

# The Genoese and Portuguese Financial Operators' Control of the Spanish Silver Market (1627-1657)

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**ABSTRACT.** The Genoese bankers became the leaders of the Spanish Empire's credit market borrowing money to the Habsburgs for more than a century. The *quiebra* (decree of bankruptcy) of 1627 was a real turning point in the history of the Spanish *Hacienda Real*. Prime Minister Olivares' goal was to weaken the Genoese operators and to oblige the Portuguese bankers to take their risk serving their new king as 'good vassals'. A crucial problem was the payment of the Spanish troops, signally the Army of Flanders. This complex mechanism was based on the conversion from silver to gold. In 1630 Spain signed a peace treaty with England and this political agreement opened up new business opportunities for the Genoese and Portuguese bankers as well. In fact, the English Royal Mint bought a huge amount of bullion, and the *asentistas* obtained credit in Flanders through the bullion paid with bills of exchange in Antwerp. Furthermore new evidence from the *Casa da Moeda* of Lisbon let us suppose that the *marranos* bankers of Madrid also developed profitable silver trade.

## 1. Genoese and Portuguese Bankers under Spanish Rule in the Seventeenth Century

IT IS FREQUENTLY STATED THAT, during the last half of the sixteenth century, the Genoese bankers had been the undisputed leaders of the Spanish Empire's credit market. Their leadership lasted a least a century – Ruiz Martín called it *el siglo de los Genoveses*<sup>2</sup> – during which they

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2. Ruiz Martín, F., *Las finanzas de la monarquía hispánica en tiempos de Felipe IV (1621-1665)* (Madrid 1990).

offered many financial services throughout Europe. Undoubtedly the Genoese exchange fairs' network may be considered an excellent mechanism to process and manage financial information and an efficient system to transfer precious metals to different creditors all over Europe<sup>3</sup>.

More than international commerce, the prime mover of the Genoese exchange fairs was the huge volume of transactions generated by the Spanish Crown's public debt and the financial speculations of the most influential European financial operators<sup>4</sup>.

One of the most complex financial procedures in early-modern Europe's money market was the conversion from silver to gold. From the last decades of the sixteenth century, the Spanish troops – the Army of Flanders, as Parker stated – demanded to be paid in gold<sup>5</sup>. This essential monetary condition presented a crucial problem for the financing system of this massive 'war machine'. The troops did not accept all the coins which were circulating in the vast European monetary circuit. They demanded to be paid only in a currency that was stable, universally accepted and with a fine-metal content, in a word a reliable currency: the gold *escudo*<sup>6</sup>.

What was becoming more and more complex was the conversion from the silver money (silver *reales*) – which was at the disposal of the Hacienda Real of Madrid – to the gold coins that the troops demanded. This difficult and very expensive monetary exchange mechanism had

3. Still useful: Silva, J. G. da, *Banque et crédit e Italie au XVIIe siècle* (Paris 1969). On the Genoese fairs of the seventeenth century: Marsilio, C., *Dove il denaro fa denaro. Gli operatori finanziari genovesi nelle fiere di cambio del XVII secolo* (Novi Ligure) 2008.
4. For a general analysis of the financial market of Early Modern Europe see Neal L., 'How it all began: the monetary and financial architecture of Europe during the first global capital markets, 1648–1815', *Financial History Review*, 7/2 (2000), pp. 117–140.
5. Parker, G., *The Army of Flanders and the Spanish Road, 1567–1659* (Cambridge 1972) and Parker, G., *The Thirty Years' War* (London 1997). See also a recent work: Wilson, P. H., *The Thirty Years' War: Europe's Tragedy* (London 2009).
6. In the sixteenth and seventeenth centuries, the Spanish Army in Flanders was paid in three different types of gold *escudo*: the Spanish, Italian and French *escudo*, with slightly different weight and value (Parker, G., *The Army of Flanders and the Spanish Road, 1567–1659* (Cambridge 1972), *Notes on Spelling and Currency*, p. xvi).

to be managed in many different European towns simultaneously. It goes without saying that in these financial operations experienced professional skills were essential.

Because of the endless wars that the Spanish Empire was fighting in different parts of the continent<sup>7</sup> – the revolt of the United Provinces *in primis* – huge amounts of capital were to be found on many different financial markets: some were the 'traditional' markets (Genoa, Antwerp and Venice) and others were just emerging (Lisbon and Vienna).

In his seminal work *La vida económica de España en una fase de su hegemonía, 1516-1556*, Carande underlined the increasing importance of private loans for Charles V as soon as he became king of Spain in 1516<sup>8</sup>. The *asientos* were typical short-term loans which paid high interest. This financial 'practice' started around 1557 and reached its peak during the reigns of Philip III and Philip IV. When the Crown could not repay the borrowers – in the early years German and Genoese bankers, but later Flemish, Portuguese and Spanish operators joined the group too – they began to accept the Crown's proposal: turning the floating debt (*asientos*) into consolidated stock (*juros*)<sup>9</sup>.

The deficit of the Spanish Hacienda Real was growing enormously year by year and the situation became untenable during the first years of Philip IV's reign. The *quiebra* of 1627 – a very important decree of bankruptcy – was a real turning point. It is clear that Conde Duque Olivares'

7. For a fascinating analysis cf. Israel, J. I., 'A Conflict of Empires: Spain and the Netherlands 1618-1648', *Past and Present*, 76 (1977), pp. 34-74.

8. Carande, R., *La vida económica de España en una fase de su hegemonía, 1516-1556* (Madrid 1943).

9. Castillo Pintado A., 'Los juros de Castilla. Apogeo y fin de un instrumento de crédito', *Hispania*, 23 (1963), pp. 43-70, Castillo Pintado A., 'Mecanismos de base de la hacienda de Felipe IV', in R. Menéndez Pidal (ed.), *Historia de España*, vol. XXV, *La España de Felipe IV. El gobierno de la monarquía, la crisis de 1640 y el fracaso de la hegemonía europea* (Madrid 1982), pp. 217-255. On the Spanish fiscal system: Espina Montero, A., 'Finanzas, deuda pública y confianza en el gobierno de España bajo los Austrias', *Hacienda Pública Española*, 156 (2001), pp. 97-134 and Toboso Sánchez, P., *La deuda pública castellana durante el Antiguo Régimen (juros) y su liquidación en el siglo XIX*, Madrid, 1987.

goal was to weaken the Genoese operators – strong and long-established leaders of the market – and to oblige the *marranos*<sup>10</sup> bankers to run the risk of serving the new king as ‘good vassals’<sup>11</sup>. The *asentistas*’ payments’ system was based on a process of social acceptance where neither automatic acceptability nor anonymity were possible; in this framework, a small number of individuals recognized one another by reason of their family or community ties and exchanged favours in business.

Historiography states that the Genoese success ended with the bankruptcy of 1627, when they were replaced by Portuguese operators, who became the new leaders of the Spanish credit market until, at least, the beginning of the eighteenth century<sup>12</sup>. From the 1950s, much important research on this topic has been focused on the Genoese *hombres de negocios* who worked for the Habsburgs of Spain. Among others there are the publications by Ramón Carande<sup>13</sup>, Ruiz Martín<sup>14</sup>, Domínguez Ortiz<sup>15</sup>, Castillo Pintado<sup>16</sup>,

10. Usually the Portuguese ‘New Christians’ are called ‘Marranos’. In Spain they are called ‘Conversos’.
11. Some classical works on the Portuguese *conversos* are: Azevedo, J. Lúcio de, *História dos cristãos novos portugueses* (Lisbon 1921), Caro Baroja, J., *Los judíos en la España moderna y contemporánea* (Madrid 1978), Bethencourt, F., *História das Inquisicoes em Portugal, Espanha e Itália* (Lisbon 1994), Shaw, L. M. E., ‘The Inquisition and the Portuguese economy’ in *Journal of European Economic History*, 18 (1989), pp. 415-431 and López Belinchón, B., *Honra, libertad y hacienda: (hombres de negocios y judíos sefardíes)* (Alcalá de Henares 2001).
12. An exhaustive analysis in Ruiz Martín, F., *Los destinos de la plata americana, siglos XVI y XVII* (Madrid 1991).
13. Carande, R., *La vida económica de España en una fase de su hegemonía, 1516-1556* (Madrid 1943); Carande, R., *La Hacienda Real de Castilla* (Madrid 1949) and Carande, R., *Los caminos del oro y de la plata. Deuda exterior y tesoros ultramarinos* (Madrid 1967).
14. Ruiz Martín, F., *Las finanzas de la monarquía hispánica en tiempos de Felipe IV (1621-1665)*, Madrid, 1990.
15. Domínguez Ortiz, A., *Política y hacienda de Felipe IV* (Madrid 1983).
16. Castillo Pintado A., ‘Los juros de Castilla. Apogeo y fin de un instrumento de crédito’, *Hispania*, 23 (1963), pp. 43-70 and Castillo Pintado A., ‘Mecanismos de base de la hacienda de Felipe IV’, in R. Menéndez Pidal (ed.), *Historia de España*, vol. XXV, *La España de Felipe IV. El gobierno de la monarquía, la crisis de 1640 y el fracaso de la hegemonía europea* (Madrid 1982), pp. 217-255.

Álvarez Nogal<sup>17</sup>, Elliott<sup>18</sup>, Felloni<sup>19</sup>, Doria<sup>20</sup> and Grendi<sup>21</sup>. These classics of Spanish early-modern historiography analyze, from different points of view, the role of the bankers in the credit and money markets of the Spanish Empire under the Habsburg rule.

We must also remember that from 1580 to 1640 Spain and Portugal were part of the same kingdom, the so-called Iberian Union, through a dynastic union. Ruiz Martín in his work *La Banca en España hasta 1782*<sup>22</sup> also stressed that the crucial role of the *conversos* bankers should be studied, taking into account the links that they had with the *emporium universalis* (Amsterdam) and Antwerp, particularly during the years between 1627 and 1647. In contrast, historiography on the Portuguese bankers is confined to a few seminal works by Boyajian<sup>23</sup>, Bröens<sup>24</sup> and

17. Álvarez Nogal, C., *Los banqueros de Felipe IV y los metales preciosos americanos (1621-1665)* (Madrid 1997) and Álvarez Nogal, C., *El crédito de la Monarquía Hispánica durante el reinado de Felipe IV* (Valladolid 1997).
18. Elliott, J. H., *El conde-duque de Olivares. El político en la época de decadencia* (Barcelona 1990).
19. Felloni, G., *Gli investimenti finanziari genovesi in Europa tra il Seicento e la Restaurazione* (Milan 1977) and Felloni, G., 'Asientos, juros y ferias de cambio (1541-1675)', in A. Otazu (ed.), *Dinero y Crédito* (Madrid 1978), pp. 335-359.
20. Doria, G., 'Conoscenza del mercato e del sistema informativo: il know-how dei mercanti-finanzieri genovesi nei secoli XVI e XVII', in A. De Maddalena and H. Kellenbenz (eds.), *La repubblica internazionale del denaro tra XV secolo e XVII secolo* (Bologna 1986), pp. 57-121.
21. Grendi, E., *I Balbi. Una famiglia genovese fra Spagna e Impero* (Turin 1997).
22. Ruiz Martín, F., 'La Banca de España hasta 1782' in F. Ruiz Martín (ed.), *El Banco de España: una historia económica* (Madrid 1970), pp. 1-196. See also a more recent study: Ruiz Martín, F., *Las finanzas de la monarquía hispánica en tiempos de Felipe IV (1621-1665)* (Madrid 1990).
23. Boyajian, J. C., *Portuguese Bankers at the Court of Spain, 1626-1650* (New Brunswick (N.J.) 1983). In his Ph.D. dissertation, Boyajian provides much documentary evidence to support the Portuguese bankers' network (See Boyajian, J. C., *The Portuguese Bankers and the International Payments Mechanism, 1626-1647*, Ph.D. dissertation, University of California, Berkeley, 1978).
24. Bröens N., *Monarquía y capital mercantil: Felipe IV y las redes comerciales portuguesas (1627-35)* (Madrid 1989).

Sanz Ayán<sup>25</sup>, which attempt to examine the eminent role of the Portuguese operators in Spanish finance. These studies highlight the increasing capacity of the Portuguese to manage and solve fundamental financial, material and logistical problems in implementing their loan contracts<sup>26</sup>.

Consequently, the international dimension of Portuguese finance had already been firmly established. However, the structure of the Portuguese bankers' organization, and the operative networks of their personnel, agents and commissioners were still not completely clear. When, after 1626, the Portuguese bankers began to finance Philip IV, they did not have much to do with the traditional credit market. The role of the Portuguese operators might have stemmed from their increasing capacity to manage and solve financial, material and logistical problems in the implementation of their loan contracts in different parts of the continent. The underlying motivation of the Portuguese entry into the world of finance needs to be investigated. In fact, the means these operative networks used need to be explained, particularly their ability to control flows of precious metals and to respond to the complex system of conversion from silver to gold which was the monetary mechanism that supported the effectiveness of the *asientos*.

New research questions the traditional view on the subject by putting forward the hypothesis that co-operation, rather than competition, with the Genoese bankers paved the way to Portuguese participation in the institutional, monetary and financial mechanisms of the European financial market<sup>27</sup>.

25. Sanz Ayán, C., 'Presencia y fortuna de los hombres de negocios genoveses durante la crisis hispana de 1640', *Hispania*, 65/1, número 219, pp. 91-114.

26. A clear presentation of the difficult management of the credit market in Flanders during the first half of the seventeenth century is to be found in: Echevarría Bacigalupe, M. A., *Flandes y la monarquía hispánica, 1500-1713* (Madrid 1998), in particular pp. 245-331.

27. The most relevant works are: Sanz Ayán, C., 'Presencia y fortuna de los hombres de negocios genoveses' *op. cit.*, Álvarez Nogal, C., *Los banqueros de Felipe IV op. cit.*, Marcos Martín, A., "España y Flandes (1618-1648): la financiación de la guerra" in Alcalá Zamora, J. and Belenguer E. (eds.), *Calderón de la Barca y la España del Barroco*, vol. II (Madrid 2001), pp. 15-40, Marsilio, C., "Cumplir con cuidado". Il mercato del crédito

In Genoa, many private archives have been opened to researchers in recent years<sup>28</sup>. These precious collections bring to light significant evidence about the Genoese bankers who lived in Madrid from the early 1630s, including Lelio Invrea, Bartolomeo Spinola, Giovanni Luca Pallavicini and Carlo Strata. During those years they began a long-lasting partnership with their Portuguese colleagues who also moved to the Spanish capital from the 1620s onwards. The 'clan of the *asentistas*' of that period involved some members of the Fugger family – partners of the Austrias already in the sixteenth century – supported by the powerful Giulio Cesare Scazuola and a large group of *marranos* (Duarte Fernández, Jorge de Paz Silveira, Lorenzo Pereira, Simón Suárez Dorta e Nuño Díaz Méndez Brito).

The turning point for the destiny of Portuguese finance was the *quiebra* of 1647, when the bankruptcy of the Spanish Crown ruined more than thirty Portuguese operators and saved many more Genoese. It is important to remember that in the 1640s the Spanish Empire was shaken by a series of local revolutions and the Portuguese *Restauração* in 1640 is, without doubt, one of the worst blows to Olivares' political project<sup>29</sup>.

The economic and financial strategy of the Spanish Crown can not be understood without investigating the complex interaction among the

genovese negli anni 1630-1640. Vecchi protagonisti e nuove strategie operative" in Herrero Sánchez, M. – Ben Yessef Garfia, Y. R. – Bitossi, C. – Puncuh, D. (eds.), *Génova y la Monarquía Hispánica (1528-1713)* (Genoa 2011), pp. 801-818, Gelabert, J. E., *La bolsa del rey. Rey, reino y fisco en Castilla (1598-1648)* (Barcelona 1997) and Gelabert, J. E., *Castilla convulsa (1631-1652)* (Madrid 2001). New emphasis on the 'false myth' of Spanish *decadencia* in: Parker, G. (ed.), *La crisis de la monarquía de Felipe IV* (Barcelona 2006) and Stradling, R. A., *Europa y el declive de la estructura imperial española, 1580-1720* (Madrid 1983).

28. For example, Archivio Brignole Sale, Archivio De Ferrari, Albergo dei Poveri, Archivio Balbi-Doria Lamba, Archivio Doria di Montaldeo (public institutions); Archivio Sauli, Archivio Durazzo and Archivio Pallavicini (private institutions).
29. Some contemporary sources are: Ribeiro, J. Pinto, *Usurpação e restauração de Portugal* (Lisbon 1642), Almeida, G. de, *Restauração de Portugal prodigiosa* (Lisbon 1643), Avogado, G. B., *Istoria del Regno di Portogallo* (Lugduni (London) 1644), and Avogado, G. B., *História della disunione del Regno di Portogallo dalla Corona di Castiglia* (Amsterdam 1647).

different powerful political figures, not only in Madrid but also in the dissatisfied provinces of this immense empire.

For example, in the case of Portugal, after the Braganza uprising, the role of the Cristãos-Novos became crucial. It would be impossible to understand what was happening in Lisbon in the economic life of the new-born Portugal without taking into account the central role of Padre António Vieira's contribution<sup>30</sup>. Once again, it is essential to remember that in those turbulent years economic and political causes were very close to one another.

## **2. The Professional Skill of the Seventeenth-Century Financial Operators: Reading 'Between the Lines'**

'DO NOT PUT WATER IN MY WINE' – as Thomas Wentworth (the first Earl of Strafford) once wrote to one of his correspondents in the early 1630s – is a phrase that should be chosen as a motto for the business world of that period. Honesty was the key element on which relationships among businessmen were established in early-modern times. Being a honest professional partner was expected of everyone in that 'business world' where information was spread solely by oral communication, by a handshake or by business correspondence.

Thanks to some recently-opened private Genoese archives, it is possible to collect new evidence regarding Portuguese and Genoese collaboration in the international financial market in the seventeenth century. Many letters written by the most important Genoese financial brokers (Durazzo, Pallavicini, Spinola, Invrea, Pichenotti, Moneglia and Balbi) give us detailed reports of their professional relationships.

The skills these financial operators required during the early-modern

30. Vieira, A., *Proposta feita a El-Rei D. João IV em que se lhe representava o miserável estado do Reino e a necessidade que tinha de admitir os judeus mercadores* (Lisbon 1643), Vieira, A., *Razões aportadas a El-Rei D. João IV a favor dos cristãos novos* (Lisbon 1647) (uncertain date) and Vieira, A., *Desengano católico sobre a causa da gente de nação hebreia* (Lisbon 1674).



era in Europe were an understanding of the fluctuations of both the financial market and the political situation, sagacity, foresight and, last but not least, the ability to make rapid decisions so that interesting opportunities for profit were not lost.

The financial broker had to be able to 'decode' many market signals, together with different series of economic indicators, such as currency exchange trends and interest rates, and to put them into practice in a well-organized and profitable way. Last but not least the financial operator had to be knowledgeable about 'rumours' coming from the court of Madrid and from all the principal trading centres. A financial operator, moreover, had to respect the principles shared by a professional group where the single operator's skills were judged, most of all, by the good opinion and confidence with which he was regarded.

It is also very important to stress how interesting the business correspondence is, and why this should be used much more widely as a 'reliable historian's tool'. Professional correspondence has often been considered as a 'traditional' source, but in recent years not very many economic or social historians have used it as a 'primary' and decisive source. In the case of the Genoese bankers, a careful reading of the commercial operators' private correspondence provides the best means of constructing some complete long-run historical series (prices, exchange rates or currency quotations).

### **3. The Genoese and Portuguese Operators Sell Silver to the English Royal Mint (1630-1650)**

IN THE SEVENTEENTH CENTURY, another crucial matter in these complex financial mechanisms was the silver trade. In the 1620s, particularly after the *quiebra* of 1627, the Genoese investors demanded an increasing rate of return and their agents in Madrid had to pay them back in silver (billon and coins). The precious metal was transported from the principal Spanish Mediterranean ports (Barcelona, Cartagena, Dénia, and

Alicante) to the port of Genoa. Very often the Genoese bankers used a public *convoglio* – an armed fleet – which the Republic of Genoa sent twice a year to the Iberian ports. In some cases (usually connected with war or problems in the international credit market) the Genoese operators also used private galleys to bring the cases of silver to the Ligurian shores<sup>31</sup>.

In 1630, Spain signed a peace treaty with England and this political agreement encouraged an unexpected new commercial opportunity for the Genoese and Portuguese bankers. For the first time, they could find new customers for their silver. In fact, the English Royal Mint was looking for huge quantities of bullion in order to mint new silver coins<sup>32</sup>. The Tower of London received the precious metal and the *asentistas* obtained credit in Flanders through the silver paid for with bills of exchange in Antwerp<sup>33</sup>. In fact, not all the silver shipped from the Spanish port of Corunna or San Sebastián was received by the English authority in the ports of Dover<sup>34</sup> and Plymouth. Between 30% and 60% was re-routed to the Flemish ports of Dunkirk and Ostend under the protection of the English navy. The *entrepôt* of Dover, in particular, benefited from English neutrality during the Thirty Years' War. It may be deduced that Spanish silver sent to Dover, to be re-exported from there, gave increased employment to a large part of the Stuart maritime merchants from the late 1630s until the end of the Civil War. Furthermore, the records of the silver

31. A clear explanation of the Genoese '*convoglio* system' can be found in Lo Basso, L., *Uomini da remo. Galee e galeotti del Mediterraneo in età moderna* (Milan 2003). See also: Calcagno, G., 'La navigazione convogliata a Genova nella seconda metà del Seicento' in *Miscellanea Storica Ligure*, 3/1 (1971), pp. 265-392.

32. Ashton R., *The Crown and the Money Market, 1603-1640* (Oxford 1960), Ashton R., *The City and the Court, 1603-1643* (Cambridge 1979) and Challis, C. E., *Currency and the Economy in Tudor and Early Stuart England* (London 1989).

33. On these crucial years see: Alcalá-Zamora y Queipo de Llano J., *España, Flandes y Mar del Norte (1618-1639). La última ofensiva europea de los Austrias madrileños* (Madrid 1975).

34. For the port of Dover see: Kepler, J. S., *The Exchange of Christendom. The International Entrepôt at Dover* (Leicester 1976).

coinage at the Royal Mint confirm the massive imports of this precious metal, to the advantage of the London money market<sup>35</sup>.

New evidence from the Lisbon *Casa da Moeda* suggests that the Portuguese bankers were involved in this lucrative silver-trading also. In fact, the *ruta inglés*<sup>36</sup> lasted for at least twenty years. In our opinion, the 1620s are crucial to the understanding of this aspect of the European monetary market, which has not been completely analyzed by economic historians.

In 1640 the Iberian Union ended, but the Portuguese bankers continued working for the Hacienda Real of Madrid. The Spanish documents contain references to many of them: Manuel de Paz, Fernando Tinoco, Duarte Fernández and Jorge de Paz. And so, after the political division of the two Crowns, the Portuguese *hombres de negocios* continued to work with their Genoese colleagues in many financial centres, such as Antwerp, but they also developed their network in Amsterdam and Leghorn.

The destiny of Spanish silver was determined by another Portuguese, Francisco de Melo, the new Governor of the Spanish Netherlands. De Melo, the Spanish ambassador in Genoa from 1632 to 1636, was familiar to many Genoese *banqueros*, so in 1643 it was decided to negotiate with the Dutch rebels regarding the silver trade. In 1647 a new *ruta holandés* was inaugurated using the ports of Dunkirk, Ostend and Gravelines.

35. Some data on minting at the English Royal Mint during the seventeenth century is to be found in: Mayhew, N., *Silver in England (1600-1800)*, a paper presented at the XV<sup>th</sup> World Economic History Congress - Utrecht, The Netherlands, 2009 (recently published in Mayhew, N. *Silver in England, 1600-1800: Coinage Outputs and Bullion Exports from the Records of the London Towers Mint and the London Company of Goldsmiths*, in Munro, J.H. (ed.), *Money in the Pre-Industrial World: Bullion Debasement and Coin Substitutes*, London 2012) and Challis, C. E., *A New History of the Royal Mint* (Cambridge 1992). On the silver market in the seventeenth century see: Flynn, D., *World Silver and Monetary History in the Sixteenth and Seventeenth Centuries* (Aldershot 1996) and Morineau, M., *Incroyables gazettes et fabuleux métaux: les retours de trésors américains d'après les gazettes hollandaises (XVI-XVIII siècles)* (Cambridge-Paris 1985).
36. On the 'English Road' see: Taylor, H., 'Trade, Neutrality, and the 'English Road', 1630-1642' in *Economic History Review*, 25/2 (1972), pp. 236-260 and Marsilio, C., 'Nel XVII secolo dei genovesi. La corrispondenza commerciale di Paolo Gerolamo Pallavicini nel triennio 1636-1638' in *Storia Economica*, 8 (2005), pp. 101-119.

#### 4. Genoese and Venetian Operators in the Seventeenth-Century Silver Trade: Evidence from Business Correspondence (1630-1660)

A RECENT BOOK BY U. Tucci has underlined the importance of the silver trade for the Venice Mint during the 1640s<sup>37</sup>. It is well documented that, from the 1580s, Genoa and Venice became the major centres for the silver trade and that the Republic of St. Mark began to sell a huge amount of silver in the Levant, particularly to the Ottoman Empire. In the years between 1630 and 1660, many letters written by the most important Genoese financial brokers (Durazzo, Pallavicini, Spinola, Invrea and Pichenotti) give us a detailed report of the enormous amount of silver that the Genoese and Portuguese bankers sent from Madrid to their correspondents in Genoa and how they re-routed the metal to Venice, thanks to the intermediation of the Florentine operators.

The Venetian trading company (*casa commerciale*) Oste e Flangini (which later operated as Andrea e Antonio Flangini) can be taken as an exhaustive example. During the first half of the seventeenth century, these commercial operators were among the most influent brokers in Venice. In the sources, they are often considered as opinion-leaders, not only on the Italian market, but also at international level. Among their correspondents, in the first half of the century, we can find the Durazzo family, one of the most influential clans of the Genoese oligarchy of that period.

The Archivio Durazzo Giustiniani in Genoa houses a complete collection of books of Durazzo correspondence and account books (dating from 1630 until the end of the eighteenth century). The author would like to thank the Owner of the private Archive Durazzo Giustiniani of Genoa (Dr. Marcello Cattaneo Adorno) for his kind hospitality and the Archivist (Dr. Maddalena Giordano) for help in accessing the documents. These documents have not been studied much, but they contain an incredible amount of information. Many of these letters were sent

37. Tucci, U., *Un mercante veneziano del Seicento: Simon Giogalli* (Venice 2008).

and received by their Venetian clients – the Flangini family – and the silver trade was one of their most lucrative businesses.

Silver – in bullion (*paste*) or coins (Spanish *reales de a 8*) – was sent from the port of Genoa to Leghorn and then was transported overland to Venice. In this key trading centre, the Flangini Company's task was to sell part of it to the local Mint or to other Venetian brokers who would re-export it to the Ottoman Empire (Istanbul and Izmir). The silver thus started its long journey in the South American mines and ended up in the coffers of the Turkish Sultan. It should be remembered that this international monetary system would not have been able to work properly without the efficiency and the reliability of the Genoese and Venetian information networks.

As an example we have chosen a very unsettled period for the Genoese exchange market: the years between 1647 and 1649. A glance at the data collected reveals the key importance of the private business correspondence for the understanding of the very complex monetary market of that period (see Table 1, 2 and 3).

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## **APPENDIX**

The Genoese and Portuguese Financial  
Operators' Control of the Spanish  
Silver Market (1627-1657)

**Table 1. Genoese and Spanish Exchange on the Genoese Market (1647)**

<b>Date (1647)</b>	<b>Genoese gold scudo (Genoese soldi di lira)</b>	<b>Genoese silver scudo (Genoese soldi di lira)</b>	<b>Spanish real (de a 8) (Genoese soldi di lira)</b>
26.01	67,20	117,60	105,00
02.02	67,20	117,75	104,55
16.02	67,00	117,00	104,5
23.02	67,00	117,25	104,5
16.03 <sup>r</sup>	67,05	117,45	105,00
30.3	67,05	117,90	104,00
20.4	67,15	117,66	104,15
04.05	-	-	105,30
18.05	-	-	104,3
25.05	67,00	117,33	104,35
01.06	67,00	117,50	104,40
29.06	67,00	117,50	104,00
06.07	67,00	117,50	104,20
13.07	-	-	104,50
27.07	67,15	117,75	-
17.08	66,40	-	103,40
14.09	66,80	117,33	103,20
28.09	67,00	117,50	103,30
27.10	67,15	118,00	104,10
17.11	-	-	105,35
23.11	67,00	117,40	104,15
30.11	67,05	117,80	104,20
07.12	67,10	118,00	104,35
14.12	67,10	118,10	104,20
21.12	67,10	-	104,33

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**Table 2. Genoese and Spanish Exchange on the Genoese Market (1648)**

Date (1648)	Genoese gold scudo (Genoese soldi di lira)	Genoese silver scudo (Genoese soldi di lira)	Spanish real (de a 8) (Genoese soldi di lira)
11.01	67,15	118,75	105,00
25.01	67,20	119,00	105,00
09.02	-	-	105,00
15.02	66,40	-	-
29.02	67,50	118,00	-
07.03	67,00	118,33	104,20
21.03	67,10	118,40	104,35
28.03	67,15	118,60	104,40
04.04	67,15	118,60	104,40
11.04	-	-	104,35
18.04	67,20	119,00	105,20
25.04	-	119,00	105,20
16.05	67,00	118,00	104,00
23.05	67,10	118,50	104,20
30.05	67,10	118,60	104,30
06.06	67,10	118,66	104,20
13.06	67,10	118,66	104,20
04.07	67,15	118,90	104,40
18.07	-	-	105,00
08.08	-	-	105,20
15.08	66,40	-	104,00
22.08	66,40	117,75	104,00
05.09	66,30	117,33	103,00
19.09	66,10	117,75	-
26.09	66,10	116,75	102,30
03.10	66,20	117,00	101,00
10.10	-	117,00	103,30
24.10	67,10	117,50	-
31.10	-	-	105,50
07.11	-	-	105,30
22.11	66,10	-	105,30
28.11	66,00	115,33	100,20
05.12	66,10	115,66	100,30
12.12	66,20	115,75	100,30
19.12	66,20	116,00	-

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**Table 3- Genoese and Spanish Exchange on the Genoese Market (1649)**

<b>Date (1649)</b>	<b>Genoese gold scudo (Genoese soldi di lira)</b>	<b>Genoese silver scudo (Genoese soldi di lira)</b>	<b>Spanish real (de a 8) (Genoese soldi di lira)</b>
02.01	66,20	116,00	104,20
16.01	66,30	116,50	100,50
23.01	-	-	102,00
30.01	-	-	101,00
20.02	66,10	117,00	100,45
06.03	66,10	117,33	100,40
20.03	66,20	117,50	101,00
27.03	66,00	117,55	101,45
03.04	66,35	117,60	101,45
18.04	67,10	117,75	102,50
24.04	67,15	118,00	103,45
01.05	67,20	118,50	104,00
08.05	-	-	105,25
29.05	66,40	117,25	104,00
12.06	67,00	117,75	104,40
03.07	67,15	118,00	104,20
10.07	67,15	118,25	104,20
12.07	67,20	119,00	104,30
21.08	66,50	117,25	103,20
18.09	67,10	118,00	103,25
20.11	67,00	-	-
27.11	67,10	116,00	103,00
06.12	67,10	116,50	103,40
18.12	67,15	118,00	105,00
26.12	67,20	118,50	105,00

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