

RAYMOND DE ROOVER ON THE BANKERS OF MEDIAEVAL BRUGES¹

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Every scholar interested in mediaeval financial history is familiar with the work of the Belgian-American bank historian Raymond de Roover. His influential monograph on the Bruges banking system is now 70 years old, but is still cited regularly and still comes up in discussions. In this brief overview, I will discuss De Roover's contribution to the history of banking and credit in Bruges and Europe and examine what has happened to his intellectual legacy since his death. First, however, I would like to place the topic in a broader context of an important trading city which was the commercial capital of Northwestern Europe in the late Middle Ages.

1. The Bruges Economic Context

Bruges' direct connection to the Zwin estuary and, via the Zwin, to the North Sea, dates only from the 12th century, the result of the latest in a long series of flood events (1134). The prosperity of Bruges as a commercial metropolis was based on a rather narrow navigation channel stretching a mere five kilometers. That prosperity grew gradually over the ensuing decades, and by 1300 the city had achieved the peak of its territorial expansion.² At that time, it was able to benefit to the full from the far-reaching restructuring of mediaeval trade in Europe, with overland trade gradually making way for trade via Europe's great sea routes. The assumption today is that these new routes from the Mediterranean, across the Atlantic Ocean and via the North Sea to the Baltic were able to flourish as a direct result of the collapse of overland trade. The ravages of war in the Mediterranean and France between 1280 and 1290 pushed up transport and transactions costs alarmingly, prompting many merchants from the end of the 13th century to look for alternatives to what had now become the very unsafe traditional routes to and through the Champagne fairs.³

- 1 I am indebted to prof. Werner De Bondt (Chicago), prof. Richard Goldthwaite (Baltimore, Maryland) and prof. Marco Spallanzani (Florence) for their assistance with the photos.
- 2 James M. Murray, *Bruges, Cradle of Capitalism, 1280–1390*, Cambridge 2005, pp. 29–31, 81.
- 3 John H. Munro, 'The 'New Institutional Economics' and the Changing Fortunes of Fairs in Medieval and Early Modern Europe: the Textile Trades, Warfare, and Transaction Costs, in: *Vierteljahrschrift für Sozial- und Wirtschaftsgeschichte* 88/1, 2001, pp. 3–26.

Those alternatives were available, partly thanks to the direct sea link which was created at the end of the 13th century between the Italian merchant cities and the ports on the North Sea coast.⁴ Bruges had the good fortune to lie on the routes taken by the Italian ships past Gibraltar to the north. The Genoese were the first to steer their galleys to the North Sea, in 1274, with their first ship arriving in Bruges in the spring of 1277. Around three decades later, Venetian galleys also found their way to Bruges, later followed by ships from Florence, Pisa, and several other Tuscan cities. The cargoes carried by these ships were expensive and exquisite products which the Italians bought or traded in and around the Mediterranean and Black Sea regions, but also goods from the Middle East, Asia Minor, and North Africa (paper, glass, perfumes, southern fruits, wine, pearls, ivory, alum, dyes, silk, gold brocade, spices, etc.). This merchandise was supplemented with whatever the Italians were able to acquire during their voyages round the Iberian Peninsula (leather from Córdoba, maps from Barcelona, soap and earthenware from Valencia, wool from Castile) and the Atlantic coast of France (grain, wine, salt, etc.).⁵ In the 14th century, Italian merchants in Bruges organised themselves into ‘nations’ (*nationes*), including those of Florence, Genoa, Lucca, Milan, and Venice, and for a short time possibly also Bologna, Como, Piacenza, Pisa, and Siena.⁶

However important they may have been, these Italian merchants were by no means the only foreign presence in Bruges. Since the early 13th century, the English, Catalans, Portuguese, French, and especially representatives of the Hanseatic towns of Germany, the Baltic and Scandinavia had all made their way to the city. England had traditionally maintained close political and economic ties with Flanders. Apart from tin, lead, ale, cheese, and grain, above all of course the English shipped the finest wool in the world to Bruges⁷, and Bruges actually became the English wool staple on the continent between 1325 and 1326, and again between 1340–1348 and 1349–1353.⁸ Although direct competitors of the Italian merchants, merchants from Barcelona succeeded in developing a strong trading relationship with Bruges. As early as 1330, supported by the King of Aragon, they acquired their own consulate

- 4 Erik Aerts, Long Distance Trade before 1500, in: Joel Mokyr (ed.), *The Oxford Encyclopedia of Economic History*, vol. 3, Oxford 2003, pp. 358–362.
- 5 Peter Stabel / Jeroen Puttevils / Jan Dumolyn / Bart Lambert / James M. Murray / Guy Dupont, Production, Markets and Socio-Economic Structures II: c. 1320–ca. 1500, in: Andrew Brown / Jan Dumolyn (eds.), *Medieval Bruges, c. 850–1550*, Cambridge 2018, pp. 197–267, here p. 203.
- 6 Johan Braekevelt, *Entre profit et dommage: présence et privilèges de la nation génoise à Bruges sous les ducs de Bourgogne (1384–1477)*, in: *Publications du Centre Européen d’Etudes Bourguignonnes* 55, 2015, pp. 117–129, here p. 119; Laura Galoppini, *Mercanti toscani e Bruges nel tardo Medioevo*, Pisa 2009, p. 224.
- 7 Patricia Carson, Bruges and the British Isles, in: Valentin Vermeersch (ed.), *Bruges and Europe*, Antwerp 1992, pp. 128–145, here pp. 129–132.
- 8 David Nicholas, English Trade at Bruges in the last Years of Edward III, in: *Journal of Medieval History* 5/1, 1979, pp. 23–61, here p. 23. Eventually, in 1363, the port of Calais was chosen as a compulsory staple for the English wool export, but Bruges remained an important market for English wool afterwards (Murray, *Bruges, Cradle*, pp. 273–276).

in the city (*Consolat de Mar*).⁹ Spanish merino wool, in particular, would become a very important part of the ‘new drapery’ of Flanders.¹⁰ In the 14th century, Bruges welcomed goods from Portugal, mostly via Italian merchants; these were mainly agricultural products (figs, raisins, olives, oil, wine, as well as salt, honey, and wax), but in the next century Portugal sent its own ships carrying cargoes of colonial goods such as sugar, spices, and ivory.¹¹ Although French merchants had no official organisation in Bruges, they still imported wine and salt into the city.¹² Hanseats had been present in Bruges since as early as 1200, but their golden age there was between 1350 and 1450, when they enjoyed extensive trading privileges.¹³ Bruges itself was not a Hanseatic town, and geographically lay even outside the Hanseatic territory. However, like London, Bergen, and Novgorod, it was one of the most important seats (*Kontore*) outside that territory. Hanseatic imports consisted principally of primary commodities and agricultural products such as iron and copper ores, grain, timber, fish, beer, honey, and salt, though furs and skins, wax and amber were also eagerly snapped up on the Bruges market. Although relations between Bruges and the Hanseats were a concatenation of conflicts, in the middle of the 14th century the great Hanseatic League was nonetheless “of the very greatest importance for Bruges”.¹⁴

Offsetting these imports, Bruges was a source of very diverse exports. Apart from all kinds of cloths and other woollen fabrics, hoods, gloves, carpets, jewellery, precious metalwork, and weapons were also exported. Naturally, there was also a great deal of re-export. Many products from Northern Europe which were brought to Bruges by the Hanseats were of interest to merchants from the South, while their own merchandise found its way to Northern, Central and Eastern Europe. Broadly speaking, the balance of trade between Bruges and its Italian partners was in deficit.¹⁵ This deficit had to be paid using bills of exchange or in hard cash. Particularly in the autumn, when the Italian galleys carried a great deal of precious metal in addition to their return cargoes, the Bruges money market was under great pressure and characterised by a general tightness (*strettezza*).¹⁶ Bruges’ balance of trade with

- 9 Hilario Casado Alonso, Bruges, centre d’échanges avec l’Espagne, in: André Vandewalle (ed.), *Les marchands de la Hanse et la banque des Médicis. Bruges, marché d’échanges culturels en Europe*, Oostkamp 2002, pp. 51–57, here p. 51.
- 10 John Munro, Spanish merino wools and the nouvelles draperies: an industrial transformation in the late medieval Low Countries, in: *The Economic History Review* 58/3, 2005, pp. 431–484, here pp. 455–461.
- 11 Jacques Paviot, Bruges et le Portugal, in: Vandewalle (ed.), *Les marchands de la Hanse*, pp. 45–50, here p. 45; André Vandewalle, Bruges and the Iberian Peninsula, in: Vermeersch (ed.), *Bruges and Europe*, pp. 158–181, here p. 163.
- 12 Wim Blockmans, Bruges and France, in: *Ibid.*, pp. 206–223, here pp. 219f.
- 13 Werner Paravicini, Bruges and Germany, in: *Ibid.*, pp. 98–127, here p. 100.
- 14 Murray, *Bruges, Cradle*, p. 221.
- 15 Raymond de Roover, La balance commerciale entre les Pays-Bas et l’Italie au quinzième siècle, in: *Revue belge de philologie et d’histoire* 37, 1959, pp. 374–386.
- 16 Erik Aerts, La lettre de change sur la place financière de Bruges à la fin du Moyen Age, in: Geert De Clercq (ed.), *À la bourse. Histoire du marché des valeurs en Belgique de 1300 à 1990*, Paris / Louvain-la-Neuve 1992, pp. 33–47, here p. 43.

the Spanish world, and especially Catalonia, was probably positive, and these positive balances could be used to meet the Italian claims.¹⁷ As the hub of a hectic international trade network and a node in a dynamic commercial chain linking together several different cities, according to James Murray Bruges actually grew into the first ‘network’ city in European economic history.¹⁸ In around 1340, the city had up to at least 46,000, possibly even 57,000 inhabitants,¹⁹ roughly a fifth of whom earned their living from commerce and the money market.²⁰ Even after the infamous pandemic of the Black Death swept through in 1349, the size of the population remained fairly constant. At the end of the 14th century, Bruges numbered around 37,000 souls. Of these, between 5% and easily 10% lived in dire poverty.²¹

Contemporaries barely noticed these dark stains on an otherwise brilliant colour palette. Their eyes were fixed mainly on the conspicuous presence of many foreign merchants and exotic products. No precise figures are available for the 14th century, but around the middle of the 15th century – out of a population of between 40,000 and 45,000 – there were some 400 foreign merchants in the city. Of these, at least 150 were Italians and some 140 Hanseats.²² The number of these foreigners with their families easily swelled to 2,000 individuals in the summer.²³ This is of course

- 17 As Jean-François Bergier already noted in a book review in *Speculum. A Journal of Medieval Studies* 47/4, 1972, p. 758. See also Francesco Guidi Bruscoli, *Trade with Northern Europe*, in: Giampiero Nigro (ed.), *Francesco di Marco Datini. The Man – the Merchant*, Florence 2010, pp. 395–417, here p. 413; Idem / James L. Bolton, *The Borromei Bank Research Project*, in: Lawrin Armstrong / Ivana Elbl / Martin M. Elbl (eds.), *Money, Market and Trade in Late Medieval Europe. Essays in Honour of John H.A. Munro*, Leiden 2007, pp. 460–488, here pp. 467, 469; Peter Spufford, *Power and Profit. The merchant in medieval Europe*, London 2006, pp. 351f.
- 18 James M. Murray, *Of Nodes and Networks: Bruges and the Infrastructure of Trade in fourteenth-century Europe*, in: Peter Stabel / Bruno Blondé / Anke Greve (eds.), *International Trade in the Low Countries (14th–16th Centuries). Merchants, Organisation, Infrastructure. Proceedings of the International Conference Ghent-Antwerp, 12th-13th January 1997*, Leuven / Apeldoorn 2000, pp. 1–14; Idem, *Bruges, Cradle*, p. 219.
- 19 Older population figures have been revised by Stabel / Puttevils / Dumolyn / Lambert / Murray / Dupont, *Production, Markets*, pp. 236f., who for the late 13th century even suggest a number of around 60,000.
- 20 Ingrid De Meyer, *De sociale structuren te Brugge in de 14e eeuw*, in: Wim Blockmans et al. (eds.), *Studiën betreffende de sociale structuren te Brugge, Kortrijk en Gent in de 14e en 15e eeuw*, Heule 1971, pp. 9–78, here p. 27; Stabel / Puttevils / Dumolyn / Lambert / Murray / Dupont, *Production, Markets*, p. 235.
- 21 Murray, *Bruges, Cradle*, pp. 88, 91.
- 22 *Ibid.*, p. 95; Oscar Gelderblom, *The Decline of Fairs and Merchant Guilds in the Low Countries, 1250–1650*, in: *Jaarboek voor Middeleeuwse Geschiedenis* 7, 2004, pp. 199–238, here p. 205, table 1.
- 23 Jan Dumolyn, *Population et structures professionnelles à Bruges aux XIV^e et XV^e siècles*, in: *Revue du Nord* 81/329, 1999, pp. 43–64, here p. 46, note 17; Jos Marechal, *Europese aanwezigheid te Brugge. De vreemde kolonies (XIVde–XIXde eeuw)*, Bruges 1985; Peter Stabel, *Les marchands dans la ville*, in: André Vandewalle (ed.), *Les marchands de la Hanse et la banque des Médicis. Bruges, marché d’échanges culturels en Europe*, Oostkamp 2002, pp. 85–96, here p. 86.

a very minimal estimate; recent research suggests that 15–20% of the Bruges population originated from a different language region.²⁴ The Florentine Francesco Balducci Pegolotti wrote as early as the start of the 14th century that Bruges was far and away the most important city in Flanders “pero ch’ella a quella terra ove più stanno i risedenti mercatanti a fare la mercatantia e cambi”.²⁵ Around 1369 Bruges was referred to as “une des meilleurs villes marchandes qui soit en Chrestienté”.²⁶

2. Raymond de Roover, from Accountant to Bank Historian

Asserting that Raymond de Roover was aware of this spectacle of frenzied activity from the specialist literature when he took his first tentative steps on the historical path would be to do a disservice to the truth. At the end of the ‘Roaring Twenties’, the economic history of mediaeval Bruges was still largely unwritten. After graduating in commercial and financial sciences from the Saint-Ignace College in Antwerp, De Roover (born in Antwerp on 28 August 1904) had worked at the *Discontobank* and in the Sequestration department. Thereafter he had progressed to the post of section head (*chef de service*) at the *Agence Maritime Internationale*, a subsidiary of an important Antwerp shipping company.²⁷ As an accountant, however, he was interested in the history of his profession and, in his own words, had “for some time (...) been interested in the history of accounting”.²⁸ After a disappointing exploration of the Antwerp City Archives, where he discovered that no mediaeval trading accounts had been preserved, he found his way to Bruges, the city whose

24 Peter Stabel, *De gewenste vreemdeling. Italiaanse kooplieden en stedelijke maatschappij in het laat-middeleeuws Brugge*, in: *Jaarboek voor Middeleeuwse Geschiedenis* 4, 2001, pp. 189–221, here p. 190.

25 Giovanna Petti Balbi, *Bruges, port des Italiens*, in: Vandewalle (ed.), *Les marchands de la Hanse*, pp. 58–63, here p. 59; Murray, *Bruges, Cradle*, p. 216; Stabel, *De gewenste*, p. 195.

26 Murray, *Bruges, Cradle*, p. 1.

27 More biographical information is given by Henry L.V. de Groote, *Belangstellenden in de geschiedenis van het boekhouden te Antwerpen tijdens de negentiende en twintigste eeuwen*, in: *Bijdragen tot de Geschiedenis* 52/3–4, 1969, pp. 212–235, here pp. 223–226; Idem, *In memoriam Prof. Dr. Raymond de Roover*, in: *Bijdragen tot de Geschiedenis* 56/3–4, 1973, pp. 311–314; Henri Lapeyre, *In memoriam Raymond de Roover (1904–1972)*, in: *Bibliothèque d’Humanisme et Renaissance* 35/1, 1973, pp. 137f.; Jan Van Houtte, *In memoriam Prof. Raymond de Roover*, in: *Koninklijke Academie voor Wetenschappen, Letteren en Schone Kunsten van België. Jaarboek* 34, 1972, pp. 368–377; Idem, *In memoriam Prof. Dr. Raymond de Roover*, in: *Bijdragen en mededelingen betreffende de Geschiedenis der Nederlanden* 88/1, 1973, pp. 92–94; Charles Verlinden, *Roover (Raymond-Adrien-Marie De)*, in: *Biographie Nationale. Supplément*, vol. 12, Brussels 1977/78, cols. 737–740.

28 Raymond de Roover, *Money, Banking and Credit in Mediaeval Bruges. Italian Merchant-Bankers, Lombards and Money-Changers. A Study in the Origins of Banking*, Cambridge (Mass.), 1948, p. vii.

prosperity had preceded that of Antwerp. In the spring or summer²⁹ of 1929, the City Archivist Remi Armand Parmentier (1895–1960) gave him a guided tour of the rich collections of the Bruges City Archives in the rooms above the Posterijen (postal services) on Breidelstraat. Here the young Antwerp accountant found what he was looking for: the account books of two Bruges money-changers, Collaert van Marke (Collard de Marke) and Willem Ruweel (Guillaume Ruyelle), dating from the years 1366–1370, in the heart of the golden age of Bruges. In the following years, De Roover spent his holidays visiting the Archives in order to analyse the registers in minute detail.



Raymond de Roover as a young man (J.S. Guggenheim Memorial Foundation).

The discovery of those accounts marked a turning point in every respect for De Roover. Not only would it shape his scholarly and academic career, it would also prove a decisive factor in his private life. His first publications had attracted attention, among others, from Henri Pirenne. When that great Belgian historian received a visit one day in March 1935 from the American Florence Edler (* Chicago 1900 – † Florence 1987), he referred her to De Roover in Antwerp.³⁰ Edler held a doctorate from the University of Chicago on the silk industry in Lucca during the 14th

29 According to De Roover's personal recollections in May 1929, but his first visit in the register of entries in the Bruges City Archives is only recorded in August 1929 (James Murray, *Merchant Account Books in Fourteenth-Century Flanders*, in: Nils Jörn / Detlef Kattinger / Horst Wernicke (eds.), "Kopet Uns Werk by Tyden": Beiträge zur hansischen und preußischen Geschichte. Festschrift für Walter Stark zum 75. Geburtstag, Schwerin 1999, p. 28).

30 Some Belgian scholars relate the first contact between De Roover and his future wife to a common visit to the Bruges City Archives in August 1935 (see also Murray, *Merchant Account Books*, p. 28). When Florence Edler, in a letter of 14 March 1935, thanked Pirenne and his wife

and 15th centuries, and embarked on research quests in Italy, France, and Belgium on behalf of the Mediaeval Academy of America with a view to publishing a glossary of terms from the mediaeval commercial world. The meeting between Edler and De Roover resulted in a marriage in May 1936 in Westminster, London. Mrs de Roover managed to persuade her husband to begin an academic career in her home country. De Roover followed his wife to the United States in September 1936, obtained US citizenship in May 1940, and three years later obtained his doctorate from the University of Chicago. He then started a university career which took him, among other places, to New York, Illinois, and Ohio, a career crowned in 1954 with a professorship in Economics at Boston College in Massachusetts. Seven years later, he became Professor of History at Brooklyn College, at the City University of New York, an appointment which gave him greater satisfaction than his former post, reflecting the fact that over the previous 30 years the study of the economic past had fascinated him far more than the present.

For his doctorate, De Roover had drawn extensively on the notes he had made during his repeated visits to the Bruges City Archives in the years 1929–1937 to scrutinise the account books of the two Bruges money-changers. Since 1930, he had already published several articles in local journals about those accounts, but now combined his findings with material he had collected with the help of his spouse on important Italian bankers residing in Bruges. His wife's collaboration was in fact extremely important for De Roover's scholarly work. When she met her future husband, Florence Edler had already gained wide experience with Tuscan archives and had written numerous authoritative publications on the economic history of that region. She read Italian from the *trecento* and *quattrocento* extremely well, was familiar with archives and specialist literature, and had extensive contacts in the Italian historical world. In 1948, De Roover, apart from his thesis on Bruges (see next section), had also published a booklet – in reality a collected reprint of three articles – on the largest bank of the late Middle Ages, the holding company owned by the Medici family. The assistance of Mrs de Roover proved to be of crucial importance in the process of research and editing.³¹ Her collaboration became even more valuable a year later in Florence when, after being tipped by Professor Federigo Melis, she discovered large quantities of Medici archives which had not or barely been catalogued and had been ignored by earlier historians. Among her finds were the bank's secret account books (*libri segreti*). The material proved to be important enough to justify a completely new and much more in-depth book

for the “delightfully intimate luncheon” at their home in Uccle a week earlier, she hoped “to organize some collaboration among some of the young historians” in Belgium for assistance with her Glossary. She did not mention the name of De Roover and apparently did not know him at that time, although she stayed in a hotel in Antwerp (Université libre de Bruxelles, Archives, Correspondance de Henri Pirenne, 026PP/01/01/029). Yet one wonders whether Edler and De Roover were in contact with each other between March and August 1935. This would certainly explain their marriage already in May 1936.

31 Raymond de Roover, *The Medici Bank. Its Organisation, Management, Operations, and Decline*, New York / London 1948, p. xv.

about the famous bank.³² When the monograph finally appeared, in 1963, De Roover paid a warm tribute to *Signora Fiorenza*, as Florence Edler was known to their Italian friends.³³ Florence Edler's influence was also clearly visible in his later major projects, such as his study on the bill of exchange³⁴ or his book on the Bruges money market.³⁵ Any evaluation and appreciation of De Roover's impressive list of publications must take into account this 'silent force'. One persistent rumour is that, from 1949, his wife even gave up all her own academic pursuits in order to offer her husband more support in his scholarly work.³⁶

Professor de Roover died unexpectedly after a severe brain haemorrhage followed by heart failure, on the morning of Tuesday, 14 March 1972 in Kings County Hospital in Brooklyn, New York.³⁷ As we have seen, he left us an impressive oeuvre, of which the commercial edition of his doctoral thesis from 1943 is of particular interest to us here.

- 32 Raymond de Roover, *Oprichting en liquidatie van het Brugse filiaal van het bankiershuis der Medici*, in: *Mededelingen van de Koninklijke Vlaamse Academie voor Wetenschappen, Letteren en Schone Kunsten van België. Klasse der Letteren* 15/7, 1953, pp. 3–15, here pp. 3f.
- 33 Raymond de Roover, *The Rise and Decline of the Medici Bank 1397–1494*, paperback reprint, Washington (DC) 1999, pp. viii, xii. See also Hermann Kellenbenz, *Medicibank und Banchieri*, in: *Vierteljahrschrift für Sozial- und Wirtschaftsgeschichte* 55, 1968, pp. 373–389, here p. 373.
- 34 Raymond de Roover, *L'évolution de la lettre de change XIV^e–XVIII^e siècles*, Paris 1953, p. 9.
- 35 Idem, *The Bruges Money Market around 1400*, Brussels 1968, p. 6. See already his *Money, Banking and Credit*, p. viii.
- 36 As, for example, one might read in the reprint of her study of the silk industry in Florence: "rinunciò a qualsiasi incarico accademico per poter aiutare il marito nelle sue ricerche" (Richard Goldthwaite, *Nota biografica*, in: Sergio Tognetti (ed.), *Florence Edler. L'arte della seta a Firenze nei secoli XIV e XV*, Florence 1999, pp. xv–xxiii, here p. xv).
- 37 Van Houtte, *In memoriam*, p. 368 has claimed twice that De Roover died on 18 March, and several Belgian obituaries followed his line. However, that was the day of the solemn funeral in Brooklyn (*New York Times*, 16 March 1972, p. 50; Pearl Kibre, *Recent deaths. Raymond de Roover*, in: *The American Historical Review* 77/4, 1972, p. 1202). In accordance with De Roover's last wishes, his ashes were buried in the Schoonselhof in Antwerp on 3 July 1972. The grave had a 15-year concession in his wife's name, but the concession was not renewed after her death, and the grave therefore no longer exists. Following the death of her husband, Florence de Roover-Edler moved to Italy permanently, dying on 6 September 1987 in Florence, where her ashes were placed in the atmospheric, contemplative Cimitero Evangelico degli Allori on Via Senese.



Raymond de Roover delivering a lecture in Prato. His wife Florence Edler is in the audience.

3. Banks and Credit in Bruges according to Raymond de Roover

Raymond de Roover's doctoral thesis appeared in 1948 under the title *Money, Banking and Credit in Medieval Bruges*.³⁸ The starting point for this weighty tome was a small collection of business records labelled as “merchant's books” (*koopmansboeken*) in the Bruges City Archives. De Roover (as well as later historians) systematically described these as “account books” or “livres de comptes”, but in reality they most closely resemble a mix of journals and ledgers in a present-day accounting system.³⁹ These account books of two Bruges money-changers, Collaert van Marke and Guillaume Ruyelle (or Willem Ruweel), dating from the years 1366–1370, were supplemented with the rich archives of Italian banks in places

38 De Roover, *Money, Banking and Credit*. This book was reprinted in 1999 by Routledge (*The Emergence of International Business, 1200–1800*, 2).

39 De Roover published several articles on these account books in 1930, 1934 and 1938 (see the overview in Julius Kirshner, *Bibliography. Publications of Raymond de Roover*, in: Idem (ed.), *Business, Banking, and Economic Thought. Late Medieval and Early Modern Europe. Selected Studies of Raymond de Roover*, Chicago / London 1974, pp. 367–375, here pp. 367f.), and also devoted a number of pages in his published dissertation to these documents (De Roover, *Money, Banking and Credit*, pp. 210–215), but see most recently Murray, *Merchant Account Books*, pp. 27–31.

such as Florence, Genoa, Lucca, and Prato. De Roover wanted to use these documents in the first place to supplement the classic 1943 work of the Harvard Professor Abbott Usher on the history of deposit banking in Mediterranean Europe, by adding information on the more northerly regions of Europe.⁴⁰ As the title of his thesis makes clear, the author believed that money, banking and credit could not be separated from each other. Although the mediaeval banking system significantly differed from that of today, it was much more developed than one might think. Bills of exchange and transferable deposits were a good substitute for the absence of a central bank, of negotiable credit instruments, and of the free circulation of paper money. This high degree of development was achieved thanks to the Italians, as early as the 12th century the true “pioneers of banking”. The subtitle of the book explains that there were three distinct groups involved in banking in 14th-century Bruges. At the international level, i.e. between different European exchange markets (*piazze di cambio*), were the Italian merchant-bankers who had cornered the market in the trade in bills of exchange. At the local level there were the native money-changers, who had developed the cashless deposit and transfer banking system in addition to their money-changing activities. And finally, also operating at city level, there were the Northern Italian pawnbrokers or “lombards”, who provided short-term consumer credit in return for a pledge.

The innovation in De Roover’s book relates mainly to the first two groups. For the pawnbrokers or “lombards” from Asti and Chieri, he could only make a number of minor corrections and additions to a solid book by the Belgian lawyer and legal historian Georges Bigwood (1871–1930).⁴¹ Besides, in the opinion of De Roover, “lombards” had no influence on the origins of the banking system. By contrast, the first two groups were in his view directly responsible for the birth of banking activity: the physical and manual money-changing activities (*cambium minutum*) led to the local deposit banking system, while the trade in bills of exchange (*cambium per litteras*) gave rise to international banking.⁴² The central idea in the thesis is accordingly that “all banking apparently developed out of exchange transactions”.⁴³ For centuries, *fare il cambio* and *fare il banco* were so closely intertwined as to be virtual synonyms.⁴⁴

The 15 or 16 money-changers in Bruges were local, well-to-do burghers who in the first place, of course, did what their name suggested: they changed domestic

40 Only the volume on the history of banking in Catalonia between 1240–1723 was published, while the next volume on Italy never appeared (Erik Aerts, Usher, A.P., American economic historian, in: Joel Mokyr (ed.), *The Oxford Encyclopedia of Economic History*, vol. 5, Oxford 2003, pp. 182–184, here p. 182).

41 Georges Bigwood, *Le régime juridique et économique du commerce de l’argent dans la Belgique du Moyen Age*, 2 vols., Brussels 1921/22.

42 De Roover, *Money, Banking and Credit*, pp. 346, 348, 354.

43 *Ibid.*, pp. 311, 205.

44 *Idem*, *The Medici Bank*, p. 31; *Idem*, *Le rôle des Italiens dans la formation de la banque moderne*, in: *La Revue de la Banque* 16, 1952, pp. 640–663, here p. 649; *Idem*, *L’évolution de la lettre*, p. 25; *Idem*, *The Rise and Decline*, p. 108.

and foreign coins in their shops or street stalls. Closely related to this, they supplied precious metal to the mint workshops and removed worn-out or prohibited coins from circulation. On the margins of their money-changing activity, however, they had also developed banking activities.⁴⁵ They accepted deposits, efficiently carried out transfers between account-holders, including at other banks, arranged for bilateral clearing with their fellow money-changers of transfers, and applied the fractional reserve principle whereby their cash reserve represented only a proportion of their liabilities to depositors. They invested the funds released as silent partners in commercial and industrial transactions, for example in the cloth industry, but also used them to pay small advances to good customers on their current accounts. Unfortunately, the money-changers paid too little attention in their investments to sufficient diversification of risk. Together with their often narrow solvency and liquidity base and the absence of a central bank or institutes and facilities for rediscounting, this meant that *bancarotte* were all too common.⁴⁶ Yet De Roover's evaluation of the money-changers as bankers was positive: they mobilised money in a society that was constantly short of cash⁴⁷ and, he argued, their money-creating function substantially expanded the amount of coinage in circulation, an important factor in a period regularly plagued by a severe 'monetary famine'.⁴⁸

Alongside – or, according to De Roover, more accurately above – their local money-changer colleagues were the extensive family and dynastic networks of the Italian merchant-bankers. These were in reality major firms or cross-border companies, euphorically described by historians as “super-companies”⁴⁹, though they were by no means comparable to the gigantic multinationals of today, if only because of their limited scale. The *compagnie* had their headquarters in one or another Italian city, but also employed shareholding partners or salaried office-holders in branches outside Italy. Their preference was mainly for cities where a major money market existed, as well as an active trade in bills of exchange. In the late Middle Ages, such money markets were present in Italian centres such as Bologna, Florence, Genoa, Lucca, Milan, Naples, Palermo, Pisa, Rome, Siena, and Venice, as well as outside Italy, for example in Avignon, Barcelona, London, Montpellier, Paris (replaced by Geneva after 1410 and around 1465 by Lyon), Palma de Majorca,

45 According to De Roover, *Money, Banking and Credit*, pp. 202f. and especially p. 249, this was the case from the late 13th century or about 1300. Murray, *Bruges, Cradle*, pp. 153–155 specifies the origins of these banking functions between 1302 and 1309.

46 De Roover, *Money, Banking and Credit*, pp. 203f., 210, 247, 256–259, 261f., 272–276, 310f., 317.

47 Raymond de Roover, *Early Banking before 1500 and the Development of Capitalism*, in: *International Review of the History of Banking* 4, 1971, pp. 1–16, here p. 16.

48 Erik Aerts, *The European monetary famine of the late middle ages and the bank of San Giorgio in Genoa*, in: Giuseppe Felloni (ed.), *La Casa di San Giorgio: il potere del credito*, Genoa 2006, pp. 27–62, here pp. 34f.

49 Edwin S. Hunt, *The Medieval Super-Companies. A Study of the Peruzzi Company of Florence*, Cambridge 1994; Idem / James M. Murray, *A History of Business in Medieval Europe, 1200–1550*, Cambridge 1999, p. 102.

Seville, and Valencia.⁵⁰ In Northwestern Europe, however, the most important money market, or *piazza di cambio*, was Bruges.⁵¹ It was here that the exchange rates were listed in the stock exchange on and around the Beursplein for a number of other cities, including Barcelona, Genoa, London, Paris, and Venice, and sometimes even for Florence, Lucca, Montpellier, and Pisa.⁵² Protagonists on the market were merchants who traded physical goods, but who eagerly bought or sold bills of exchange as well and were therefore also known as *banchieri*. In fact, trade was actually the most important activity of these merchant-bankers⁵³, but for De Roover it was their banking activity on the Bruges money market which drew all his attention.⁵⁴ He argued that the principal instrument used in their credit operations was the bill of exchange, a non-negotiable or discountable payment order which fulfilled not just a transfer function, but also a credit function and an exchange function. De Roover was convinced that these latter two functions were the most important. Bills of exchange were above all a financial instrument used to speculate on the money market and to lend money for the short term⁵⁵, rather than a means of moving money between different cities without having to physically transport actual coinage. According to him, bills of exchange which were used purely as a means of payment for commercial transactions, were “tout simplement, de la haute fantaisie”.⁵⁶ All in all, Raymond de Roover saw close correspondences between the progressive Mediterranean region (Catalonia and Italy) and the Venice of the North. This progressive axis stood in stark contrast to major regions of Eastern, Central, and Northern Europe, and even England and France, where “banking had not yet taken root or was still something exotic”.⁵⁷

50 De Roover, *Early Banking*, p. 7.

51 Idem, *Money, Banking and Credit*, p. 55.

52 Idem, *The Bruges Money Market*; Idem, *Renseignements complémentaires sur le marché monétaire à Bruges au XIV^e et au XV^e siècle*, in: *Annales de la Société d’Emulation de Bruges* 109, 1972, pp. 51–91.

53 “Il fondamento nostro è sulla merchatantia” states a letter from Tommaso Portinari, manager of the Medici bank in Bruges on 14 May 1464 (Armand Grunzweig, *Correspondance de la filiale de Bruges des Medici*, vol. 1, Brussels 1931, p. 131).

54 De Roover, *Money, Banking and Credit*, pp. 89–91.

55 “La lettre de change et son antécédent [...] étaient, avant tout, des instruments de crédit” and “la lettre de change a été l’instrument dont les banquiers se sont servis, de préférence, pour accorder aux marchands du crédit à court terme” (De Roover, *La lettre de change*, pp. 12f., 17). In the same sense Idem, *Early Banking*, p. 8. See also Karl F. Helleiner, *Medieval Money Dealers*, in: *The Canadian Journal of Economics and Political Science* 16/2, 1950, pp. 242–247, here p. 243 (“exchange deals were credit transactions first and foremost”).

56 De Roover, *La lettre de change*, p. 62.

57 Idem, *Money, Banking and Credit*, p. 347.



Raymond de Roover behind the microphone talking to Fernand Braudel in Prato (Italy).

4. Legacy between Admiration and Criticism

From the moment of its publication, De Roover's clearly written doctoral thesis with its very direct, affirmative, self-aware style and often even apodictic tone was received with admiration.⁵⁸ The Gent mediaevalist Hans Van Werveke ventured to call it "een nieuwe mijlpaal voor de geschiedenis van de middeleeuwse geldhandel in de zuidelijke Nederlanden" ("a new milestone in the history of the mediaeval money business in the Southern Netherlands"). His Leuven colleague and expert on mediaeval Bruges, Jan Arthur Van Houtte, went a step further and described it as "une contribution de toute première valeur à notre histoire économique; ce qui plus est, il est appelé à devenir l'une des pierres angulaires dans l'édifice de l'histoire financière de l'Europe à la fin du moyen âge". Yves Renouard called the study "un des classiques de l'érudition".⁵⁹ Years later, Richard Goldthwaite referred to it as

58 See, for example, the book reviews by (in alphabetical order of the reviewer): Bernard W. Dempsey in: *Journal of Political Economy* 57/4, 1949, pp. 357f.; Edmund B. Fryde in: *The English Historical Review* 65/254, 1950, pp. 111–114; Jan Arthur Van Houtte in: *Belgisch Tijdschrift voor Filologie en Geschiedenis* 28, 1950, pp. 1321–1328; Hans Van Werveke in: *Bijdragen voor de Geschiedenis der Nederlanden* 4, 1949, pp. 145–148; Charles Verlinden in: *Le Moyen Age* 57, 1951, pp. 418–422.

59 Yves Renouard, *Finances et financiers dans la Bruges médiévale*, in: *Annales É.S.C.* 5, 1950, pp. 253–259, here p. 253.

“a standard introduction to the whole subject”.⁶⁰ There was praise for the enormous erudition of the author, his technical knowledge of a complex subject and, not least, “la maestría en la utilización de las fuentes”⁶¹, in other words, his mastery over often impenetrable source material. But there were also critical voices.⁶²

The first of these related to the representativeness of De Roover’s documentation, and in particular his generalisation of the findings. De Roover drew fulsome praise for the fact that he had viewed the object of his study with a true accountant’s eye,⁶³ at the same time, he was accused of staring at the business of finance in late mediaeval Bruges through a “magnifying glass”, as it were.⁶⁴ In his enthusiastic description, De Roover created the impression that almost everyone in Bruges, and in fact all cities of any importance, held large deposits with local money-changers/bankers. The reality was less modern, not only outside Bruges, but also within its walls. A more recent analysis of the account books of Collaert van Marke and Guillaume Ruyelle showed that any number of Bruges inhabitants, even lowly weavers and building labourers, regularly used the services of the money-changers. The latter had taken on the custom of paying the wages, using the deposits lodged with them by the wealthy employers or clients of those weavers and builders. However, the number of deposits was actually fairly low (less than a hundred per money-changer), and moreover came only from important foreign merchants plus a few well-to-do city brokers, industrial entrepreneurs, and institutions. Many of the items in the accounts were of very short duration, sometimes just a few days. In other words, it seems as if the majority of Bruges citizens saw the money-changers more as paying agents. Only a small, financially powerful elite amounting to no more

60 Richard Goldthwaite, Raymond de Roover on Late Medieval and Early Modern Economic History, in: Julius Kirshner (ed.), *Business, Banking, and Economic Thought. Late Medieval and Early Modern Europe. Selected Studies of Raymond de Roover*, Chicago / London 1974, pp. 3–14, here p. 6.

61 Ramón Carande, Comercio, banca y crédito medievales según De Roover, in: *Moneda y Crédito. Revista de Economía* 40, 1952, pp. 9–23, here p. 22.

62 Interesting are the following review articles: Thomas W. Blomquist, De Roover on Business, Banking, and Economic Thought, in: *Journal of Economic History* 35/4, 1975, pp. 821–830; Carande, Comercio, banca y crédito, pp. 9–23; Karl F. Helleiner, Medieval Money Dealers, in: *The Canadian Journal of Economics and Political Science* 16/2, 1950, pp. 242–247; David Herlihy, Raymond de Roover, *Historian of Mercantile Capitalism*, in: *Journal of European Economic History* 1, 1972, pp. 755–762 (an excellent review); Goldthwaite, Raymond de Roover, pp. 3–14; Henri Lapeyre, L’œuvre de Raymond de Roover, in: *Revue d’histoire économique et sociale* 53/2–3, 1975, pp. 412–424 (less critical); Yves Renouard, Le commerce de l’argent au Moyen Age d’après deux livres récents, in: *Revue Historique* 203/1, 1950, pp. 41–52; Idem, *Finances et financiers*, pp. 253–259.

63 De Roover was called “a professional accountant” as late as 1937 (*The Accounting Review* 12/3, 1937, p. 208).

64 Johannes Gerard Van Dillen, Bankiers te Brugge, in: *Tijdschrift voor Geschiedenis* 66, 1953, pp. 235–242, here p. 242.

than ten percent of the population held accounts and deposits or used the money-changers to trade coins and bullion.⁶⁵

So focused was De Roover on the money-changers that he failed to see how another, much larger section of the population, the innkeepers or hostellers (*herbergiers*), had successfully turned their hand to banking.⁶⁶ Dozens of hostellers held accounts with the money-changers, received deposits, and lent money to their customers.⁶⁷ Outside Bruges, the money-changers had much less of an active presence in the Southern Netherlands.⁶⁸ In Gent, despite its greater size, a much smaller number of money-changers performed the same functions as those in Bruges, but exclusively with wealthy citizens as account-holders. Innkeepers were active as deposit bankers in the city of Artevelde as well.⁶⁹ Outside the county of Flanders, in the nearby duchy of Brabant or in the region around the River Meuse, the money-changers were simply cashiers who raised money from a few well-to-do clients and used these deposits to make payments for these clients. No traces here of transfers, bilateral clearing between banks, and cashless money creation.⁷⁰ De Roover's grand theory that Bruges, and by extension all urban money-changers with their *moneta di banco*, helped counter the 14th-century monetary scarcity consequently appears exaggerated and appears to hold true only for a financial elite in the most progressive cities.⁷¹ On the other hand, it is true that precisely this segment of society was

65 Murray, Bruges, Cradle, pp. 166–170, 176–177; Van Dillen, Bankiers te Brugge, p. 237.

66 Anke Greve, Herberge, Wirte und Handel in Brügge im Spätmittelalter, in: Rolf Hammel-Kiesow (ed.), Vergleichende Ansätze in der hansischen Geschichtsforschung, Trier 2002, pp. 223–237; Idem, Hansische Kaufleute, Hosteliers und Herbergen im Brügge des 14. und 15. Jahrhunderts, Frankfurt/Main 2011; Stabel / Puttevels / Dumolyn / Lambert / Murray / Dupont, Production, Markets, pp. 205–210.

67 Murray, Bruges, Cradle, pp. 210–212.

68 Wim Blockmans, Handelstechniken in Flandern und Brabant im Vergleich mit denjenigen der Hanse, 14.–15. Jahrhundert, in: Klaus Friedland (ed.), Brügge-Colloquium des Hansischen Geschichtsvereins 26.–29. Mai 1988. Referate und Diskussionen, Cologne / Vienna 1990, pp. 25–32, here pp. 26–30.

69 David Nicholas, The Metamorphosis of a Medieval City. Ghent in the Age of the Arteveldes 1302–1390, Leiden, 1987, pp. 129, 144.

70 Jean-Paul Peeters, Het geld- en kredietwezen in de laat-middeleeuwse stad Tienen: joden, lombarden, wisselaars en muntcirculatie, in: Eigen Schoon en de Brabander 90, 2007, pp. 235–244, here pp. 239–244; Raymond Van Uytven, Stadsfinanciën en stadseconomie te Leuven van de XIIe tot het einde van de XVIe eeuw, Brussels 1961, pp. 458f.; Els Vercouteren, De geldwisselaars in Brabant (1430–1506): een bijdrage tot de economische geschiedenis van de Zuidelijke Nederlanden, in: Bijdragen en Mededelingen betreffende de Geschiedenis der Nederlanden 100, 1985, pp. 3–25, here pp. 8–14, 23; Jean-Marie Yante, Crédit urbain, crédit rural, crédit industriel. Le cas du Pays mosan (XIV^e–XVI^e siècles), in: Crédit et société: les sources, les techniques et les hommes (XIV^e–XVI^e s.), Neufchâtel 1999, pp. 133–150, here p. 134.

71 Aerts, The European monetary famine, pp. 45f.; Jean-Marie Yante, Les changeurs au moyen âge, in: Johan Vanheesch / Jean-Marie Yante / Hannes Lowagie (eds.), Monnaies de compte et monnaies réelles. Pays-Bas méridionaux et principauté de Liège au Moyen Âge et aux Temps modernes, Louvain-la-Neuve 2016, pp. 11–19, here pp. 15f., seems to follow the thesis of De