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Converting Goods into Cash: An Ethical Approach to Pawnbroking in Early Modern Bologna

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Résumé de l'article

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L'émergence des Monti di Pietà dans les villes italiennes des débuts de la modernité a joué un rôle important en permettant une grande circulation des liquidités dans les portions moins nanties du marché. À travers le prêt sur gage, le Monte offrait la possibilité de transformer temporairement en argent liquide les petites richesses non-monétaires, à divers degrés de l'échelle sociale. Le Monte a ainsi contribué à l'expansion du crédit, et exercé une importante fonction anticyclique dans les économies locales. En puisant dans les archives d'une de ces institutions les plus prospères — le Monte de Bologne —, cet article explore l'étendue de ce phénomène, l'importance des montants en jeu, la variété des biens mis en gage, ainsi que l'impressionnante variété des clients. Au sommet des activités du Monte, ses clients n'appartenaient plus seulement à la classe des travailleurs pauvres. Toutefois, ce changement n'a pas nuit à l'accessibilité du crédit aux classes pauvres, mais a plutôt contribué à ce que ces services soit offerts pour moins cher à ceux véritablement dans le besoin.

In most countries, including modern ones, expensive credit goes hand in hand with irregular income and lack of security. As a matter of fact, poor households have little or no access to credit services and have to shoulder the highest charges due to a lack of creditworthiness. This hard reality was commonplace in the townships of Renaissance Italy, where a cohort of gifted Franciscan preachers promoted the practical possibility of creating community-based credit bodies to protect and assist financially disenfranchised borrowers.¹ Pawnbroking was targeted because it was the most common method of raising money, the most expensive, and the only one readily available to people from the lower rungs of the social ladder in pre-modern societies.² The success of Franciscan preaching turned Renaissance Italy into the home of *monti di pietà* ("public pawn banks"), a remarkable innovation that subsequently spread

to a few other countries. These new agencies not only extended credit to those who had no other source, but in the main they did so according to strict ethical rules. Fees on loans were to be kept low, in order not to burden the borrower, yet adequate to cover costs and keep the agency in the black. In roughly half a century, starting from the early 1460s — the first *monte* opened in Perugia in 1462 — over 130 such institutions sprang up in towns across central and northern Italy.³ By the end of the seventeenth century the number of *monti* dotting the peninsula was in excess of 500. With the notable exception of Venice, it is hard to find an Italian town or city without a *monte*.

Adopting the time-honoured method of the pawn shop, *monti di pietà* generated what Hermann van der Wee aptly labelled “a more socially responsible consumer credit.”⁴ Lending on the security of objects that provided collateral, *monti* provided a service for the temporary liquidation of non-monetary forms of petty wealth at various rungs of the social ladder, and did so at very low interest rates. In the main, *monti* charged about 5 percent, considerably less than the rate of 20 to 30 percent that was routinely charged by Jewish moneylenders and pawnbrokers.⁵ *Monti* played a crucial role in both assuring a higher degree of liquidity at the lower end of the market and reducing the cost of borrowing. By doing so they expanded consumption credit and performed a major counter-cyclical function at times of economic distress.

In a society where saving was difficult at the best of times and the banking system provided no easy outlet for savings, pawning was neither a sign of desperation nor an indication of improvidence. Petty credit required goods suitable for pawning. Quite simply, people used domestic articles as a repository of ready cash. Purchasing clothes, wares, or jewels was an inverted form of thrift and provided insurance against future want. These items could be traded, used in transactions (e.g., dowry exchanges) instead of cash, or turned into cash. The stocks of personal and household goods had a double “identity”: on the one hand they were objects of daily use, on the other they were a reservoir of stored wealth to be tapped in times of need. Accepting a wide array of goods as collateral on loans, the *monti* facilitated the conversion into cash of many kinds of valuables. In practice they provided a key service for the liquidation of capital tied up in objects.

The Monte of Bologna was one of the most successful pawnbroking institutions in Italy, and its evolution from the fifteenth through the seventeenth centuries highlights some of the major developments found in Italian institutions

generally. Tapping into this monte's archival records, and particularly its series of financial ledgers, this paper will explore both the magnitude of the phenomenon and the subtle evolution of the trade.⁶ Throughout the early modern period the monte remained the focal point of a large poor and middling clientele, yet its financial success came from a fundamental expansion of services, designed to attract wealthier customers. It will be argued that the monte administrators were able to reconcile opposites. Services to more affluent households were not detrimental to poorer ones. Rather, they contributed to reducing credit costs shouldered by the traditional poor and middling clientele.

Establishing a new institution that lent against collateral, but with interest (albeit small), was far from a simple affair. A monte opened in Bologna as early as April 1473, but since private funding remained sorely inadequate and public support did not shore up its dwindling fortunes, the monte suspended operations as early as December 1474. The monte's fresh start in December 1504 was considerably more fortunate and could soon take advantage of the more favourable political climate. The new ruling oligarchy backed the monte, whose operations were swiftly licensed in 1507 by Bologna's new overlord, Pope Julius II. The monte's progress in the early decades of the sixteenth century was closely associated with both the support of public authorities and the demise of its main competitors, the Jewish pawn banks. Recognizing the usefulness of meeting the needs of the poor by controlling the lower end of the credit market, government officials came to confer the status of "civic" bank to the monte. They assigned public funds to the institution in order to match private resources (charitable loans and donations) and this granted the monte adequate liquidity to stay in business. In addition, authorities played a supportive role by encouraging confraternities and guilds to deposit funds with the monte, thus expanding its liquidity and its capacity to lend money.⁷

This second coming proved decisive, and the revived institution managed to put down durable roots in a short span of time. By the middle decades of the sixteenth century, Bologna's monte had become a towering presence in the pawn banking sector. In order to counter the superior presence of Jewish shops across the city (eight in total) and the countryside, it opened four agencies within the city walls — one in each quarter — and sponsored two subsidiary branches in the smaller outlying agricultural towns of Budrio and San Giovanni in Persiceto to the northeast and northwest of Bologna respec-

tively. While Jewish money lending started to wane because of ever growing restrictions and even legal actions, the monte's activity soared in a spectacular fashion.⁸ The growth in the number of those pawning items and borrowing funds is the most obvious sign of this, and is completely measurable. As documented by Massimo Fornasari, the upsurge in pledges through the course of the sixteenth century seemed unstoppable: between 1504 and 1519 the number of items pawned to the monte boomed from about 5,000 to nearly 20,000 per year. By mid-century, on average, the number of pawns doubled again, crossing the threshold of over 40,000 per year. By the end of the sixteenth century the number had nearly doubled again to over 70,000 per year. During the first half of the seventeenth century, the number of pawns annually taken to the monte surpassed 100,000, and it hovered around this annual figure through the subsequent decades (Fig. 1). Measured against the backdrop of the city's population, which ranged roughly between 60,000 and 70,000 people, the monte's pawn operations moved from an average of about one for every two inhabitants in the mid-sixteenth century to nearly two per inhabitant by the mid-seventeenth.

The financial scale of monte transactions followed an even steeper upward trend. The flow of money lent against pledges on a yearly basis soared from just 4,000 lire to over 100,000 lire in the first half of the sixteenth century. During the second half, the sums loaned out jumped nearly fivefold to almost 500,000 lire per year. By the mid-seventeenth century the capital mobilized was twice as large; that is, well in excess of one million lire per year (Fig. 2). To put things into perspective it might be useful to compare the monte's lending activities to the city's public revenues, which rose from just over 280,000 lire in the 1550s to over 750,000 lire a century later. This means that the amount of capital the monte was able to mobilize and lend — measured against the city government's fiscal income — increased from a ratio of 1:5 in the 1550s to a ratio of 2:3 in the 1590s, and then soared to a ratio of 3:2 by the mid-seventeenth century.⁹

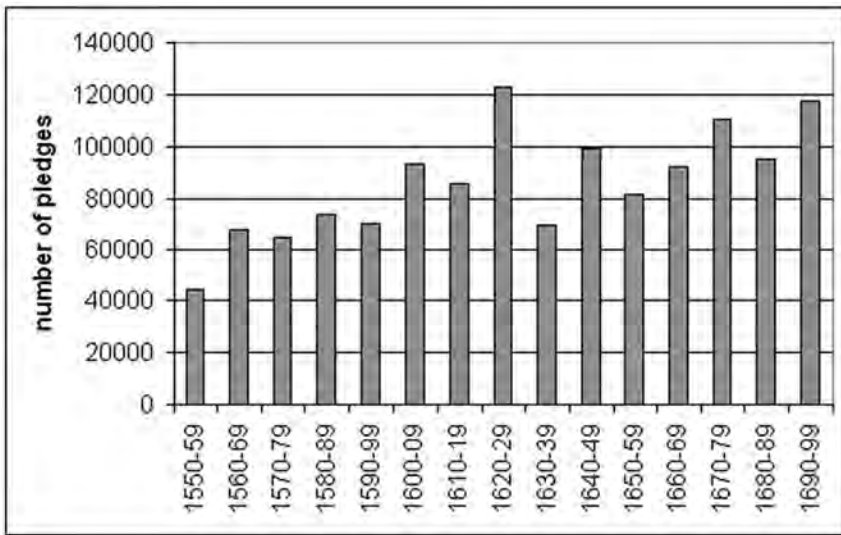


Figure 1. Pawns taken to the monte, 1550–1700 (ten-year average).¹⁰

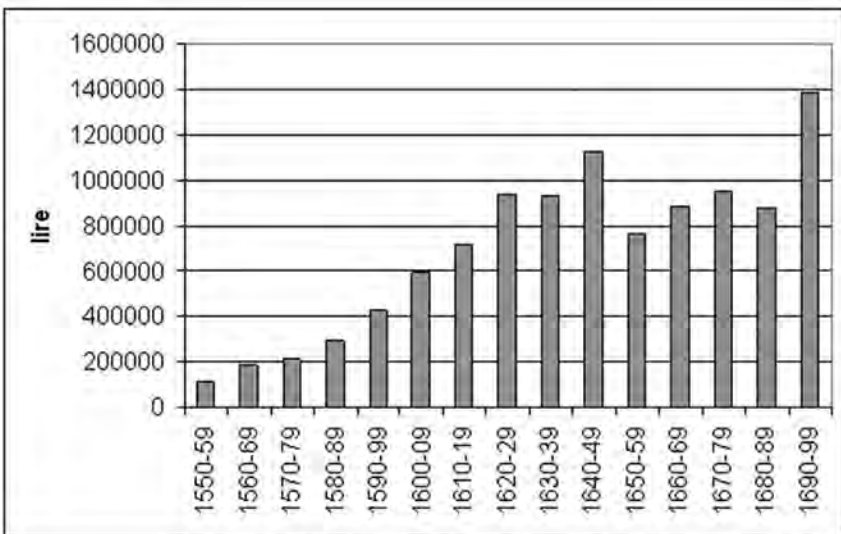
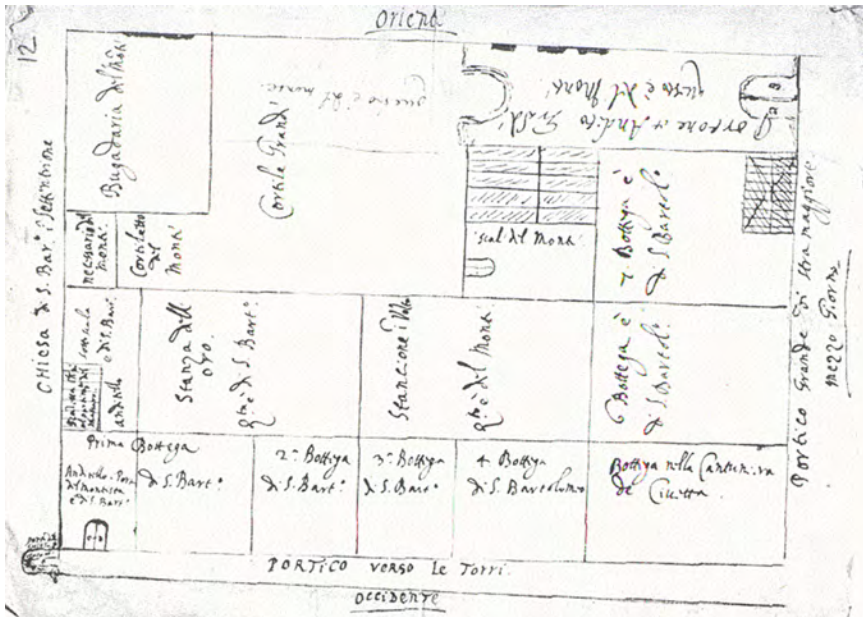


Figure 2. Sums loaned, 1550–1700 (ten-year average)¹¹

In order to operate, every monte needed a substantial warehouse where it could store pledges. In fact, storage capacity was a direct measure of a monte's operating capacity.¹² At its outset the Bolognese monte rented a series of storerooms near the cavernous civic basilica of S. Petronio, which faced on to Piazza Maggiore in the centre of the city. As the institution matured and the tempo of transactions quickened, so did the need of adequate facilities. By 1573 the monte operated four large branch offices within the city walls, one in each quarter: at S. Petronio (quarter of Porta Procula), at the nearby cathedral church of S. Pietro (quarter of Porta Piera), at S. Bartolomeo in Piazza Ravegnana (quarter of Porta Ravegnana) on the east side of the downtown district, and at S. Gregorio (quarter of Porta Stiera) on the western side. As more customers came to the monte's wickets in order to pawn and borrow, the need for additional office and storage space became acute. So, for instance, the S. Bartolomeo branch office more than doubled the storage capacity of the original *quatuor apothecas* ("four storerooms") near S. Petronio. In 1622 a new branch — Monte Nuovo — opened under the arcades of the Pavaglione, in storerooms rented out by the confraternity of S. Maria della Morte. It extended over three storeys and included a warehouse with over twenty storerooms. In the 1750s new and massive headquarters for the monte were built next to the cathedral of S. Pietro: the facade for the length of thirteen arcades along the city street, and the building itself occupied three storeys.¹³



Outline of the warehouse of the Monte San Bartolomeo at Porta Ravennana

In the early 1690s, with the opening of two new branches (named after S. Caterina e S. Antonio), the monte ventured in a new direction. It began offering loans to support some productive sectors of the local economy, primarily in the textile industry. Debate on the merit of such a move had started in the 1660s, and it took about a generation — and the calamitous poverty of the late seventeenth century — to induce the monte's board to open two new special purpose pawnshops which granted loans against the security of hemp and silk fabric to embattled artisans and labourers. This difficult choice was rationalized once again as a form of lending to *poveri lavoratori* ("poor workers"), and as just another way of tiding them over a difficult period.¹⁴



Location of monte branches in Bologna at the end of the sixteenth century: 1. Monte San Petronio; 2. Monte San Pietro; 3. Monte Massarolo; 4. Monte San Bartolomeo; 5. Monte San Gregorio.

Recent studies have revealed that loans underpinned economic activity at most levels of early modern societies, and that borrowing was a key strategy for working families, whose finances were precarious at the best of times. Households were both vulnerable and cash poor. Durable goods were valuable assets precisely because of their versatility. Jewellery, linens, and pots were expensive; they were therefore bought with an eye to the future, and served as an alternative means of liquidity that facilitated a wide spectrum of borrowing practices. In times of distress men and women pawned either personal property or household items in order to raise money to meet immediate needs or to tide them over a bad patch brought on by unemployment, illness, or family

obligations.¹⁵ Assembling young women's dowries and trousseaux seems to have been a peculiarly frequent source of poor families' emergency loans.¹⁶ In the main, insecurity nurtured credit dependence, and the monte provided a trusted venue for the temporary liquidation of non-monetary forms of wealth. Need and habit succeeded in forging a nexus between the monte and its clientele. In *Il lamento de'povereti* ("The Poor Man's Lament"),¹⁷ a poem composed at the outset of the seventeenth century, the gifted and prolific master of Bolognese storytelling, Giulio Cesare Croce, advised that whoever was strapped for cash should take something of value into the monte, where he could expect a fair deal ("a portarlo tosto al Monte, che t'havran compassion").

But how did pledges move in and out of the monte? How were pawns assessed? And what could they expect to fetch? Transactions had to be undertaken and recorded in a precise manner. Indeed, statutes across Italy routinely call for the monte's employees to register all operations. Upon accepting an object in pawn, an assessor (*stimatore*) had to quickly appraise its worth, estimate what the item was likely to fetch in a year or more, and judge the ease with which it would be possible to sell it in case it was not redeemed. This required considerable expertise and a quick and sharp eye. The estimate of the pawn's resale value was the basis on which the *massaro* determined the amount of the loan, which could not exceed two-thirds of the assessed value of the pawn. Receipts were written by the *massaro*, who was the official responsible for taking in and looking after pawns. On a numbered pawn slip (*piccolo*) the *massaro* noted the date of the transaction, the kind of pledge that had been accepted, its condition and estimated value, the assigned record number in the monte's ledger, and the actual amount paid out. A copy of this slip (*scrittarino*) was given to the client, while all relevant information was entered in the pawn ledger (*campione dei pegni*). The borrower then took the pawn slip to the cashier (*cassiere*), who paid out the money. The *cassiere* kept a book of income and payments divided into two halves. The first half (on the left) listed the money lent against pledges day by day, while the second half (on the right) recorded all money from those who redeemed their pledges, along with a note of the interest that had been collected on the loan. When a client came to redeem a pawn, the process was reversed. The borrower had to come with both the funds and his or her *scrittarino*. The *massaro* drew up a receipt, which recorded the amount repaid on the loan and the interest. The monte's officials, not quite comfortable with the idea of collecting interest, labelled this sum as *elemosina* ("alms"), which went to pay

salaries and rent. The cashier took the receipt, collected the borrower's cash, and entered the figures in the income section of his ledger. Goods that were not redeemed by the borrower within a stipulated period of time (usually one year) were to be sold at a public auction, but the borrower had the right to share in the profits made on the sale.

Unfortunately, the pawn books that recorded the items — how much they were worth and when they were redeemed — have disappeared. Only the overall balances of loans and repayments as recorded in the main ledgers have survived. While we can document the flow of pawns in and out of the monte storerooms, we catch hardly any glimpse of the actual goods themselves. Croce's "The Poor Man's Lament" once again provides a vivid depiction of the bewildering variety of the goods that were brought in, from coats to bed sheets, from stockings to chairs, from jackets to wedding rings:

One has pawned the mantle,
 one the coat, one the bed-sheet,
 one has pawned his wife's wedding ring,
 one has pledged the bed,
 one the suit and the stockings,
 one has pledged the benches and the drawers,
 one the chairs and the cupboard.
 Bad thing.¹⁸

As Maria Giuseppina Muzzarelli explains in her article in this collection, garments and clothes were among the items most commonly pledged. Court proceedings reveal that they were most vulnerable to fraud as well: 309 items of clothing were stolen from the S. Bartolomeo office of the Bolognese monte between 11 December 1607 and 5 February 1610, and over 600 from the S. Petronio branch in 1655.¹⁹

Pawns were placed in densely packed compartments according to the type of article and the date of transaction in order to make it easier to find them again when the borrower returned to redeem them. Detailed instructions accompanied the proper storage: dry, perishable items had to be shaken, dusted, and kept dry ("haver sollecitudine circa li pegni di farli scossare ... et non li tenere in luogo umido").²⁰ In the case of woollens, which were prone to moth damage, the officials writing the statutes took the additional precaution of

limiting the maximum period of storage to just six months (instead of one year) to prevent losses. Tools, housewares, and precious objects were also frequently pawned. The so called *pegni graziosi* (“jewellery”) was actually the fastest growing segment of the pawn business in the seventeenth century.

The safety and security of pawned items was obviously a major concern. At each office of the monte, the massaro was responsible not just for accepting and assessing pledges but for their safekeeping as well. He was held liable for any theft, loss, or damage. And Bologna’s statutes spelled out an extra measure of security. Massari were expected not only to ensure that the warehouses were outfitted with strong doors and secure windows (“buone porte, finestre e serrature”), but were also ordered to have their personal living quarters located nearby in order to prevent the theft of items at night (“habitare overo ... dormire la notte accio non siano robbati li pegni”). These were wise measures, although most frauds were essentially inside jobs; that is, the loss or theft of pawns usually involved monte personnel in some way.²¹

Some of Italy’s monti expanded significantly in the seventeenth and eighteenth centuries, and historians have focused their search for explanations on two related issues: the steady expansion of banking and financial services, and closer ties to affluent depositors and borrowers. This move into a wider range of banking services for the wealthy has often been described as threatening the original mission of the monti as lenders of last resort to the working poor. Although there is no shortage of examples of these institutions failing in their charitable mission, this is far from a foregone conclusion.²² Wider financial operations and dealings with affluent clientele could actually lead to more abundant and cheaper credit services being made available to the working poor.

In Bologna, as the monte’s operations expanded, pawnbroking services became more sophisticated and capital was used for much more than small distress loans. In the main, the monte’s lending came to be divided into three separate sections: distress loans, ordinary loans, and high-end loans. Distress loans were small loans offered free of charge on the security of objects of little value: in the mid-sixteenth century, petty loans on items valued less than one lira and a half were exempted from any interest payment (i.e., the *elemosina*). The size of these interest-free loans was gradually increased to 5 lire in 1612, 10 lire by 1651, 15 lire in 1657, and finally 30 lire by the early 1690s. This was

a substantial sum roughly equivalent to two months wages for a labourer (Table 2). To curb fraudulent manipulation of this system, the statutes ordered that borrowers could not divide up their pledges and so take out multiple loans, each under the limit for an interest-free distress loan, and that no borrower could bring in more than one item per day.²³

Most transactions were in the categories of ordinary or high-end loans, and were left to the sole responsibility of the massaro. The ceiling for individual loans was gradually raised from just a few lire in the mid-sixteenth century to 20 lire in 1588, 25 lire in 1612, and 50 lire by the early 1650s. This was moving loans far beyond the needs of the poor alone, and the upward trend accelerated dramatically in the second half of the seventeenth century as the maximum limits on loans were raised to 150 lire in 1664 and 200 lire by 1674, finally reaching 400 lire by 1705 (Table 1). This maximum was substantially beyond anything that could be associated with distress loans to the worthy poor, since 400 lire was more than most labourers could earn in two years. At the same time, the monte began to expand into what we have termed high-end pawnbroking: lending against the collateral of jewels, silverware, and other luxury goods (*pegni graziosi*). From the early decades of the seventeenth century the limits and restrictions on large loans against collateral were gradually loosened. These large loans had to be authorized either by the *priore* or by the twelve-member Board known as the *Presidenti*. As late as 1651 the *priore* could not authorize loans in excess of 150 lire. Half a century later this ceiling had been increased tenfold to reach 1,500 lire, giving this official enormous latitude, prestige, and economic influence. The Board of *Presidenti* could and did license much bigger loans, provided that application was made in advance for discussion by the *Presidenti*, and provided that they approved the loan unanimously.

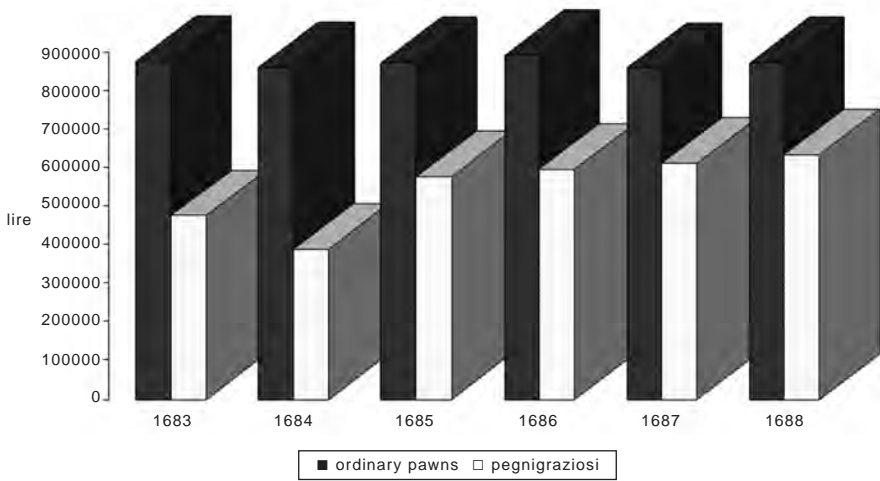


Figure 3. Amount of loans on ordinary pawns and on pegni graziosi, 1683–88.²⁴

The pegni graziosi represented the fastest growing segment of the pawn business in the second half of the seventeenth century. By 1683 over one-third of loans was handed out against these high-value pledges. Five years later the percentage had grown to 40 percent, and it kept rising steadily (Fig. 3). In 1695 large loans backed by *pegni graziosi* made up about 20 percent of the number of loans processed, but constituted about 66 percent of the total value of capital lent out by the monte. By 1704, three-quarters of the monte's capital was lent out in large loans backed by precious items.

Obviously it was not poor clients who were borrowing these sums and leaving gold, jewels, and silverware as collateral. It was a wealthy clientele of professionals and aristocrats who stood to benefit the most from monte loans backed by pegni graziosi. Their borrowing might equally be driven by distress, and many of these precious pawns were never redeemed. In 1695 the monte auctioned off 124 unredeemed lots of precious items that were valued at a total of 261,760 lire. With the exception of a few simple gold and silver jewels valued up to 100 lire that could be within the reach of people of moderate means, the sale included spectacular suits studded with scores of rubies, pearls, and diamonds, with a value ranging from several hundred to a few thousand lire. On average each lot had a worth of over 2,100 lire, clearly the preserve of either professional goldsmiths or of wealthy aristocrats.²⁵

| Year | Max loan per pawn by <i>massaro</i> (lire) | Max loan per pawn by <i>priore</i> (lire) |
|------|---|--|
| 1570 | 6 | |
| 1588 | 20 | |
| 1612 | 25 | 50 |
| 1651 | 50 | 150 |
| 1664 | 150 | |
| 1674 | 200 | |
| 1705 | 400 | 1,500 |

Table 1. Maximum amount of loan available at the monte according to board deliberations, 1570–1705.

While the monte opened wide its doors to a wealthier class of customers in the seventeenth century, it did so without turning its back on its main institutional mission of providing affordable loans to the worthy poor. Indeed, larger loans to the affluent meant more affordable credit to the poor since the former paid higher rates of interest and so contributed to expanding the total capital available for loans. The *elemosina* — that is, the cost of the loan — was graduated according to the value of pawns in a way that we may label as socially responsible: charges were in direct, rather than inverse, correlation to the amount lent (Table 2). Loans on small pawns enjoyed complete exemption, while all others were charged at a progressively higher rate. For instance, the provisions licensed in 1651 decreed that pawns up to 12 lire were not to be charged interest. Pawns assessed between 12 and 50 lire paid 3 percent. Pledges valued over 50 lire paid 4 percent. Jewels of a value of 200 lire and above paid 6 percent.²⁶ In 1693 all pawns assessed below 30 lire paid no fee, those valued up to 4,000 lire were charged at 2.5 percent, while those exceeding 4,000 lire paid 4 percent.²⁷ Operating on a high level of pawnbroking, the monte reached a wealthier clientele and lent capital upward, yet it did so in a way that was not detrimental to the cause of poor and middling households. In fact, by allowing upper class citizens to liquidate more easily the capital they had tied up in luxury items of high value, and by charging them a higher fee for the loans, the monte reduced the cost of the credit granted to those clients who were less well off. As an example, the *elemosina* collected in 1683 from large loans backed by

pegni graziosi alone totalled over 19,000 lire, and represented over 50 percent of the all interest charges collected in that year.

| Year | Loan (lire) | Charge | Loan (lire) | Charge | Loan (lire) | Charge |
|------|-------------|--------|-----------------|----------|------------------------|----------|
| 1562 | 1,5 lira | Free | 1,5 > | 5% | | |
| 1612 | 5 lire | Free | 5 > | 5% | | |
| 1650 | 10 lire | Free | 10-100 | 5% | 100 > | 6% |
| 1651 | 12 lire | Free | 12-50 50-100 | 3% 4% | 100 > | 6% |
| 1657 | 15 lire | Free | 15-25 25-100 | 3% 4% | 100 > | 5% |
| 1671 | 15 lire | Free | 15-25 25-100 | 3% 4% | 100 > | 4.5% |
| 1679 | 18 lire | Free | 18 > | 4% | | |
| 1692 | 30 lire | Free | 30-1,000 | 2.5% | 1,000-1,500 1,500 > | 3% 4% |
| 1693 | 30 lire | Free | 30-4,000 | 2.5% | 4,000 > | 4% |

Table 2. Elemosina charged on loans according to the monte's board deliberations, 1562–1693

There is little doubt that in Renaissance Bologna the monte was the most important institution extending credit to poor residents (“pauperibus et egenis incolis civitatis Bononiae”) and the focal point for benevolence towards them. This was on condition that loans not be put to frivolous or improper use (“non ludi aut negotiationis causa”), a stipulation clearly spelled out in the papal bull that licensed the monte.²⁸ It is not easy to catch a glimpse of the crowd of people who daily flocked to the monte's offices. Most borrowers were working men, but it must be admitted that evidence is scarce. Between 1473 and 1474 the monte recorded 690 loan operations involving 595 individuals. Of this number, 86 percent were male, and about one-third of them (178) had an occupation or professional status deemed to be worth recording. It is a limited but telling sample: with the exception of ten ecclesiastics, two apothecaries, and one student, all other customers came from the modest mechanical trades. Half of

them were textile workers (hemp weavers, silk weavers, tailors and so on), who were also by far the dominant group in the local economy.²⁹

Although the loss of the books of the pawns means that we can not identify clearly the changing status of monte customers over these centuries, legal proceedings dealing with the loss and mishandling of pawned goods reveal that the bulk of monte customers changed relatively little: the majority were artisans, shopkeepers, servants, and low skilled labourers. For instance, the trial of 1610 brought to the fore a small crowd of 64 people: 14 women and 50 men, mostly youngsters from a wide range of professional backgrounds — 10 porters, 10 tailors, 6 servants, 4 barbers, 4 shoemakers, 2 smiths, and so on. It is interesting to note however that over two-thirds of pledges (215 out of 309 recorded) were brought in by just twelve people who were acting as intermediaries on behalf of others. This detail exposes the operation of a network of brokers and subcontractors dealing with pawn tickets and second-hand goods in a sort of informal secondary market.³⁰

As the monte expanded the reach of its services and raised the loans issued on collateral through the seventeenth century, its clientele moved beyond the working poor milieu to include foreign dignitaries, civic agencies, and professional and upper class people. The duke of Mirandola raised almost 63,000 lire between 1648 and 1653 by pledging several suits of pearls, diamonds, and gold items.³¹ In 1702, pawns brought in by unnamed clients based in nearby Modena and Parma amounted to over 227,000 lire. Loans were routinely granted to local noblemen and businessmen against collateral of gold and silver wares.³² Despite complaining at regular intervals about excessive charges, goldsmiths and upper class citizens were not infrequent visitors to the monte. It is simply impossible to know whether these loans to wealthier customers went towards further financial investments or, what is more likely, to finance intrafamily transactions (such as dowries or dowry restitution), support conspicuous consumption, or smooth over a difficult period.

| Year | Client | Loan issued (lire) | Collateral | Fee |
|------|--------------------------|--------------------|------------------------------|-----------|
| 1651 | Senate (Abbondanza) | 30,000 | Jewels | 3% |
| 1652 | Paolo Fontana | 12,000 | Jewels and silverware | 6% |
| 1655 | Duke of Mirandola | 40,983 | Suits of pearls | 6% |
| 1655 | Francesco Dati | 15,000 | Suits of pearls | 6% |
| 1656 | Unnamed nobleman | 30,000 | Diamonds | 6% |
| 1661 | Senate (Acque) | 30,000 | Jewels | 3% |
| 1662 | Ghelfi Angelo Michele | 60,000 | Jewels | 5% |
| 1663 | Senate (Abbondanza) | 200,000 | Jewels | 2% |
| 1674 | Zagoni Giuseppe Maria | 75,000 | Suits of pearls and diamonds | 4.5% |
| 1677 | Senate (Abbondanza) | 100,000 | Jewels | no charge |
| 1693 | Senate (Abbondanza) | 100,000 | Jewels | no charge |
| 1694 | Senate (Abbondanza) | 16,000 | Jewels | 2.5% |
| 1695 | Senate (Abbondanza) | 150,000 | Jewels | no charge |
| 1699 | Albergati Francesco | 16,000 | Suits of pearls | ? |
| 1705 | Zinani Antonio Francesco | 164,680 | Silverware | 4% |

Table 3. Main loans issued on collateral of pegni graziosi, 1650–1705

In addition, charitable agencies, monastic houses, and local government offices obtained significant loans, sometimes at reduced rates. In times of need when they were strapped for cash, convents contracted loans by pledging their silverware. On 9 April 1672 the Poor Clare convent of Corpus Domini raised a two-year interest-free loan of 5,000 lire against the security of silverware in order to grease the wheels of the canonization process for St. Catherine (de Vigri) in Rome.³³ In times of financial distress, local government officials resorted to the monte for short-term loans at low interest rates: in 1661 the Assunti d'acque received a loan of 30,000 lire at 3 percent against the security of jewellery. In 1663 a loan of 200,000 at 2 percent was contracted by the Assunti d'Abbondanza, once again against the security of *gioie* (Table 3). Interestingly enough, senators had to supply adequate private collateral to secure a public loan.

As the monte matured as a financial institution, it started to act as a de facto public bank, becoming increasingly integrated into the machinery of Bolognese finance. Its large liquidity made it an attractive partner to communal authorities frequently strapped for cash. Recourse to the monte offered local authorities a low-cost borrowing option. In the second half of the seventeenth century, closer financial cooperation between monte and city officials is clearly underlined by the fact that about 60 percent of large short-term loans went out to civic agencies. Although an adequate collateral was required, these lines of credit were either granted at reduced cost — about half the regular business rate — or even free of charge. For instance in 1677, 1693, and 1695 the Assunteria d'Abbondanza, the agency in charge of the provision of corn at times of bad harvests, secured successive loans at no cost for an overall amount of 350,000 lire. In this way, the institution not only eased communal credit problems at a time of dramatic hardship but helped the working poor in yet another way, contributing to prevent widespread famine by keeping the city granary well-stocked.

There is little doubt that in their evolution through the period of the *ancien régime*, Italy's monti di pietà went far beyond their original mission of lending petty sums against collateral to poor and middling households. Despite the fact that this declaration of a mission to help the worthy poor was repeated countless times in numerous institutional records and public statements, in practice the monti ventured in new directions and were used for much more than their founders had ever intended. The example of Bologna, however, indicates that such evolution could mean an updating and even an expanding of the original mission of helping those who had fallen behind. On the one hand, by extending its lending to local authorities, the Bolognese monte not only allowed a more orderly management of the city financial affairs, but assisted in the funding of services that went to benefit the working poor. On the other hand, attracting a wider and wealthier clientele did not subvert the mission of providing affordable and accessible credit to the poor. On the contrary, lending to more affluent people at higher rates could actually lead to cheaper services for those in serious need.

Notes

1. Maria Giuseppina Muzzarelli, *Il denaro e la salvezza. L'invenzione del Monte di pietà* (Bologna: Il Mulino, 2001), pp. 11–86; G. Todeschini, *I mercanti e il tempo. La società cristiana e il circolo virtuoso della ricchezza fra Medioevo ed Età Moderna* (Bologna: Il Mulino, 2002), pp. 449–86.
2. William C. Jordan, *Women and Credit in Pre-Industrial and Developing Societies* (Philadelphia: University of Pennsylvania Press, 1993), p. 32.
3. Vittorino Meneghin, *I Monti di pietà in Italia dal 1462 al 1562* (Vicenza: LIEF, 1986).
4. Hermann van der Wee, *The Low Countries and the Early Modern World* (Aldershot: Variorum, 1993), p. 184.
5. Of course the idea that Jews “trafficked in other people’s misfortunes,” popularized by a great deal of Franciscan preaching, is misleading. From the mid-fourteenth century, Jews had been granted the right of lending money at interest against collateral precisely to provide cash to *pauperes personae* (“poor people”), to regulate questionable lending practices, and to curb high interest charged by unscrupulous Christian moneydealers. In addition, Jewish lending activities were carefully regulated and provided significant revenues to licensing city authorities. See Leon Poliakov, *Les banquiers juifs et le Saint-Siège* (Paris: Calmann-Lévy, 1967), esp. pp. 106–22; Daniele Montanari, ed., *Monti di pietà e presenza ebraica in Italia (secoli XV–XVIII)* (Rome: Bulzoni Editore, 1999); Brian Pullan, *Rich and Poor in Renaissance Venice: the Social Institutions of a Catholic State to 1620* (Cambridge, MA: Harvard University Press, 1971); Anthony Molho, *Florentine Public Finance in the Early-Renaissance, 1400–1433* (Cambridge, MA: Harvard University Press, 1971), pp. 37–42, 150–52; Ivo Capecci and Lucia Gai, *Il Monte della pietà a Pistoia e le sue origini* (Florence: Olschki, 1975), pp. 23–30; Carol B. Menning, *The Monte di Pietà of Florence: Charity and State in Late Renaissance Italy* (Ithaca and London: Cornell University Press, 1993), pp. 13–20; Maria Giuseppina Muzzarelli, “I banchieri ebrei e la città,” in *Banchi ebraici a Bologna nel XV secolo*, ed. Maria Giuseppina Muzzarelli (Bologna: Il Mulino, 1984), pp. 96–117.
6. This article is based on legal instruments, financial ledgers, and minute books held by the Monte di Pietà of Bologna. The financial data derives from the account books (*Libri Mastri*) found in the series “Campioni” in the deposit of the monte di pietà in the Archivio della Fondazione del Monte di Bologna e Ravenna (hereafter

- ASMPB). The particular *Libri Mastri* consulted: F, G, H, I, L, M, N, P, Q, R, S, T, V, X, Y, Z, ++, AA, BB, CC, DD, EE, FF, GG, HH, II, KK, LL.
7. Massimo Fornasari, *Il "thesoro" della città. Il Monte di Bologna e l'economia bolognese nei secoli XV e XVI* (Bologna: Il Mulino, 1993), pp. 67–124, 307–08.
 8. The papal bull "Cum nimis absurdum" issued by Pope Paul IV, 14 July 1555, placed a ceiling of 12 percent on rates that Jewish moneylenders could charge on all loans. See Fornasari, p. 135.
 9. Bologna's public revenues yielded over 280,000 lire per year in the 1550s, over 720,000 lire in the 1590s, and around 750,000 lire in the 1650s. See Mauro Carboni, "La finanza pubblica a Bologna in età moderna," in *Storia di Bologna. Bologna nell'età moderna. I. Istituzioni, forme del potere, economia e società*, ed. Adriano Prosperi (Bologna: Bononia University Press, 2008), vol. 3/1, pp. 743–48.
 10. My elaboration is based on ASMPB, Campioni, *Libri Mastri*, F, G, H, I, L, M, N, P, Q, R, S, T, V, X, Y, Z, ++, AA, BB, CC, DD, EE, FF, GG, HH, II, KK, LL.
 11. As above.
 12. Urban location, storage space, and architectural outfit were crucial to a successful monte establishment. On this issue see Mauro Carboni, Maria Giuseppina Muzzarelli, and Vera Zamagni, eds., *Sacri recinti del credito. Sedi e storie dei Monti di pietà in Emilia Romagna* (Venice: Marsilio, 2005).
 13. ASMPB, *Instrumenti*, 18, f. 7; *Instrumenti*, 36, f. 34; *Atti*, 19.1. See also Maria Delbianco, *Le sedi storiche del Monte di pietà di Bologna* (Florence: Olschki, 1999), pp. 25–38, 56–64.
 14. ASMPB, *Decretorum et Partitorum*, 1690–93, ff. 57, 105, 122–23.
 15. Madeleine Ferrières, *Les biens des pauvres. La consommation populaire en Avignon (1600–1800)* (Seyssel: Champ Vallon, 2004); Renata Ago, *Il gusto delle cose. Una storia degli oggetti nella Roma del Seicento* (Rome: Donzelli, 2006), pp. 5–6; Julie Hardwick, *Family Business* (Oxford: Oxford University Press, 2009), pp. 129–49; Paula Hohti, "Conspicuous Consumption and Popular Consumers: Material Culture and Social Status in Sixteenth-Century Siena," *Renaissance Studies* 24 (2010), pp. 666–69.
 16. Luciano Allegra, "Corredi smembrati: donne e credito in ancien régime," in *I consumi. Una questione di genere*, ed. Angiolina Arru and Maria Stella (Rome: Carocci, 2003), pp. 65–74.
 17. Giulio Cesare Croce, "Il lamento de' povereti. I quali stanno a casa à pigione, e la convengono pagare" (Bologna: Cochi al Pozzorosso, 1617).

18. "Chi ha impegnato il ferraiuolo, Chi la cappa, chi il lenzuolo, chi l'anel della mogliera, chi ha venduto la lettiera, chi il giuppone e le calzette, le banzole e le cassette, le cariege e i credenzon. Mala cosa." Croce, "Il lamento de' povereti."
19. ASB, *Tribunale del Torrione*, Registri n. 4233, n. 6702.
20. ASMPB, *Libri Iurium*, cc. 3–4.
21. ASMPB, *Libri Iurium*, cc. 3–4.
22. Montanari, ed., *Monti di pietà e presenza ebraica*.
23. ASMPB, *Decretorum et partitorum*, 1654–58, c. 189.
24. My elaboration is based on data from ASMPB, ASMPB, Campioni, *Libri Mastri*, GG, c. 518; HH, cc. 14, 520.
25. ASMPB, *Decretorum et Partitorum*, 1695, 1696, 1697, cc. 2–4.
26. ASMPB, *Decretorum et partitorum*, 1648–54, cc. 132, 136.
27. ASMPB, *Decretorum et Partitorum*, 1693–95, c. 40.
28. Carlo Filippo Sacco, *Dei Monti di Pietà in generale, del Sacro Monte di Pietà di Bologna. Dissertazioni due con la serie cronologica de' Signori Presidenti* (Bologna: Longhi, 1775), p. 100.
29. Armando Antonelli, ed., *Il giornale del Monte della pietà di Bologna. Studi e edizione del più antico registro contabile del Monte di pietà di Bologna (1473–1519)* (Bologna: Minerva Edizioni, 2003), pp. 62–91; Fornasari, pp. 44–56.
30. ASB, *Tribunale del Torrione*, Registro n. 4233; Marco Poli and Giuseppe Giannantonj, "Con 'grave danno et pregiudizio.' Il Monte di Pietà di Bologna fra frode e intacco," *Strenna Storica Bolognese* 51 (2001), pp. 455–507.
31. Over the span of five years the duke of Mirandola pawned two sets of 475 pearls, 78 golden fabrics with diamonds rubies and pearls, a gold necklace with diamonds, and 198 gold buttons. ASMPB, Campioni, Mastro AA, cc. 456, 533.
32. ASMPB, *Decretorum et partitorum*, 1654–58, cc. 162, 167–68.
33. ASMPB, *Decretorum et Partitorum*, 1669–72, c. 108.