The commercial prowess of the sixteenth-century Genoese is summarized in the ancient epithet *Januensis ergo mercator*: a Genoese, therefore a merchant. According to their contemporaries, sixteenth-century Genoese merchants were ascribed an almost magical ability to maintain their connections with each other.¹ Fernand Braudel points us in one direction, characterizing the exchanges in Genoese trading networks as either between tight groups of family members or with “short-term associations that were rarely renewed.”² Roberto Lopez suggests another rationale. He attributes the private, self-enforcing quality of their relationships to tight professional associations between traders.³ Neither of these historians adequately examines the role of trust in Genoese merchant enterprises, however, which the phrase *Januensis ergo mercator* suggests, but does not explain.⁴

The much studied Venetian commercial world offers few insights either. Genoese merchants could not jump into high-value associations freely and easily, as the Venetians did, because the conditions under which they traded were radically different. Venetian merchants with no previous dealings with each other could share space on chartered, state-owned ships.⁵ In contrast, the Genoese had no state-run fleet and no state-issued insurance. Genoese merchants constantly worried about finding ships captained or owned by *amici* who would look after their wares.⁶ The absence of institutional buttresses is what makes the Genoese case interesting. Genoese merchants pushed the limits of their relationships by leveraging the trust built in past transactions to forge new
connections with untried traders while spreading the increased risk that this entailed.\textsuperscript{7} Traders were always on the look out among their peers to begin relationships that might bear future fruit.

The Brignole and their peers comprised the minor merchant nobility. They and the families of approximately 300 of their peers had been 'ennobled' as a part of governmental reforms enacted in 1528. Ostensibly, Andrea Doria raised the mercanti to noble status to create a unique noble class and to eliminate the internecine strife for which Genoa was so rightly famous. In reality, however, Doria and his allies, the vecchi or 'old nobility,' added the mercanti to dilute the growing influence of a second noble group great and powerful popolari, in the spheres of internal politics and international finance. Both the vecchi and the popolari were old aristocratic classes with landed holdings, the former were viscounts with estates in Liguria, the latter had held chartered trading bases in the East. Doria pressed the mercanti and the popolari together to create the nuovi or 'new nobility.'\textsuperscript{8} Before the 1580s the former mercanti were not wealthy enough nor connected enough to enter the rarefied and highly remunerative world of international finance. After 1578 the political environment in Genoa would change, opening new vistas and new opportunities. In the meantime, they were relegated to the world of commodities in which they dealt cooperatively with their middling peers. None of the families in the Brignole’s class were large enough or had enough reach to operate independently in the commercial world of the western Mediterranean.\textsuperscript{9} The Brignole’s business network consisted of a great many acquaintances and a few close partnerships. The Brignole formed short-lived joint ventures with their contemporaries trading mostly in southern grain, sugar, raw silk, Spanish wool, and finished textiles. Contrary to Braudel's observations, these short-lived ventures were quite often repeated. The
Brignole's businesses and their opportunities evolved contemporaneously with the general evolution of Genoese business. They followed a path familiar to all other members of Genoa’s rising new mercantile nobility, many of whom had accounts receivable and payable with the Brignole. Their ledgers and letter registers provide a privileged view of the "Genoese century" and the nuts and bolts of its internal mechanisms. For these reasons, and the simple fact that their business papers survive, make them an ideal case study to examine the Genoese commercial world to explore how these social climbing merchant entrepreneurs interacted and to analyze the role that trust played in Genoese enterprises.

Antonio Brignole's relationship with the Genoese wool dealers Francesco and Bartolomeo Lomellini resident in Granada highlights both the complexity and necessity of trust among Genoa's merchants. The contract Antonio gave his agents required them to collect an unspecified amount money from unnamed debtors and to invest it in an unspecified amount of Granada wool. Antonio also had made an open ended offer of an unspecified amount of capital from a third party, should it be needed. Attempting to inquire how the process was going, Antonio wrote to the brothers:

We wait desiring your letters to know at what price and how the commission given to you to buy Granada wool will have been filled, that you have made use of revenues collected from debtors of resold wool, and if you need more money before you collect it, the Pallavicini of Seville can give you a provision if they have money in our name in their accounts… December 20, 157310

We can also observe that, as happened in the previous season when prices in Italy had fallen unacceptably, the wool that had been ordered might simply be resold in Spain and never be sent. Antonio would be informed only after the fact. Despite the latitude afforded by their client, the merchant and his agents were not linked by kinship to
Antonio Brignole, nor did he have any long-standing relationship with the Lomellini brothers. In fact, there was the distinct possibility that, after the conclusion of this deal, they might never do business again. Moreover, their agreement was so vague that neither party could have sued had the venture failed. There seems to be nothing to guarantee that either party would live up to its obligations. The loose nature of their relationship was not a detriment to trust, however, for each party relied on loose relationships with the other to make long-distance trade possible.

Genoese merchants employed different strategies to enforce their dealings at different stages, none of which on their own would have been enough to maintain trust and together represented just enough assurance. Nearly all of the hundreds of traders found between the covers of the Brignole’s registers and ledgers were Genoese. In some, but certainly not all of the cases, this meant that the Brignole had some familiarity with their prospective partners. With 300 noble families with more than 2000 members and a similar number of non-noble merchants active in the western basin of the Mediterranean, keeping track of them all would have been a daunting task at best. Even when Genoese traders were not on familiar terms they shared a common language and had a similar professional upbringing. Reading their correspondence that they shared a common vision and expectations. This could not have meant that the Genoese cooperated with each other out of patriotism but it did mean that their letters, filled with dense and abbreviated details, were readily received and understood.

Genoese merchants plying the trade routes in the Western Mediterranean organized themselves into networks that were self-regulating and seemingly free of competition. Traders used subtle tactics, informal partnerships, incomplete contracts, and
joint ventures to promote trust, reciprocity, and cooperation. While we might expect that merchants in such a coalition would be related to each other, or at least have an intimate acquaintance with those with whom they did business. We would expect them to broadcast any cheating to all probable future partners within the coalition so that a trader with a reputation as a cheat will face higher costs of doing business, because their future partners would employ means to protect themselves. The large number of traders active in Genoese commerce seems to preclude this kind of intimate acquaintance. In the thousands of letters preserved in the Brignole archive, there is not one that broadcasts details of a deal to anyone not already party to it. There seems to be none of the airing of dirty laundry that we often find in present-day or historical business networks.13

In the absence of intimate acquaintance or reputation, there were other strategies to foster cooperation and honesty. If traders can expect that the aggregate gains of a continued relationship would be greater than the short-term gains of cheating, then they might have reason to trust a partner about whom they knew little else. As long as they can maintain a continuous stream of deals between them, trust is maintained.14 Behavioral economics and game theory tell us, that in situations where the stream is interrupted, so is trust. The expectation that the aggregate gain holds more promise than the short-term gain breaks down. The Brignole successfully conducted both continuous long-term with intimates and non-continuous short-term trades with parties previously unknown to them. Something else must have been preserving the expectation of future gain and therefore preventing cheating.

The Brignole did not rely on love from their long-term associates, nor on the kindness of strangers, they mutually aligned their interests with their partners. With
long-term associates they employed joint ventures that allowed for increasingly
discontinuous, incomplete, and flexible contract terms and therefore more profitable
businesses. Their agent/partners resident in foreign had local privileges and knowledge,
but on their own few had the ability to buy in one local market and sell in another distant
one. Those who did would not have wasted their resources to be everywhere all the time.
The Brignole were in the business of connecting traders with complementary ones (e.g.
grain dealers in Palermo with government contractors in Florence). Traders exchanged
their local knowledge and presence for the chance to have their wares shepherded to
market cheaply and safely. Strangers were constantly on the lookout to begin one of
these relationships, acquaintances were eager to restart ones that had lapsed. It seems, in
concert with other tactics, that the expectation of future gain with someone, or anyone
even on an irregular basis, rather than a specific trader was enough to prevent cheating in
the short term and to make continuous series unnecessary to preserve trust.

There were traders who marketed their advantages on the local level and those
whose connections allowed them a more global reach. Each is dependent on the other to
trade profitably. On the local level a trader could rely on local authorities to enforce
agreements within a jurisdiction. Proficiency with local institutions was an advantage to
be marketed. Initial purchases and final sales were written in explicit terms, and
complete contracts were enforced (if need be) in local courts. It we the responsibility of
their partners living abroad to handle local jurisdictions; the Brignole, living in Genoa,
could avoid becoming involved with unfamiliar institutions altogether. In any case the
courts were never the optimum way to enforce contracts (this holds true even today).
Local traders were employed for their ability to avoid local institutions as much as for
their familiarity with them. Between distant piazze where there was no universal jurisdiction the enforcement was borne by networks. By cooperating, small time traders could join with others and link their fortunes to more successful groups of traders. Traders like the Lomellini brothers mentioned above traded their knowledge and effort on the local level for the connections and the global reach that the Brignole enjoyed. Reciprocal exchange provided a robust incentive for honesty and vigorous effort in the execution of commercial transactions. The advantage that these strategies maintained was such that the incentive to cooperate was robust enough even when conducting unique or discontinuous series of trades. Moreover, there was the expectation that trades would be discontinuous, and this presented no obstacle to trust unless it involved a trader in the same locale.

Brignole shipping agent Salvatore Quaratesi of Pisa and Livorno had committed many errors and had had a streak of bad luck in the months preceding a letter sent on September 25, 1573. The last straw was when Quaratesi failed to insure a shipment of rice that was subsequently lost at sea. Goods often went uninsured, but only when the means of transport was secure and unproblematic. “…in our rice shipped on the Rondina for England and in the leases for it, we have suffered much harm. Since we cannot turn this to our advantage, we will have to make do…”15 By delaying, Quaratesi had missed an opportunity to ship the rice with an amico at the low price of 1-1.5% of the value of the bulk goods. He took advantage of another cheap passage, but the shipment was more economical because it went uninsured. Goods often went uninsured, but only when the transport was substantial and well in order. Quaratesi sent the Brignole’s wares on a small, tattered boat that sank in a squall. In losing the shipment, the partners lost
most of the profits resulting from a chain of textile and commodities exchanges conducted over a nine-month period. As far as can be determined from the Brignole records, Quaratesi’s incompetence was not broadcast to anyone who was not directly interested in the rice shipment, but Antonio Brignole decided to fire Salvatore Quaratesi. Any firing had to be handled delicately, since changing conditions might necessitate using him in the future. Relationships, even ones that had gone bad, were too valuable to be thrown away completely. On September 25, Antonio wrote to Quaratesi: “With regard to rice we no longer have a need nor do we need soap. When you require of us something or other you have but to ask since by our hand you will receive all possible advantage…” It would be difficult to understand this letter as the firing it was if it were not for the adjoining letter to Felice Beccuto and Gugliermo Giuliani, dated the same day and copied on the same page in the same hand: “If our business, whether from Spain or Sicily, is directed there [Livorno and Pisa] or to Florence, the orders will be addressed to you and we will do likewise [with goods sent from Livorno, Pisa, or Florence] to all locales abroad, since the Sale have a share in your business, we too have a share…” Nicolò Sale was Antonio’s father-in-law, and his opinion carried a lot of weight. In this letter Antonio elevated his occasional agents to primary status and demoted his regular agent. Executing a consistent volume of business with a merchant was the outward sign of a good relationship. Since it seemed the Sale could trust Beccuto and Giuliani, the Brignole could also trust them. Antonio was careful not to burn his bridges with Quaratesi, however even while he told him that he had no more business to offer. It is impossible to know for certain if Quaratesi realized he was being fired. It is certain that Quaratesi would be ready for an opportunity to prove himself again. Antonio no longer wanted to trust Quaratesi, but he knew that there would be times when he would have no
other choice. Indeed, when changing conditions forced the Antonio to trust him, his care not to alienate his former agent worked to his benefit.

Sixteenth-century Genoese merchants did not punish sloth and malfeasance by a public airing, so perhaps Quaratesi would have been willing and able to replace what he had lost.\textsuperscript{17} He had lost much more than small commissions on Brignole shipments. He had lost the opportunity to trade his skill, knowledge, and strategic location for similar offerings among other Brignole associates such as Paolo Vincenzo Sauli in Messina or Geronimo Lomellino Chiavari in Antwerp. Not only had he lost buyers for rice and soap, but he also lost the opportunity to receive finished cloth from Flanders and Genoa in payment, and therefore lost the opportunity to send finished goods rather than cash to Sicily to buy wheat. All were lucrative businesses. As Antonio Brignole down graded one relationship he advanced another.

Antonio Brignole did not need a letter of recommendation from Nicolò Sale before he would hire a replacement in the firm of Beccuto and Giuliani. Antonio did not inquire about them in letters to Nicolò. He did not need to. The scale of the business that Nicolò had with them spoke volumes. Antonio conducted a substantial portion of his business with his father-in-law. Beccuto and Giuliani were known to Antonio through those dealings: “…since the Sale have a share in your business, we also have a share…” The Brignole had common interests with the Sale, and the Sale had common interests with Beccuto and Giuliani. The possible synergy between the three firms made Beccuto and Giuliani a made-to-measure replacement for the failed Quaratesi. Vigorous effort by Beccuto and Giuliani on behalf of the Brignole and the Sale would give them access to textiles from Antwerp, Lyon, and Marseille to Messina, Naples, and Palermo, whose
revenue would then be invested in grain, raw silk, cotton, sugar, wine, and other commodities shipped through Livorno to Genoa or Florence.

Agents like Beccuto and Giuliani thus provided essential services for their clients. They provided market intelligence, bought and sold commodities, arranged for shipping and insurance, collected debts, transferred funds when and where needed, and thereby prevented the need for a merchant to travel to a foreign city or to have permanent representatives wherever they conducted business. Not only did Genoese traders employ such agents to economize on travel costs and communicate market information, but also used them to exchange complementary activities. The agent rented out his mix of strengths and expertise that served to minimize the risks that the merchant faced far from his home market. Resident agents performed these services for a fee. In a joint venture this service was in exchange for a similar service in another locale, and for a share in the profits of both. Agents who conducted exchanges on a fee basis were anxious to convert their transient associations into a joint venture that might lead to multiple dealings in the future but that could also pay off in the short term if only in efficiency. The profits earned on commerce were relatively small compared to the risks involved. Consequently, a merchant could not maintain low enough costs to profitably conduct trade without contracting with other merchants as agents, and increasingly, as joint-venture partners.

For example, a trader who wanted to deal in Sicilian grain would have to transfer cash from Genoa to Palermo paying a fee for the transaction. Unless he wished to travel to Palermo, he would then have to employ an agent with the ability to negotiate the purchase of export licenses from the Spanish viceroy, a notoriously difficult task. With the export licenses in hand, the purchase, loading, shipping, and the insurance would
have to be arranged, all for a fee. Should conditions change rendering the wheat an untenable investment, for a fee it could be resold for other goods, but all of the fees paid on the previous transactions would be lost. Commissions and fees for services could quickly devour all potential profits unless the trader was able to link his activities with those of other traders in other locales. The potential loss of agency away from one’s home market, the risk of losing the increased flexibility, lower transaction costs, and the profit and risk sharing properties of joint ventures prevented opportunistic behavior and solved commitment problems without the need for repeated exchanges or the need for the public airing of bad behavior that would have harmed both parties.

It is commonly assumed that pre-modern merchants must have employed their relatives to avoid opportunistic behavior. Generally kinship ties are considered to be the best basis for building business relationships because of the effective bonds already in existence through blood. Common experiences, education, goals, shared property, and a common cultural vocabulary, made kith and kin may have good candidates for cooperative endeavors. I will show below how this was not always the case, but first let us consider Antonio Brignole’s father-in-law Nicolò Sale as an illustration of the potential of kin.

Nicolò Sale was based in Florence, a major hub for Brignole activity. Together, Brignole and Sale sold wool, raw silk, grain, sugar, and Flemish cloth in the Tuscan capital. Nicolò Sale did all of the selling and debt collection for their many joint ventures. One of an agent’s many duties was to collect from the buyers of those commodities after a set time, when their credit accounts were due. The following letter from Antonio Brignole and Nicolò Sale shows that Antonio’s father-in-law was no different: “…reminding you in regard to…declaring the names of the debtors and the
times in which their debts come due. It seems strange to us, seeing as you say that you have remembered to request (solicitarle) payment for those debts, that they are very mature.”  

The agent had a personal contact with local buyers, most of whom the sedentary merchant had never met. Apart from averendo al ben fidar or “reminding to trust well,” the other major theme of the Brignole’s letters, was solicitar, that is ‘requesting payment from a debtor,’ with the implication of the twisting of arms. A partner was often required to lean on debtors, acting as a collection agency. Collecting on the debts from a merchant’s past ventures was quite often a prerequisite for participation in a new joint venture. The agents the Brignole employed would never have been able to conduct commerce independently without the global reach of someone like Antonio. Both Antonio and Nicoló were relieved of the expense and rigidity of maintaining agents in all of the cities in which they had interests and could avoid the employee-employer relationship, an important fact since in one exchange Antonio was the employer and in the next he might very well be the employee.

Antonio Brignole and Nicoló Sale enjoyed a profitable association that was formalized in a marriage between Nicoló’s son and Antonio’s sister. It is dangerous, however to assume that merchants automatically made their, in-laws, siblings or cousins into partners. Rich men always have more kin by definition. Merchants might have been successful due to the availability of kin to work with them, but it is more likely that successful merchants had a steady supply of partners, cousins, in-laws and the like for whom it was convenient to form (e.g. through marriage) or press bonds of kinship (e.g. distant cousins and the like). If friends and neighbors of successful traders were not kin, they often wanted to be. Besides, who else would a successful merchant want his sister
or daughter to marry more than the son of a partner with whom he enjoyed a long-standing reciprocal relationship? Who else would he rather make his kin?

There is a wide range of situations in which kinship was not the best basis for a business relationship, for example a kinsman might not perform well, he might be incompetent and firing a relative was often a difficult if not impossible. Or one might not have the right kind of kin at the right ages. And even when a merchant did, one of the most successful ways to utilize kin may have been to send them away from the family business. Gio Domenico Peri, who wrote a widely read treatise on commercial praxis in the middle of the seventeenth century, tells us that one of the most common characteristics of the Genoese commercial world was sending boys to work in the counting houses of, and later to work as agents for merchants expressly not related by blood. He goes on to say that it was common and advisable for pairs of unrelated fathers to send their minor sons abroad together, especially on their first foreign venture, to look after each other and to form a friendship that might be the basis for common ventures in the future, as Antonio Brignole and Bartolomeo Coronata had. In fact, the best bedrock for common ventures may not have been those mechanisms that restricted activities between family members, but rather those that sought to widen the scope and reach of associates, thereby expanding their opportunities.

Genoese traders operated in an environment in which most transactions were conducted between traders with not permanent connection. Traders could market their local strengths and exchange them for those of another trader, switching between traders when convenient, without the restrictions and obligations of family. Between locations collaborators exchanged their local advantages, market knowledge, and connections. The agent had personal contacts with local buyers and sellers, the names of whom the
sedentary merchant would never know, let alone ever meet. Local agents offered these advantages to merchants like Antonio Brignole in return for connections with other associates and acquaintances across the western Mediterranean and beyond, connections that were crucial to a local agent’s success. The Brignole expected good judgment, vigorous effort, and accuracy in return for access to the markets and the capital that came with their connections. Joint ownership aside, the potential loss of connections alone was a great incentive for an agent to follow his clients’ trades energetically. Wool experts active in Granada, Toledo, and Seville had access to wool marketers in Genoa and Florence, or to Sicilian grain; dealers in finished Flemish textiles had access to markets all over the Mezzogiorno, the kingdoms of Naples and Sicily, and steady supplies of raw silk to resell in the North. At every stage of a complex series of trades, each partner was a shareowner in that leg of the commodity’s journey around Europe. The Brignole’s central position in a web of associations meant that they were part-owner of all of the commodities in each series of trades. From this position they enjoyed the flexibility to react to changing economic and political conditions. They also enjoyed the reassurance that all of their agents were working on mutually shared interests, without having to spend heavily on trust relationships and privileges in every locale, with the added benefit that whenever their capital moved from one city to another it was employed in a productive enterprise.

The joint venture was common form with which the Brignole conducted their commerce and was itself a bulwark of trust. A trader employed to acquire a quantity of goods for another was also responsible for a share of the capital and entitled to a share of the profits and a share of the advantages that each partner brought to the venture when those goods were finally sold. When the Brignole had some particular difficulty (e.g.
finding a scarce commodity or collecting on a past due account) they could employ
friends, certainly, but also friends of friends of friends etc. to help them. Traders were
continuously on the lookout to begin or to expand acquaintances that allowed them to pool
their resources across distances and across borders. Whenever Brignole associates dealt
with untried partners, whether out of necessity or in speculation, Antonio Brignole would
admonish them to trust well: Avertendo sempre al ben fidar, reminding you as always to trust well. Often the formula appeared three times in the same letter. The Brignole built
durable relationships over time beginning with small low-risk exchanges, progressively
increasing the value and complexity of their commerce. Referring to the Genoese
Braudel anthropomorphically surmised that, “the availability of such networks may help
to explain why the Mediterranean unlike the North never felt the need to set up large
combines to whom the future would belong.”

The Genoese system of joint ventures that mutually aligned their interests enabled
merchants to vastly reduce their costs over the medieval contracts of commenda and
subsequent use of foreign-resident agents. In commenda contracts the sedentary partner
provided most or all of the capital for a given venture and the traveling partner typically
earned one-quarter of the profits for his labor. Foreign-resident agents bought
commodities and sold goods, usually three to six percent. Partners in a joint venture
would perform similar services without a fee. Every member of a joint venture was a
part owner, and was therefore responsible for a share of the capital and the labor, from
which he derived a profit in proportion to his share. At every stage of the venture every
partner worked for himself and for his partners which provided a strong incentive against
sloth found neither in contracts of commenda nor foreign-resident arrangements. The
structure of joint ventures had created strong barriers to entry into commercial activities
for those who did not participate in commercial networks. For example, Antonio
Brignole informed Giulio Sale of a commission to be sent from Antwerp on September
16, 1573. He wrote:

Dearest noble brother\textsuperscript{22} we beg you with this letter, that you will have received
with the galley on which was shipped the Flemish merchandise from the
Lomellini Chiavari and in regard to which they will write to you on their own
account, that you write as soon as you know of its safe arrival. You are to receive
them and sell them at the highest profit the first third for the Lomellini Chiavari
and the other two-thirds split between us, Sir Giacobo Calvo, Gio Gentile, and us
for a quarter each, which would be one-sixth interest. Advising you that you
cannot but sell them at a good reputation [(i.e. high prices)] since the crisis in
Flanders has not for now calmed, every day their scarcity grows. Please attach
the invoices and the closed accounts from the three bales of chambray cloth and
the six bales of towels writing in regard to the costs associated with each. Use all
of your diligence to give advantage to this venture…\textsuperscript{23}

This was the first time that Giulio Sale had heard of the merchandise, of which he
was one-sixth owner. Giulio was required to contribute one-sixth part of the capital
which would eventually be deducted from his share of the proceeds from the sale.
Giulio’s job was to sell the cloth in Palermo and invest the money profitably in other
goods, loans, or exchange contracts. In return for his labor in Palermo, he enjoyed the
benefits of Geronimo Lomellini Chiavari’s purchase in Antwerp, of Giacobo Calvo and
Giovanni Gentile’s shipping and insurance and of Antonio Brignole’s banking. All of the
partners offered their share of services commission-free to the others. Antonio benefited
from agents on the spot, and his partners benefited from Antonio’s many business
associations. The profits and expenses from the enterprise were divided, as was the
capital cost, according to shares. None of the commodities purchased in the several legs
that the capital took around the Mediterranean were divided until the series of deals were
concluded. Each trader was assured that their portion got just as much attention as their
agent’s own, that is, it was impossible for six bales of wool in a thirty-six bale shipment to be separated off for special treatment by an agent with a one-sixth interest.

A primary function of the Brignole network was its capacity to transmit information between partners. “…since the noises coming out of Flanders have not for now ceased, every day their scarcity grows…” Antonio writes that since civil disturbances were continuing in Antwerp, the scarcity of Flemish goods would drive the price progressively higher. Market conditions and money supply concerns entered into the letters in equal proportions. A month earlier, on August 17, 1573, Antonio in Genoa had written to Giulio Sale in Palermo regarding the condition of that year’s grain harvest in the North--conditions that were good for northern farmers but bad for speculation in Sicilian wheat. “…in regard to grain we are waiting to know if we will have to adjust the commissions that we gave you, not electing to increase our exposure, judging great the harvest that still remains to be harvested in Maremma, and the harvest in Lombardy not being as weak as was expected…”  

Cash was even worse place to park their capital at this particular juncture. “It seems that you have delayed too long, prices having swelled with the over-abundance of coin (larghezza) that reigns, buying for cash seems of little esteem.” Antonio reminded Giulio what all good traders knew well: too much coin drives the prices of goods up, an over-abundance of any commodity drives prices down.

In order to protect its fragile gains, the partnership exchanged its scarce cloth for sugar futures and loans instead of grain and cash. “…with the over-abundance of coin we would like you to buy futures in sugar (incaparati) to have it at the next harvest for which Sale of Florence will give you commission.” They lent the remainder of the proceeds from the sales of chambray cloth and light-weight Flemish woolens to foreign merchants. These proceeds would be payable in Genoa and Florence three months later, “we do not
want you to send revenues via the exchange fair but you shall procure credits that will come via debtors’ (loans).” The Brignole eventually canceled their sugar contracts as well in favor of other safer purchases.

Attention to conditions and detail reflected the Brignole’s effort to save profits, made perhaps over several quarters, from being lost on one leg of the journey to commissions, fees, taxes, and exchange rates before they could be brought home and divided. A correction of eight pence is often in the same letter discussing a deal of thousands of écus. Attention to detail is the unifying principle and its points to the nature of the rapport between traders and not just a rather obsessively meticulous form of capitalism. A discrepancy of eight pence in thousands of écus communicates a traders commitment to his partners. Jacques Heers suggested that our obsessive attention to luxury trades has clouded our view of the sixteenth century. “When the history of not only the alum trade but also the trade in wine, grain, cotton, sugar and silk is written we will see a very different economic history of the Mediterranean world emerge in which pepper and drugs play a particularly small role.” We have been distracted by luxury trades but also large sums of money and bulk commodities alike. The economic history of the Mediterranean world that is emerging is the history of the rapport between traders, rather than the history of any specific commodity or the movement of large sums of capital: It is a history of trust.

The capacity of a coalition to transmit, and therefore prevent bad behavior is well known; its ability to cultivate good performance is less known. The merchant would eventually find out if an agent had skimmed profits by comparing the agent’s letters with market news available freely in port, ships’ manifests, insurance policies, shipping contracts, purchase orders, exchange notes, etc. that would all eventually return to the
merchant, whereby he would (politely) demand a correction of accounts. Everything was cross-checked. Information, no matter how old, revealed thieves. When thieves were visible, theft was relegated to the far side of risk. Moreover, available information eliminated the requirement that exchange be repeated. It is clear that the Brignole and their contemporaries were doing far more than fraud-prevention with their coalitions and networks. Any association into which the Brignole entered would have been able to avoid fraud; any association they stayed with would have solved specific problems they had in specific locations and times. Genoese business networks served to communicate not only that a trader was honest, but more importantly, that he was not over-extended, that he was well placed, informed, educated, attentive, had good judgment, was accurate, smart, forthcoming, loyal, and persistent, without the requirement of repetition. Genoese traders had the ability to transmit this more complex message of trustworthiness to others with whom they had yet to collaborate.

To make wise investments, the Brignole relied on the judgment of resident commodities experts like Nicolò Salvago, a Calabrian raw silk buyer based in Naples. Despite not having his prior order executed, Antonio agreed with his agent’s judgment: “it pleases us that you have thought to decline to purchase more silk judging it a venture more damaging than profitable (piú tosto impieta dannozza che di uttile).” A joint venture between partners meant that when, for whatever reason, an agent declined to purchase a commodity for himself, he also declined to make a purchase for his client. Moreover, Nicolò declined to buy silk, and informed the Brignole that he had bought unspecified ‘merchandise’ instead and without prior permission. Antonio continued: “for which you have invested the 300 ducats that you have collected from Nazelli and Ferraro in as much merchandise to bring with you to Barcelona for one-half between us
together…reminding you…in conducting such a venture, one earns what it merits.” Antonio signaled that he agreed with Nicolò’s reasoning, yet reminded him to perform: to select his wares carefully and to sell them fiercely. Nicolò collected three hundred ducats incurred in a past venture from Nazelli and Ferraro, added his own three hundred ducats, and diverted the money from silk to a joint venture in unspecified merchandise. The question that remained was how well Nicolò would put together their joint venture. Three hundred ducats would have been a modest investment. A mistake might mean that he might be kept on perpetual hold, like Quaratesi. Success could lead to a great increase in the value of the ventures he was offered, as indeed it eventually did.

Nicolò Salvago was in a position to collect on debts in Naples for other merchants. This was an important part of his comparative local advantage. Nazelli and Ferraro owed the Brignole three hundred ducats for a series of sales in raw silk and other commodities sold between Naples and Florence. Nazelli and Ferraro were instructed to make three to seven hundred ducats available to Salvago, “because every service that you extend to him we ourselves receive.” Here Antonio Brignole offered the utility of his relationship with Nazelli and Ferraro to Nicolò Salvago. In return, Nicolò offered his know-how and his useful relationships in Naples and in Barcelona.

Their experimental relationship had begun six months earlier. Antonio had asked Nazelli and Ferraro, who dealt in Calabrian raw silk and Catalan cloth, to provide brightly colored cloth for Paolo Vincenzo Saoli, another Brignole associate in Messina. Nazelli and Ferraro knew someone who might be able to fill a Brignole request for silk cloth for the Sicilian market; they connected Antonio with Nicolò Salvago. Nicolò Salvago, shuttling between Naples and Barcelona, agreed to buy cloth for the Brignole while he was abroad conducting business of his own. Salvago would finance the
purchase by collecting on a debt from another Brignole venture incurred in Lyon by Benedetto Bonvisi of Pisa. Benedetto Bonvisi had an uncollected debt with Giovanni Dons, a Genoese merchant resident in Barcelona, for an earlier venture. Benedetto paid off his obligation to Antonio Brignole with a similar obligation owed him by Dons. Giovanni Dons paid his debt to Benedetto Bonvisi in silk cloth delivered to Nicolò Salvago. Antonio financed his shares of the venture with Nicolò Salvago, an agent with whom he had never previously worked, with capital from a fourth party he had never met and in a city where he had never before conducted business.

While Antonio Brignole did not have any past dealings with Giovanni Dons, he did have a long-standing business acquaintance with Benedetto Bonvisi, who in turn was acquainted with Dons. Nicolò Salvago knew neither merchant and had no prior relationship with the Brignole, but was eager to commence one. The exchange between venture partners consisted of different kinds of assets, debts, obligations, rights, labor, know-how, and timeliness. Both merchant and agent had the opportunity to shift between a large number of possible partners. The ability of traders to cheat and defect to another partner presented a problem that was solved by the use of intersecting obligations serving as a bond. Anyone could be a potential partner as long as he had the requisite local influence to extend and a relationship that could serve as a bond. There was no requirement that partners have any direct knowledge of each other beyond the quantity and quality of the assets traded.

Each of the players in this example had assets and liabilities, forming a web of intersecting obligations. Antonio knew that Salvago would not cheat him, he was looking to future dealings. Salvago could deal with Giovanni Dons with confidence despite the high improbability of future dealings because he knew that Dons valued his
relationship with Bonvisi more than the slim gains from cheating on a simple cloth sale. Further, had Dons cheated, his debt with Bonvisi would have not have been canceled. The same restriction applied to Bonvisi and Brignole. That said it is helpful to remember that there was a limit to what each would risk, not for fear of theft, but for fear of the potential incompetence of any one of the players whose performance was an unknown quantity. On the basis of these and other intersecting obligations, Nicolò Salvago was able to expand his relationships in Barcelona and, through him, Antonio Brignole was able to do the same. Over time Nicolò and Antonio could risk more and by so doing put progressively greater amounts of each other’s assets to use to their mutual benefit.

By bringing to bear limited resources in a calculated way, traders of limited means, like Nicolò Salvago, could utilize the resources of traders with far greater influence. Antonio Brignole may have been a commodities merchant and exchange banker by vocation, but he was a broker of relationships and obligations by profession. Merchants with global reach had the opportunity to purchase local influence and knowledge without having to invest in those assets in every locality, or to be married to any one place. Most merchants and agents who conducted periodic exchanges did not want or could not afford to establish more involved ventures. They had their own obligations to family members and other allies. Those family members and allies constituted a core of long-term collaborators. Most exchanges, like the example of Salvago, Dons, Bonvisi, and Nazelli, resulted from activity between large groups of allied traders and not among them.

Dealing with casual agents also had its risks. Agents and merchants did not always communicate effectively. Gio Battista and Pietro De Franchi, who were agents of Brignole friends and associates Nicolò, Bartolomeo and Antonio Coronata Pallavicino,
failed to ship wool belonging to joint De Franchi-Brignole and Coronata-Brignole ventures. Antonio Brignole discovered this problem from a second-hand source:

“…from the Pallavicini [Coronata] of Seville we have come to understand that you were to have been sent various Serena wool in which we have a participating interest and other wool from Granada for our own account or in common with the Pallavicini [Coronata]…for which we have given orders for navigation, which then you have not sent.” Antonio closed the letter with a thinly veiled but polite admonition and an implied threat, “since their prompt navigation is of more than the usual importance, we beg you, as strongly as we are able, not to waste any more time.” In other words: You can be replaced; if you want to continue to profit from us and our friends, do not risk any more of our money. The Brignole expected good judgment, vigorous effort and accuracy in return for access to the markets and the capital that their connections could provide.

From the account books and the letter registers there was little difference between long-term and short-term associations. Formal partnerships lasted from the purchase of commonly held goods until their sale. Most informal relationships lasted one month here, one month there, but others lasted decades. Even the most profound relationships, even those consummated by marriage, continued from commission to commission. The practical difference between long-standing collaborations and recurrent associations lay in the investment in trust built over the long term. Traders could leverage a small number of intimate acquaintances into hundreds of possible partnerships. They could utilize temporary associations whenever convenient, and therefore maintain great flexibility to avoid swings in prices and money supply. These networks of traders not only enabled merchants to avoid pitfalls but they also opened opportunities. They increased the variety of information, the quantity and quality of goods, and services obtainable: buying and
selling of commodities, shipping, transfers of money, loans at interest, debt collection, etc. More importantly though, they geometrically and geographically expanded the pool of potential partners and their know-how, talents, and advantages.

Genoese traders used shared property rights to foster trust and while it did allow them to build complex activities, the definition of the property and obligations of each party was too loose to retaliate using systems of judicial or reputational punishment. Property rights can provide a means by which traders define the boundaries of individual and shared rights, the deviation from which is defined as a violation. The recognition of clearly delineated property rights allowed complex enterprises to avoid disagreements by providing a universal language in which they could prove a violation, report it, and retaliate against the violator. However, the experience of the Brignole demonstrates that there were many ways in which well-defined property rights were more difficult to achieve than one might suspect: commodities, for example, possessed diverse attributes that were difficult and costly to measure. Neither punishment nor the threat of punishment can provide an efficient barrier to opportunistic behavior. Sixteenth-century Genoese agents and merchants gauged the competence, willingness, and availability of a potential partner by proposing progressively higher investments and progressively more flexible and incomplete terms, while never being required to guarantee future exchanges in their effort to surmount these and other difficulties. The more flexible and incomplete the terms, the less any agreement could be arbitrated in a court that dealt exclusively in the explicit terms of Roman law. In the Brignole’s network, property and rights were expressed in terms of trust and reciprocity, rather than in explicit terms. Higher levels of trust corresponded to higher value and complexity of trades when repeated exchanges could be offered. The gains afforded by the exchange of complementary local advantage,
offered even for a single exchange, provided a powerful incentive for positive reciprocity and trust.


10 Bs 103, p. 87.


12 Grendi, *Traffico*


14 This is a variation of the prisoner’s dilemma. If two prisoners are arrested for burglary and interrogated separately, they will get off scot-free if neither talks, be sentenced to one year and ten years respectively if one talks, and five years if they both talk. According to this logic the prisoners have no choice but to talk. The dilemma is applied frequently to discussions of economic and commercial exchange. In the case of merchants the choice is to cheat or not. If the merchants could be given a strong enough expectation of honesty then trust would be maintained despite their lack of specific knowledge of the other’s past dealings.

15 Bs 103, p. 123.
16 Bs 103, p. 134.


18 Bs 103, p. 122.


22 *Nobile fratello carissimo*, not literally brother, although brothers were addressed in this fashion, but also ally, friend, trusted and esteemed partner. See the earlier study, “*Nobile fratello carissimo*” for the use of this title.

23 Bs 103, pp. 5-6.

24 Bs 103, p. 3.

25 Bs 103, p. 17.

26 Bs 103, p.23.


28 In fact, repeated exchanges, however, do not seem adequate to have prevented fraud at all, since information that was not available with a single trade would not have been available with repeated trades, thus fraud would be allowed to proliferate without other means to prevent it.

29 Bs 103, p.124.

30 Bs 103, p. 24.

31 Bs 103, p. 81.