustive, bibliographic list, which it would be useless to duplicate here. My comments on that book have appeared in R. S. Lopez, "Quattrocento genovese," *Rivista Storica Italiana*, LXXV (1963), 709-27; in the present paper, I am heavily indebted to Heers' original synthesis of previous works and fresh research of his own. Among earlier books which Heers did not use, the most informative is E. Pandiani, *La vita della Repubblica di Genova nell'età di Cristoforo Colombo* (Genoa: Civico Istituto Colombiano, 1952), covering much the same period. Unfortunately, there is no general work on Genoa in the fourteenth century; the best guide for that period is still Vitale, *Breviario*.

had now reached its peak. This, at a time when wood was not only the basic material for ships, carts, and other means of transport, and for whatever machinery existed, but also virtually the sole available fuel, created a critical problem. Even urban architecture may have been affected by it: wooden balconies and roofs are replaced by stone and bricks, and the open arcades are walled in, not merely because of artistic fashion, but no doubt also to conserve heat. Of course, Genoa imported timber from the French Alps, the Moroccan Atlas, Corsica, and Lebanon; but none of these regions had large surpluses, and the northern forests were too far to be of help before the Dutch developed their especially roomy ships. Nor would ships of such a size, if Genoa had built them, have found payloads to carry on the outgoing voyage to the still underdeveloped northern countries.

The challenge of deforestation was met in its most threatening consequence—that “mountains,” in the words of Leonardo da Vinci, “are dissolved by rain and streams.” It was mostly during the fifteenth century that the Genoese Riviera took its modern aspect of a series of terrasses and walls encircling orchards, vineyards, and patches of olive and fruit trees. This, to be sure, involved a transference of commercial capital and manpower to agricultural pursuits. While grain all but disappeared, choice Vernaccia wine, the talk of poets and the drink of kings, and citrus fruit, a new luxury crop with high vitamin content, gained ground in the Genoese territory and were introduced in the colonies. The Greek island of Chios, for instance, first received at that period what is now its pride, orange trees. Cane sugar, another luxury foodstuff, had long been grown in the island of Cyprus, in the early fifteenth century a Genoese protectorate. Before Cyprus was lost, the Genoese had already promoted sugar plantations in the freshly discovered islands of the Atlantic—Madeira, the Azores, the Canary Islands—and it was largely owing to their efforts that sugar, sold at lowered prices and in greater amounts, displaced honey as the basic sweetening material. But to this we shall return later.⁴

⁴ Genoese agricultural history is virtually unexplored; neither Heers nor Vitale is of much help on it. While waiting for the book P. J. Jones is preparing on the agrarian history of medieval Italy, one may use the stimulating insights of E. Sereni, *Storia del paesaggio agrario italiano* (Bari: Laterza, 1961). G. Luzzatto, *An Economic History of Italy from the Fall of the Roman Empire to the Beginning of the XVIth Century* (New York: Barnes and Noble, 1961), and G. Mickwitz in *Cambridge Economic History*, I, are also valuable, but leave Genoa out.

A trend away from ordinary merchandise and toward expensive goods also manifested itself in the textile industry. While the older production of cheap woolen did not thrive, the new craft of silk soon outgrew all other industrial enterprises in town and established Genoa as one of the four or five most important producers in Europe. Remarkably, its emphasis was on the heaviest and most costly products, purchased by the nobility, the clergy, and the upper bourgeoisie. A dramatic improvement in quality also caused a sudden spurt in an old Genoese craft, papermaking. Such an emphasis, however, was not peculiar to Genoa. Since the general stagnation or decline of the population, and the growing distance between the very rich and the very poor, caused the market for the mass to contract, it was a natural response for the fully matured Italian industry to seek for increased profits on a smaller number of expensive pieces.⁵

Had the Genoese been content with shifting from quantity to quality in every economic sector, they would have been lumped together with the other Italian merchants who, according to a well-known English fifteenth-century pamphlet, the *Libelle of Englyshe Polycye*, carried away England's treasures in exchange for expensive trifles. That they were not entirely innocent of it, you may learn from Harry Miskimin; but the *Libelle* acquits them, and Fabyan, the chronicler, points out that "there is no nacion in Englonde that delyth so lytle with spicis."⁶ As a matter of fact, to a much larger extent than the Venetians or the Florentines, the Genoese endeavored to compensate for the gradual closing of eastern markets and shortage of eastern spices by increasing their share in western markets and western cheap bulky goods.

Let us add at once that this change was due, not only to the peculiar alertness of the Genoese, but also to geographic and historical circumstances that made the conversion easier. Genoa lies farther from the Levant and Africa than her two major medieval rivals, Venice and either Pisa or Pisa's heir, Florence; but she has the best location for trade in the western Mediterranean. Here, Barcelona alone was for some time a serious competitor, and that

⁵ Beside Heers, p. 218-51 and the works quoted by him, see the debate C. M. Cipolla-R. S. Lopez-H. A. Miskimin, "Economic Depression of the Renaissance?", *Economic History Review*, XVI (1964).

⁶ A. A. Ruddock, *Italian Merchants and Shipping in Southampton, 1270-1600* (Southampton: University College, 1951), p. 80 ff., with bibliographic references.

time was before the fifteenth century. We have seen that the western Mediterranean, not the Levant, was the earliest focus of Genoese trade; this trade consisted chiefly of heavy foodstuffs without which growing Genoa could not have survived—salt from Corsica, Provence, and the Balearic islands, grain from Sicily, Provence and Morocco, cheese from Sardinia and Corsica. No matter how much these humble commodities were overshadowed at a later period by the luxury goods of the Levant, they would never lose their essential value for the economy of the town, never let trade with the West become unimportant.⁷

It is true that during the twelfth and thirteenth centuries (as the Genoese committed to the eastern Mediterranean and to the continental expanses beyond it an ever larger proportion of their capitals and energies) spices and other costly, light commodities, ranging from pearls to caviar, gained paramount importance. To find appropriate returns for them, the Genoese turned their attention to the finest products of European industry, such as cloth, linen, and arms. This was the aristocracy of trade, but ordinary wares continued to form the bulk and perhaps the largest aggregate value, especially for small merchants engaging in short-haul navigation and in regional traffic with mules and horses. Indeed, no great merchant at that time neglected opportunities in small trade, and all traffic was divisible in short stretches, owing to the practice of stopping to buy and sell at many intermediate ports and markets along the route. Without the addition of substantial cargoes of cheap bulky goods, it would have been impossible to maintain the convoys of Venetian, Florentine, and Genoese galleys which carried luxury goods on the long routes from Italy to England and Flanders, to Egypt and Syria, to Constantinople and the Crimea.

These convoys became a regular feature, with regular schedules, around the end of the thirteenth and the beginning of the fourteenth century. By that time, additional opportunities had arisen for trade

⁷ This does not mean, of course, that the Genoese traded with the western Mediterranean only to feed themselves; Sardinia, for instance, had silver mines, Sicily had low grade alum, Corsica had leather, Provence had fox skins, North Africa had wool, wax, indigo, and so forth. Moreover, the Genoese did not consume all the grain and salt they imported, but redistributed it to other countries. The essential character of imports of foodstuffs, however, is indicated by the fact that they were prominently mentioned in every treaty concluded by Genoa with a western Mediterranean power, as far back as documents go; and that as late as 1166, the Sardinians expressed their loyalty to Genoa by the annual tribute of an enormous cheese, which was solemnly carried on an oxcart in the Easter parade.

in cheap bulky goods. By defeating the Pisans, the Genoese got hold of the iron mines of Elba; by supporting the Sicilian rebels against the Angevin kings, they extended their control of Sicily's grain; by helping the Byzantine emperors against the Latin ones, they obtained licenses to export Balkan grain and a virtual monopoly of the best alum mines. Moreover, they began to change their colonial outposts from mere toeholds living on trade alone (such as the autonomous sections of Palestinian towns and the extraterritorial lodgings and warehouses in African ports) to slightly more extensive establishments, with semipermanent or permanent settlements of Genoese immigrants, who developed the production of some local staple while depending on imports from home for a great variety of household goods and ordinary wares.

These trends continued in the age of contraction but were affected by it. Though emigration no longer was sustained by demographic pressure at home, and though the spice trade was plagued both by irregular supply and falling demand, the Genoese colonies in the Levant still grew in size and number throughout the fourteenth century. Some of them, like Pera and Famagusta, clung to the role of commercial bridgeheads, and endeavored to make up for the decadence of long-distance trade by tightening their control on the economy of the weaker state in which they were wedged. But they took no steps to support that economy, which crumbled almost entirely in the fifteenth century, before the colonies themselves were lost. Other colonies, like Chios-Phocaea and Caffa, found a better balance by taking full responsibility for the government and economy of a fairly extended territory, where they combined an almost self-sufficient agricultural exploitation with a brisk interest in the commercial opportunities of the region. More often than not, the specialty was a heavy commodity, if not always a cheap one: it was alum, mastic, and slaves in Chios-Phocaea, and fish, grain, and slaves in Caffa.⁸

Private entrepreneurship, then as before fanning far beyond the sheltered space of the colony, also changed focus. At the beginning of the fourteenth century, it still favored Persia, India, China, and other countries along the spice and silk routes; but as these routes

⁸ To the works quoted by Heers we should add P. Argenti, *The Occupation of Chios by the Genoese, 1346-1566* (Cambridge [Engl.]: University Press, 1958), especially useful for its documents, and N. Banescu, *Le Déclin de Famagouste* (Bucharest: Institut Roumain d'Etudes Byzantines, 1946).

became clogged, it turned increasingly to the coarser wares and less sophisticated markets of freshly emerging countries in eastern Europe, from Valachia to Poland. To quote only one instance, both in Poland and in Hungary, Genoese entrepreneurs became farmers of all salt mines. In the fifteenth century, this line of Genoese expansion seemed headed for a better future, but Turkish conquests between 1453 and 1475 wiped out the entire Genoese colonial galaxy, with the exception of the island of Chios.

The loss of the colonies was a most serious blow. It virtually knocked out the Genoese as traders in Oriental spices and silk, for they could no longer compete with the Venetians, whose colonial empire was still almost intact and whose unchallenged predominance among western merchants in Egypt and Syria kept open the greatest spice markets outside the colonies. It destroyed all hopes for penetration in the eastern European markets, for Polish, Russian, Hungarian and Balkanic merchants, finding the Black Sea closed, turned to the Baltic or the Adriatic. Worst of all, it deprived the Genoese of their best trump cards in the Levant: Caucasian and south Russian slaves and alum of Phocaea, Lesbos, and Asia Minor. Only a thorough reorientation of the Genoese commerce could prevent the blow from becoming a total catastrophe.

The reorientation was surprisingly quick and well contrived, if we consider that there was no central planning. In one sector, it is true, luck played its part. In 1462, four years after the fall of Phocaea and the very year when Lesbos fell, alum of the best quality was discovered at Tolfa, in the vicinity of Rome. There was a tug-of-war between the Genoese and the Florentines—no lesser Florentines than the Medici Bank—to secure from the Pope the farm of the Tolfa mines. Eventually the Genoese came out the winners, at a high price. Tolfa alum had to be sold at five times the price they used to charge for the best alum they obtained from the Levant. Inevitably, this restricted the sales, but not very much, because first-quality alum was regarded as indispensable to fix colors on first-quality cloth, and Tolfa was the only acceptable source apart from Phocaea and Asia Minor. In other terms, the Genoese replaced one monopoly with another one.⁹

⁹ On the Florentine side of the alum contest, see now R. de Roover, *The Rise and Decline of the Medici Bank, 1397-1494* (Cambridge: Harvard University Press, 1963). Yet the celebrity of the Medici Bank should not lead us to forget the eventual winners, on whom, beside the work of Heers, one ought to consult the paper of his wife, M. L.

Caucasian slaves were harder to replace. Though both the Turks and the Christians continued to capture or purchase white slaves in the Balkans and in Asia Minor, and to offer them at unmaior prices on the market of still Genoese Chios, the supply could not meet the demand. Merchants in Genoa trebled the prices of such white slaves as could be found and tried to fall back on Negro slaves, available on the African coast and especially in the new Portuguese establishments. These would do as farm laborers, but it took a long time before Negroes found favor as parlor and household slaves.¹⁰

North Africa contributed more effectively to balancing the Genoese trade as a source of two precious commodities: coral and gold. Actually, some coral had long been produced on Genoese home grounds as well as in Sardinia, Corsica, and Africa; but the second half of the fifteenth century witnessed what we may call a coral rush, with the Genoese as head runners on the best African grounds. Likewise, African gold was not a new attraction; but the fifteenth century saw a mad scramble of Portuguese, Castilians, Venetians, Genoese, all along the Atlantic coast and on the caravan tracks of the interior. The first Eldorado was somewhere in Senegal; the Genoese renewed their efforts to reach it and picked up whatever gold reached the outer fringe, but nobody hit the jackpot at that time. They also looked for *meleghetta* or "grains of Paradise," an inferior substitute of pepper. These valuable commodities made up partly for the loss of eastern spices and gems, but were not nearly enough.

Silk, like alum, was replaced at greater expense for the consumers—among whom were the Genoese silk manufacturers. It is true that some Persian silk still came through and that Chios, as well as the Genoese Riviera, produced small quantities—not to mention the fairly abundant, but inferior, production in southern Italy. The main new, or almost new, direction, however, was found in the kingdom

Heers, "Les Génois et le commerce de l'alum à la fin du Moyen Age," *Revue d'Histoire Economique et Sociale*, XXXII (1954). For later developments, see J. Delumeau, *L'Alum de Rome* (Paris: S. E. V. P. E. N., 1962).

¹⁰ It must be noted, however, that the cost of slaves had been steadily rising ever since the beginning of the fourteenth century. According to the latest (but certainly not the last) paper on this subject by C. Verlinden, "La Crète, débouché et plaque tournante de la traite des esclaves aux XIV^e et XV^e siècles," *Studi in Onore di Amintore Fanfani* (Milan: Giuffrè, 1962), III, 699, in the Venetian colony of Crete prices rose five times for women and ten times for men between 1300 and 1400. Verlinden connects this phenomenon with the peculiar lack of manpower in Crete; true, but both the rise in prices and the demographic crisis occurred throughout Europe.

of Granada, where the Genoese also purchased fruit and, in return, imported grain. Both before and after the Spanish reconquest of the kingdom, Granada silk, of excellent quality, helped the Genoese to make up for the lost silks of the Levant and the Far East. It cost almost twice as much, but the raw material made up a comparatively small part of the total cost of brocades and velvets requiring an unusually great amount of highly skilled labor.

We have so far listed only a series of half-successes, partial recoveries in an altogether irreparable setback. But the Genoese were not everywhere on the defensive. In the Iberian peninsula and its Atlantic dependencies, they pressed their advantages to an unprecedented degree, by pouring new capital and new men in new enterprises. Some people thought that they pressed too hard: to quote only one of innumerable instances, at the Cortes of Lisbon, in 1459, there was a petition asking for their expulsion, allegedly because they took Portugal's money without bringing any profit. Echoing these claims more mildly, my friend Virginia Rau stresses the plight of the Portuguese sugar farmers in Madeira, whose livelihood depended on foreign merchants "who controlled the distribution machinery and had access to European markets."¹¹ But this is the usual quarrel of producers versus marketing agents, and it is hard to tell where collaboration ends and exploitation begins. As for the fact that the merchants were foreign, it was Genoese sea captains who in the fourteenth century had given a start to the great Portuguese navigation. If Genoese capitalists in the fifteenth century led the exploitation of Portuguese colonies, nothing would have prevented the Portuguese from taking over after a while, had they felt so inclined. What they lacked was not protection, but a businesslike mind.

This, indeed, was the main attraction of the Iberian markets for the Genoese: there were no superior crafts defended by inferior

¹¹ V. Rau, "The Settlement of Madeira and the Sugar Cane Plantations," *Afdeling Agrarische Geschiedenis Bijdragen*, II (1964), the latest of a long string of important publications by the same author; compare C. Verlinden, "Gli italiani nell'economia delle Canarie," *Economia e Storia*, VII (1960), and see also R. Konetzke, "Entrepreneurial Activities of Spanish and Portuguese Noblemen in Medieval Times," *Explorations in Entrepreneurial History*, VI (1953), on the small role played by native capitalists. On geographical explorations, see the *Actas do Congresso Internacional de Historia dos Descobrimentos* (Lisbon: Comissão Executiva das Comemorações do V Centenario da Morte do Infante D. Henrique, 1961). A helpful bibliographic survey of Iberian medieval history, in English, was published by C. J. Bishko, under the apologetic title "The Iberian Background of Latin American History," *Hispanic American Historical Review*, XXXVI (1956).

armies, as formerly in the Levant, but great natural resources which the native population did not fully exploit.¹² Hence the Genoese penetration was not limited to special fields but gradually reached every kind of trade. In the Atlantic islands, it was sugar above all, but also grapes and slaves. It was fruit in Andalusia, mercury in Castile, iron in Biscay, cork in Portugal, color dyes, wool, oil, tuna fish in other regions. These and other commodities, cheap and bulky for the larger part, were exchanged for grain and Mediterranean luxury goods; they also served in triangular trade with England and Flanders. In addition, the Genoese were ever ready to lend money to the Iberian kings, noblemen, bourgeois, and farmers. About 1450, they had only a marginal hold on the economic life of the region; Tuscan merchants were probably more numerous, and the Catalans more than held their own. Some fifty years later, in 1503, a Venetian ambassador reported, not without exaggeration, that "one third of Genoa is in Spain," and enviously commented on the riches gathered by the old rivals of his nation, who had been first in answering the call "go West, young man."

One of these young men, born in Genoa or in its territory, 1451, had quit the eastern colony of Chios to try his chance in western Madeira, 1478, then had sailed straight west: Christopher Columbus. I have never understood why so many historians regard as a freak this typical Genoese career, or why so many describe Columbus as an unwitting gravedigger of the economic fortune of his own nation. The story of the Genoese surge under Hispanic colors after 1492 cannot be told here, nor has it yet been pieced together from many detail studies; but it is fair to say that by the time of Phillip II, the proud empire where the sun never set was almost an economic

¹² An early sketch of the main lines of what was then an almost unexplored field—R. S. Lopez, "Il predominio economico dei Genovesi nella monarchia spagnola," *Giornale storico e letterario della Liguria*, XII (1936)—is now utterly outdated but not yet replaced. Most of the later bibliography is listed and utilized by Heers; some complements are found in the interesting paper of R. Pike, "The Genoese in Seville and the Opening of the New World," *JOURNAL OF ECONOMIC HISTORY*, XXII (1962), but the "literature" of the subject is still gaining momentum. No one should neglect two capital works, encompassing broader aspects: F. Braudel, *La Méditerranée et le monde méditerranéen à l'époque de Philippe II* (Paris: A. Colin, 1949), and J. Vicens Vives, *Historia económica de España* (Barcelona: Teide, 1959). Lastly, it is important to remember that the Iberian peninsula with its dependencies was the most important direction of the Genoese search for new markets but not the only one; see, for instance, D. Gioffré, *Gênes et les foires de change: de Lyon à Besançon* (Paris: S. E. V. P. E. N., 1960), and R. Doehaerd, *Etudes Anversoises* (Paris: S. E. V. P. E. N., 1963).

colony of Genoa. In a bittersweet poem, Francisco Quevedo summed it up in these words: "Born in the Indies, passing away in Spain, buried in Genoa, Sir Money is a powerful knight."

Sir Money was more powerful in the fifteenth century than in the beginning of the commercial revolution, when young knights and traders went east. This accounts for some of the differences between the medieval and the early modern market expansion of the Genoese, though demographic and political factors also played a major role. The exploitation in depth of the natural resources in the vast, underpopulated expanses of the Iberian states and their colonies required far more massive investments in capital and manpower than the surface utilization of fairly developed resources in the Levant. In the fifteenth and sixteenth centuries, Genoa had still less manpower at hand than in the twelfth and thirteenth; it had capital, and a credit organization that was growing by leaps and bounds, but both capital and credit were more and more concentrating with the few who had emerged on top in the age of contracting opportunities.

To be sure, it was still possible for a poor but enterprising young man to get going on borrowed capital: Christopher Columbus is a fitting example, though it took him long to obtain all the credit he needed, mostly from non-Genoese lenders. But the westward expansion of the fifteenth century was mostly the work of powerful companies, bringing together very few men with the intent of securing monopolies or, at least, dominant shares. It is a far cry from the fifteen obscure men who, in 1198, had pooled investments ranging from two to twenty-five pounds for general trade in Corsica and Sardinia, to Marco Lomellini, who, in 1456, farmed for ten years the monopoly of cork trade in Portugal for 2,000 gold *doblas*, more than a half of which he personally supplied. There is a further difference between Lomellini and the Centurione bankers, who at the peak of Genoese expansion lent to the Spanish king ten million ducats at one stroke. These are extreme cases, of course; there were monopolies and bankers in the thirteenth century and small investors in the sixteenth. But it was only in the later period that great merchants almost crowded out the small ones, with financiers spearheading the advance.

Our inquiry must stop here, as the economic development of Genoa enters a new phase, highlighted by credit in its most sophisticated forms. When this tide in turn reached its crest, shortly before

1600, Genoa virtually became the financial capital of the Catholic world, even as Amsterdam was becoming the financial capital of the Protestant countries. On the other hand, trade, especially maritime trade, which had been the first source of prosperity, slowly but relentlessly declined, both in absolute volume and in relative importance. What contributed most to its failure, I believe, was, not the conversion from east to west, but that very shift from luxuries to cheap bulky goods which we are accustomed to regard as a symptom and cause of economic progress. In order to fit their shipping for the massive transportation of these goods over long distances, the Genoese almost entirely set aside the oar-propelled galley and its enlarged variants, using instead improved models of sail-propelled ships. The change began in the fourteenth century; by the end of the fifteenth, most of the cargoes went on a few carracks freighted from 500 to 1000 tons, the largest ships the medieval seas had ever seen, although not as large as the Dutch ships of the seventeenth century.

The carracks did not match the speed and strength of the galleys but achieved very substantial reductions of the freight charges by eliminating the oarsmen while increasing the capacity. No saving, however, was transmitted to the carriers: Jacques Heers, in his thorough investigation of Genoese fifteenth-century records, points out that, sooner or later, all masters of the larger vessels landed in the list of shipowners temporarily detained in the port of Genoa because of flagrant unpaid debts. As a matter of fact, carracks were too unwieldy to make any but the largest harbors; moreover, they had to make up for their slowness by avoiding all intermediate stops and sailing straight to their ultimate goal, often through dangerous waters. In turn, they tried to make up for the lack of intermediate stops by waiting in a port until a sufficient cargo could be gathered, rather than picking up whatever freight there was in a series of regularly visited calling points. Again, the elimination of small ships and of large crews condemned thousands of free oarsmen to unemployment, hundreds of captains to underemployment. These were the men who during the commercial revolution had formed the backbone of the Genoese merchant society, the nursery of enterprising young men. And since opportunities for trade did not grow enough to sustain recruiting of beginners on a higher capitalistic level, finance alone could not outlast the foreign nations, Spain above all, on whose insatiable needs it fed.

In other terms, we might say that the Genoese capitalism of the early modern age was bound soon to wither away. But lest such a conclusion be denounced as orthodox Marxism, let me add with Benedetto Croce that, after all, every age brings in itself the germs of its own dissolution.

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