

DAVID CARVAJAL*

The Economic and Social Bases of Urban Credit Valladolid in the Later Middle Ages

It was the year 1510, and the sons of the recently-deceased silversmith Francisco de Lerma asked the scribe Fernando de Buitrago to make a report of an event involving the silversmith and one of his debtors, Alonso de Céspedes¹. The witness testified that he knew and remembered

« that on one day of this week, being in the lodging of a licenciante, whose name he does not know, and this witness and the aforementioned Alonso de Céspedes and the bachelor Lerma were there, debating about certain accounts that the aforesaid bachelor Lerma and the aforesaid Céspedes had there recorded on some papers, and this witness saw how the aforementioned licenciante, having there on the table some sheets of paper upon which there was a receipt that he was shown signed with the name Alonso de Céspedes, the aforesaid licenciante asked the aforesaid Céspedes if this writing was his, and when he did so, he put his hand on the aforesaid receipt, and the aforesaid Alfonso Céspedes answered yes sir, and later he saw that they said that the aforesaid licenciante and the other lawyer had seen the whole thing and that the sentence should be declared, and that this is the truth. »²

This account, related with clarity and detail by Fernando de Buitrago, allows us to immerse ourselves in an everyday scene in the town of Valladolid: the acknowledgment of debts and the settlement of accounts

* Universidad de Valladolid.

1. This work has been supported by the research Project «*Poder, sociedad y fiscalidad en la Meseta norte castellana en el tránsito del Medievo a la Modernidad*, (HAR2011-27016-Co2-02)» – Spanish Ministry of Economy.

2. Archivo de la Real Chancillería de Valladolid (ARChV), Pleitos Civiles, Fernando Alonso (F), box 286-1.

H.U. n° 51 - avril 2018 - p. 131 à 150

between creditors and debtors among silversmiths, artisans, merchants or shopkeepers and their customers or suppliers.

Analysis of urban credit in the preindustrial world produces a field of study that is as complex as it is invigorating³. In the case of late medieval Castile, this kind of study allows us to begin to understand an essential phenomenon of the modern economy, and, particularly, of merchant, production, and financial activities in the context of urban growth and splendour. This study endeavours to offer a general panorama of the importance of the resource of credit in Valladolid, focusing on the social and economic bases that favoured and empowered its use. Which economic and social relationships required credit among the inhabitants of the town? Who was in the position to give credit or to bestow a loan? What role was played by the economic, social, and political interests that underlay registered credit transactions? These are some of the questions that we will confront, without forgetting the influence exercised by the urban context itself and its institutions on economic development and the relationships built around credit⁴.

Despite the difficulties presented by local sources in the northern region of Castile (for we scarcely possess notarial registers and there are few municipal sources), we do have one series of sources that will allow us to carry out our endeavour. Particularly, we will make use of judicial testimony, whose value as a source for the study of credit in other European contexts is well known⁵. Cases argued before the mayor of the town as a first instance and before the judges of the Royal Chancellery of Valladolid as a second instance make up a rich corpus for understanding the dynamic of profit and conflict generated around relations of credit among the denizens of Valladolid, and between them and outsiders who had come to the town. Municipal sources – minutes books – and information from the few notarial registers that have survived will allow us to define and understand the social and economic bases of urban credit in

3. See for example Anna Vannini Marx (ed.), *Credito, Banche e Investimenti. Secoli XIII-XX*, Firenze, Istituto Internazionale di Storia Economica «F. Datini», 1972; Craig Muldrew, *The Economy of Obligation. The Culture of Credit and Social Relations in Early Modern England*, Palgrave, 1998; Giuseppe de Luca, «Sensali e mercato del credito a Milano tra XVI e XVII secolo», in Elena María García Guerra and Giuseppe de Luca (eds.), *Il mercato del credito in Età Moderna. Reti e operatori finanziari dello spazio europeo*, Milano, Franco Angeli, 2009, p. 239-257; or the works in the special issue «Debiti e crediti», *Quaderni Storici*, n° 127, 2, 2011.

4. Stephan R. Epstein, *Town and Country in Europe, 1300-1800*, Cambridge, Cambridge University Press, 2004.

5. Craig Muldrew, «Credit and the Courts: Debt Litigation in a Seventeenth-Century Urban Community», *The Economic History Review*, n° 46, 1993, p. 23-38.

Valladolid at the end of the fifteenth and beginning of the sixteenth centuries.

Economic Growth of the Town and the Need for Credit

As for other European regions, around the year 1500, clear changes were visible in the levels of urbanisation in Castile, and Valladolid, with a population of approximately 25 000-30 000 inhabitants⁶, presents one of the clearest examples⁷. With the support of the crown – the town was part of the royal demesne – and situated in the heart of Castile, Valladolid experienced a period of political, social, and economic splendour, propelled by the institutions of the town, its merchants, artisans, inhabitants, etc.

Throughout the fifteenth century, Valladolid consolidated its position as a first-rate urban centre within the extensive territory occupied by the Crown of Castile, along with other great cities such as Seville, Toledo, or Burgos. Beginning in this period and throughout the sixteenth century, the town became one of the main seats of the court and of the governing bodies of the Crown of Castile⁸. The factors that explain its urban growth are numerous: from its geographic position – situated as it was among important centres such as Burgos, Palencia, or Medina del Campo – to others such as the constant visits of the court to the town or the establishments of important institutions such as the Royal Chancery of Valladolid in the 1480s⁹. Apart from the institutional factors, other phenomena of a more internal character reinforced the intense economic growth of the town at the end of the Middle Ages. This dynamic can be noted from the town's intense control over and economic relations with its surrounding towns¹⁰, through the consolidation of the local market or the

6. The best estimate in 1530 is about 30 000 inhabitants (the result of using the x5 coefficient in a total of 6 750 neighbours): Bartolomé Bennassar, *Valladolid en el Siglo de Oro: una ciudad de Castilla y su entorno agrario en el siglo XVI*, Valladolid, Ámbito, 1983, p. 157-160.

7. Jan de Vries, *European Urbanization, 1500-1800*, London, Methuen, 1984; Stephan R. Epstein (ed.), *Town and Country...*, *op. cit.*, Introduction, p. 25-26; Pablo Sánchez León, «Town and country in Castile, 1400-1650», in Stephan R. Epstein, *Town and Country...*, *op. cit.*, p. 272-290.

8. Bartolomé Bennassar, *Valladolid...*, *op. cit.* and Adeline Rucquoi, *Valladolid en la Edad Media. El mundo abreviado*, Valladolid, Junta de Castilla y León, 1997.

9. María Antonia Varona García, *La Chancillería de Valladolid en el reinado de los Reyes Católicos*, Valladolid, Universidad de Valladolid, 1981.

10. Beatriz Majo Tomé, «Valladolid: un señorío colectivo a fines de la Edad Media. Estrategias de control y conflictividad», in David Carvajal, Imanol Vitores and Javier Añíbarro (eds.), *Poder, fisco y mercado en las ciudades de la Península Ibérica (siglos XV-XVI)*, Valladolid, Ed. Castilla, 2015.

celebration of its fairs, as it sought to secure its position as a rival to the great contemporary fair locations: Medina del Campo, Medina del Rioseco, and Villalón¹¹. Apart from that, other indications such as the development and control of public spending, the emergence of a large number of local taxes¹² or the administration of royal taxes – the *alcabalas* and the *tercias* – starting in 1496, give us new data that demonstrate the town's dynamism and economic growth¹³.

Under these conditions, the attraction that Valladolid exercised over people from every station in life is easy to understand, since the town offered the possibility of establishing contact with important nobles and other figures tied to the Castilian government. A good example was the development of mercantile relationships with important clients, such as the administrators of certain noble houses or with the Court itself, which created real opportunities of social, political, and economic promotion. At the end of the fifteenth century, the town became a meeting point for merchants, money changers, and agents coming from many parts of the Castilian territory, the peninsula, and elsewhere in Europe. The integration of Valladolid in regional, peninsular, and international commercial routes was becoming reality¹⁴. Valladolid became an attractive destination for new inhabitants such as the merchant Juan de Paredes or the tax collector Juan Abarca de Carrión who had come from different parts of the territory of Castile in search of an opportunity to prosper in the warmth of ferial

11. María Isabel del Val Valdivieso, «Valladolid y las villas de su entorno en el tránsito de a Edad Media a la Moderna», in *Valladolid. Historia de una ciudad*, Vol. I, Valladolid, Ayuntamiento de Valladolid, 1999, p. 217-242.

12. There were differences between Castilian cities, such as Valladolid, and other Iberian and European centers that developed fiscal and urban debt systems to finance local expenditure: Antoni Furio, «Deuda pública e intereses privados. Finanzas y fiscalidad municipales en la Corona de Aragón», *Edad Media. Revista de Historia*, n° 2, 1999, p. 39-79; Manuel Sánchez (ed.), *La deuda pública en la Cataluña bajomedieval*, Barcelona, CSIC-IMF, 2009; Jaco Zuijderduijn, *Medieval capital markets: markets for renten, state formation and private investment in Holland (1300-1550)*, Leiden, Brill, 2009. About Valladolid: Juan Antonio Bonachía Hernando and María Isabel del Val Valdivieso, «El sistema fiscal y financiero del concejo de Valladolid a fines del siglo XV», in Ernesto García Fernández and Juan Antonio Bonachía Hernando (eds.), *Hacienda, Mercado y Poder al norte de la Corona de Castilla en el tránsito del medievo a la modernidad*, Valladolid, Castilla Ediciones, 2015.

13. David Carvajal de la Vega and Juan Antonio Bonachía Hernando, «Los primeros encabezamientos castellanos y sus actores: los agentes del fisco en Valladolid (1496-1501)», in Mercedes Borrero, Juan Carrasco and Rafael Peinado (eds.), *Agentes de los sistemas fiscales en Andalucía y los reinos hispánicos (siglos XIII-XVIII): un modelo comparativo*, Madrid, Instituto de Estudios Fiscales – Arca Comunitis, 2014, p. 169-192.

14. David «Luis», «Valladolid y sus círculos económicos de relación (1475-1520)», *Edad Media. Revista de Historia*, n° 15, 2014, p. 97-114; María Asenjo González, «Sobre la incipient capitalitat de Valladolid», *Afers*, n° 80-81, 2015, p. 113-132.

commerce or fiscal transactions¹⁵, or the members of the Litta family who, having come from Milan, settled in Valladolid in order to strengthen the horse trade in their native town¹⁶.

One of the immediate results of this dynamism was economic growth. More people, more economic activity, more commerce, and more revenue for the town meant a stimulus for the development of sectors like finance or local artisanship, especially anything tied to the production of medium to high quality products such as textiles, gold work, or jewellery, for which there was a demand in the town marketplace and that formed the blueprint for new tendencies of lifestyles and material culture in Valladolid¹⁷.

Even though the town lost its long battle to be the foremost of all the fairs, the truth is that its economic progress did not turn out to be too restricted. The occupational structure in Valladolid during the sixteenth century reflects the consolidation of an urban economy oriented towards sectors such as artisanship and services. Both sectors played an essential role in the development of credit, while the primary sector employed hardly 7% of the population and was less represented in the financial operations.

Table 1 : Population and economic sectors in Valladolid (1503-1561)

	1503	1561
Primary Sector	7,3 %	5,7 %
Artisanship	64,9 %	53,1 %
Services	27,8 %	41,2 %

Sabina Álvarez Bezos and Agustín Carreras Zalama, *Valladolid en época de los Reyes Católicos según el alarde de 1503*, Valladolid, Universidad de Valladolid, 1998 ; Bartolomé Yun, « Valladolid en Castilla... », *op. cit.*, p. 466.

The comparison of these figures in the urban context of the northern area of the kingdom allows us to perceive the importance of artisanship and, above all, services in the development of the urban economy. The artisan sector in Valladolid has been underrated in comparison with other

15. David Carvajal and Juan Antonio. Bonachía Hernando, « Los primeros encabezamientos castellanos... », *op. cit.*, p. 171-174.

16. Concepción Villanueva Morte, « La empresa familiar de los «Litta»: negocios e intereses entre Milán y España desde mediados del siglo xv », *Edad Media. Revista de Historia*, nº 10, 2009, p. 307-341.

17. Bartolomé Yun Casalilla, « Valladolid en Castilla. Economía y consumo », in *Valladolid. Historia de una ciudad*, Vol. II, Valladolid, Ayuntamiento de Valladolid, 1999, p. 457-490.

cities in the surrounding area such as Segovia, but artisans devoted to tailoring, gold work, or jewellery played a significant role in the development of commercial and financial activities. At the same time Valladolid stood out as a town of services, full of financiers, notaries, lawyers, university students, etc. During the first half of the sixteenth century, the economic structure of Valladolid changed, with rapid growth of services over other activities. This same tendency can be observed in the case of credit: that is, credit tied to artisan activity was of much less importance compared to the credit related to the use and provision of services, as we may see in the notarial records, for example¹⁸. As in other European cities and regions, the development of credit in every form gave agents the necessary economic and financial means to carry out their work or to acquire many of the products offered in the different shops or markets of the town.

The lack of notarial documentation between 1480 and 1520 impedes us from obtaining a large enough amount of information to carry out a more accurate quantitative analysis of credit in Valladolid. Even so, judicial sources, despite their limitations and the partiality of their content, have allowed us to make a preliminary approach to the relationship between the inhabitants of Valladolid and credit¹⁹. Table 1 shows that inhabitants of Valladolid served as creditors to both fellow residents and outsiders, though the importance of the former was greater for obvious reasons, and relationships such as mutual acquaintance or kinship were behind a large part of credit operations²⁰. In this sense, we can observe two figures that allow us to characterise urban credit in Valladolid. The first one refers to the 59 credit transactions for the benefit of inhabitants of other towns. Among these operations we find several instances of credit conceded to inhabitants of the closest fair towns, especially Medina del Campo, which are a result of the heavy involvement in commercial relations undertaken by inhabitants of Valladolid in the May and October fairs in Medina. We are also not lacking evidence of the ties between Valladolid and nearby villages such as Cigales, Villanubla, Villacarralón, Villabáñez, Villafrechós

18. David Carvajal, Mauricio Herrero, Francisco J. Molina and Irene Ruiz, *Mercaderes y cambiadores en los protocolos notariales de la provincia de Valladolid (1480-1520)*, Valladolid, Universidad de Valladolid, 2015.

19. See two good examples about the possibilities of judicial sources in: Christopher Briggs, *Credit and Village Society in Fourteenth-Century England*, Oxford, The British Academy – Oxford University Press, 2009; or, James Davis, *Medieval Market Morality. Life, Law and Ethics in the English Marketplace, 1200-1500*, Cambridge University Press, 2012.

20. David Carvajal, «Cambiadores y elites urbanas: el auge de Antonio de Paredes y su familia en Valladolid a inicios del siglo XVI», *Studia Historica. Historia Moderna*, n° 38, 2016, p. 193-222.

or Olmedo, which illustrate how ties of dependence between the countryside and the town had begun to expand and include financial relations²¹.

Table 2: *Inhabitants of Valladolid present in law cases involving credit transactions (1480-1521)*

CREDITORS		DEBTORS	
Total number of cases	Total (in maravedis)	Total number of cases	Total (in maravedis)
110	4 470 542	73	2 808 743
Creditors of inhabitants of Valladolid		Debtors of inhabitants of Valladolid	
51	2 500 817	51	2 500 817
Creditors of outsiders		Debtors of outsiders	
59	1 969 725	22	307 926

ARChV, section: Pleitos Civiles, Alonso Rodríguez, Ceballos Escalera, Fernando Alonso, Lapuerta, Masas, Pérez Alonso, Quevedo (1480-1521); and ARChV, section: Registro de Ejecutorias (1480-1521). Total lawsuits: 132. The sample represents the 80% of debt lawsuits involving Valladolid citizens available in the archive database (date: December, 2014).

The second fact worth noting is the importance of credit relationships among inhabitants of Valladolid. Despite the bias that may underlie the source²², it is significant that 90% of the credit received by inhabitants of Valladolid came from local sources. This phenomenon suggests an impressive capacity on the part of local agents to provide their neighbours with the necessary capital to invest in their businesses, buy the necessary goods for the development of their ventures, acquire raw materials, and rent premises. At the same time, the availability of credit was essential for the mortgaged buying of real estate (houses, gardens...) or any other kind of goods offered on the streets and marketplaces of the town.

Revelations about the growth in activity of artisans, merchants, and money changers, the development and renting out of space on the markets or information that shows the growing need for financing of institutions such as the town council of Valladolid, make clear that the

21. These relations have been well studied in other Castilian cities such as Seville: Mercedes Borrero Fernández, «Crédito y mundo rural. La expansión de los préstamos y los endeudamientos en tiempos de los Reyes Católicos», in Manuel Fernández García (ed.), *Andalucía y Granada en tiempos de los Reyes Católicos*, vol. 1, Sevilla, Universidad de Sevilla–Universidad de Granada, 2006, p. 25-40.

22. The data comes from the lawsuits preserved in the Court (ARChV) and only referred to credit operations that resulted in conflicts.

credit needs of the town at the end of the fifteenth century were becoming greater and greater²³.

The Economic and Social Bases for Credit

In preindustrial economic systems, and in particular between the late fifteen and early sixteenth century Castile, access to capital does not seem to be one of the key elements that explain urban economic development²⁴. Even so, this phenomenon can allow us to better understand the early growth of certain regions and cities where the facilities for obtaining financing for productive or commercial activity were essential²⁵. Since the Middle Ages, the strengthening effect of credit on economic progress gained importance in western cities, at least as much as one can observe in cities where it has been possible to analyse the long-term capital market²⁶.

The expansion of urban finance at the end of the fifteenth century, especially that which corresponded to private credit between individuals, resulted from a large number of factors. We mentioned some of them earlier, most of them of an institutional type. At this point we will attempt to analyse more deeply those economic sectors implicated in credit transactions and the social ties that allowed real support networks

23. David Carvajal, «Cambiadores y elites urbanas...», *op. cit.*; Juan Antonio Bonachía and María Isabel del Val, «El sistema fiscal y financier...», *op. cit.*; David Carvajal and Juan Antonio Bonachía, «Financieros locales en los primeros encabezamientos castellanos: Valladolid, 1996», in Mercedes Borrero, Juan Carrasco and Rafael Peinado (eds.), *Agentes de los sistemas fiscales en Andalucía y los reinos hispánicos (siglos XIII-XVIII)*, Madrid, Instituto de Estudios Fiscales – Arca Comunitas, 2014, p. 169-192.

24. Historiography has usually focused on aspects such as demography, institutions, manufacturing, markets, trade, town-country relations, etc. Carlo M. Cipolla, *Historia económica de la Europa preindustrial*, Barcelona, Crítica, 2003 (1st ed. 1974), p. 156 referring to other historians (Henri Pirenne, *A History of Europe*, New York, 1936, p. 211); Harry A. Miskimin, *La economía europea en el Renacimiento tardío (1460-1600)*, Madrid, Cátedra, 1981, p. 43-44. Other authors (see note 7) considered issues such as institutional and market particularism and the influence of proto-industrialisation: Stephan R. Epstein, *Town and Country...*, *op. cit.*, Introduction, p. 15-29, or approached urban growth from the viewpoint of demography and institutions: J. Bradford de Long and Andrei Shleifer, «Princes and merchants: European city growth before the Industrial Revolution», *Journal of Law and Economics*, vol. XXXVI, 1993, p. 671-700. About Castile, Pablo Sánchez León, «Town and country in Castile...», *op. cit.* Other works have focused on the development of manufacturing and commercial activities. See also: María Asenjo González, *Segovia. La ciudad y su tierra a fines del medievo*, Segovia, Excma. Diputación de Segovia, 1986, or Paulino Iradiel Murugarren, *Evolución de la industria textil castellana en los siglos XIII-XVI: Factores de desarrollo, organización y costes de la producción manufacturera de Cuenca*, Salamanca, Universidad de Salamanca, 1974.

25. Richard A. Goldthwaite, *The Economy of Renaissance Florence*, Baltimore, The Johns Hopkins University Press, 2009, Chapter six.

26. Philip T. Hoffman, Gilles Postel-Vinay and Jean L. Rosenthal, *Priceless Markets. The Political Economy of Credit in Paris. 1660-1870*, University of Chicago Press, 2000.

to be woven among the inhabitants of Valladolid and between those inhabitants and so many other outside creditors interested in giving them the necessary capital to cover their needs.

*Credit as a Driver of Economic Activity:
Commerce, Production and Services*

A first glance at the socioeconomic profile of the creditors and debtors of Valladolid reveals a few essential factors for understanding the economic bases of urban credit. According to the sample – based on debt lawsuits and confirmed by additional sources such as notarial records – the principal sources of finance came from the capital of local merchants and money changers, who made up respectively 45,5 % and 9,1 % of the documented transactions, transactions which accounted for 82,7 % of the capital put at the disposal of all kinds of debtors. The phenomenon of businessmen as sources of capital is not unusual in Castilian cities, although we know that in other cities different groups had prominence in this activity²⁷ such as the lesser nobility in Segovia who were interested in financing a number of different activities²⁸. Even so, we should point out that among the creditors there are also references to professions tied to products or businesses with a high added value such as silversmithing or tailoring, next to other liberal professions such as barrister, solicitor, or physician. This profile of the creditor of Valladolid repeats itself throughout the scarce examples of notarial documentation, where we find promissory notes concerning transactions such as the sale by credit of twenty-two lambs made by the Valladolid merchant Pedro de Rueda to Martín de la Torre, an inhabitant of the nearby village of Mucientes; similar examples tied to livestock activity show us the existence of a real financial tie between town and country that was essential, for example, for urban provisioning²⁹.

One of the most valued aspects of urban credit at the end of the Middle Ages was its capacity to drive economic activity in sectors in which the need to count on credit was important. In the case of Valladolid we can talk about three great economic spheres in which the presence of urban

27. Hilario Casado Alonso, *Señores, mercaderes y campesinos: la comarca de Burgos a fines de la Edad Media*, Valladolid, Junta de Castilla y León, 1987; and his works about the merchant families in 15th-16th Burgos.

28. Ángel García Sanz, «El crédito a principios del siglo XVI en una ciudad de Castilla: la nobleza como financiadora del comercio y de la industria en Segovia, 1503-1508», *Studia Historica. Edad Moderna*, nº 5, 1987, p. 77-88.

29. AHPV (Archivo Histórico Provincial de Valladolid), Protocolos, leg. 253/1, ff. 462-463.

credit became fundamental for their expansion : commercial exchange, the production of goods, and the provision of services – especially financial services.

Development of urban credit had a great deal to do with the need of the inhabitants of Valladolid to finance their consumption, especially the purchase of different kinds of fabrics, cloths, brocades, etc., displayed in the local merchants' shops, many of them rented from the town council³⁰. Access to consumer credit for the inhabitants of Valladolid allowed them access to many of the goods that signified changes in life and material culture at the beginning of the sixteenth century³¹. Inventories of Valladolid merchants are representative of the variety and quality of products sold through credit, as well as the social level of the buyers³², who ranged from modest locals to agents with ties to the court, such as the Queen's jeweller Pedro Gajardo, who in 1509 purchased merchandise by instalments in merchant and fair towns such as Villalón³³.

In addition to having the capacity to provide credit to the market of Valladolid, merchants appear to be the main players in the demand for credit for financing their activity as commercial middlemen. Through buying on credit in the surrounding fairs, merchants had at their disposal merchandise to offer in their shops to local consumers or anyone else who came to Valladolid in search of different kinds of products³⁴. The importance of this activity is supported by the documentation, since the majority of the transactions or debts registered fall under this type of exchange.

In relation to commercial mediation, we should mention the demand for credit destined for the creation of commercial companies. What is more, the strength of fiscal business also fostered the demand for credit destined for the creation of companies dedicated to the administration of royal and municipal revenue³⁵. The possibility of counting on interested partners for providing capital for founding a company accounts for the presence of several partnerships whose size and volume of business

30. Local accounting book – shops lease, in Archivo Municipal de Valladolid, Cuentas de Propios, ff. 57-148. The book specified the buying goods.

31. Hilario Casado Alonso, « Comercio textil, crédito al consumo y ventas al fiado en las ferias de Medina del Campo en la primera mitad del siglo XVI », in Salustiano de Dios, Javier Infante, Ricardo Robledo and Eugenia Torijano (eds.), *Historia de la Propiedad, Crédito y Garantía*, Madrid, Servicio de Estudios del Colegio de Registradores, 2007, p. 129-159.

32. ARChV, Pleitos Civiles, Pérez Alonso (F), box 191-5 and box 679-6.

33. AHPV, Protocolos, leg. 14065/10, f. 583r.

34. According with the sample (ARChV), see note 23, and David Carvajal *et alii*, *Cambiadores y mercaderes...*, *op. cit.*

35. David. Carvajal and Juan Antonio Bonachía Hernando, « Los primeros encabezamientos castellanos... », *op. cit.*

allowed them to extend their ventures outside the town. For example, the company founded by the families of the merchants and councillors Daza and López de Calatayud is known for supplying textiles and other products to cities as far away from Valladolid as Granada, Seville, and Córdoba, as well as to the itinerant Court or important noble houses³⁶.

Castilian cities such as Segovia, where artisanal activity reached a notable level of development, benefited from the production and availability of credit to finance the growth of the sector³⁷. In the case of Valladolid, although it did not stand out as one of the great centres of production, the access of local artisans to credit allowed activities such as the production of textiles or silversmithing to occupy a relevant place in the urban economy. In general, the two means used by artisans were sale on credit of their products, taking advantage of the opportunities created by a great demand on the part of nobles, courtiers, officials, merchants, and urban elites (individuals who theoretically possess great credibility as debtors³⁸); and the obtaining of loans in order to carry out their business. At the same time, some groups of town craftsmen turned to credit to finance the development of their business. In this sense, the most prominent activity is the paying of debts for renting shops and the necessary tools to produce and sell products such as leather or linen. There are many businesses like that of the tanner Francisco de Santa María and his wife, María González, who in 1489 rented tanneries in the centre of town, in the Plaza deal Almirante, for nine years, in exchange for an annual payment of 2 000 *maravedis* and two hens to the tanner Francisco de Palencia. Some of their arrangements reached a high degree of complexity, adding clauses and other agreements to the main deal, which shows the flexibility of these contracts. For example, in the case cited above, the renters had paid through credit the amount of 1 360 *maravedis* (40 *reales*)³⁹ to build a

36. David Carvajal de la Vega, «Flujos financieros norte-sur en Castilla a fines de la Edad Media», in Javier Añibarro, Imanol Vitores and David Carvajal (eds.), *Relaciones Norte-Sur en la Europa medieval*, Santander (Anales de Historia Medieval de la Europa Atlántica, 2), 2015, p. 81-104.

37. Á. García Sanz, «El crédito a principios del siglo XVI...», *op. cit.*, p. 77-88.

38. Some examples from the legal and notarial sources are the «Comendador» Juan de Portocarrero, who kept «negotiations on gold and silver» with the silversmith Francisco de Lerma (ARChV, Pleitos Civiles, Fernando Alonso (F), box 286-1); or Diego de Aguilar, merchant from Valladolid, who was beholden to the silversmith Fernando de Córdoba. The 12 385 *maravedis* debt was «based on certain marked silver that you lent me for love and grace and good deed in times of necessity». AHPV, Protocolos, leg. 253/2, ff. 638v-639r. Valladolid, 1487/11/22.

39. The number roughly amounts to the annual salary of a woman (1 400 mrs. – ARChV, Pleitos Civiles, Fernando Alonso (F), box 633-4; half the price of an old horse (3 000 mrs. – ARChV, Pleitos Civiles, Fernando Alonso (F), box 18-2); or to the price of 7 or 8 rams (170-200 mrs. – ARChV, Pleitos Civiles, Alonso Rodríguez (D), box 54-1).

stone floor and to buy a vat for curing hides. This loan was compensated by the investments the renter had also made to improve the workshop and the houses it occupied: he installed two new vats, put in a window and repaired a wall, covering the cost of the work⁴⁰. Transactions such as this one or the renting out of shops and other spaces by large property owners, such as the canons of the Collegiate Church of Santa María, to artisans such as the carpenter Juan García de Arias or the dyer Antón de Amoudia, are common in the town⁴¹. Once again we have to emphasise the capacity of merchants and money changers, owners of a great deal of real estate⁴², to rent out spaces dedicated to housing and work to tenants such as the fruit seller Gómez de Valladolid or the brass founder Juan de Bolados⁴³.

The presence of urban credit was directly related to other activities that characterised the economy of Valladolid and differentiated it from other nearby urban centres. Banking stands out among them, a business in the hands of a growing number of money changers who, through their public changing tables or the practice of their private business deals, carried out a great deal of work of financial mediation⁴⁴. One figure allows us to have an idea of the magnitude of financial activity. The number of public changing tables in Valladolid, between 27 and 22⁴⁵, is comparable to cities such as Seville, famous for its financial sector and businessmen⁴⁶. More significant are the transactions carried out by the money changers and their amount. The capacity of money changers to move capital between different economic sectors, such as the commercial or financial sectors, or for carrying out transactions involving transfers and payment through bills of exchange proceeding from Aragonese or Italian locations proved to be fundamental for providing Valladolid necessary capital. Many of these transactions with outside or foreign agents integrated the urban economy into international capital networks. Money changers such as Antonio de Paredes or Francisco de San Pedro stood out as serving as

40. ARChV, Pleitos Civiles, Alonso Rodríguez (D), box 27-1.

41. AHPV, Protocolos, leg. 2, ff. 94r-97v y 2168r-2175v.

42. Archivo Histórico Nacional, Clero Regular, leg. 7859. About the family Villalón properties and real state investing in the city centre.

43. AHPV, Protocolos, leg. 30/3, ff. 44v-45r y leg. 32, ff. 102r-103r.

44. David Carvajal de la Vega, «El control económico de la villa: mercaderes y financieros en Valladolid (ca. 1500)», in David Carvajal, Imanol Vítores and Javier Añíbarro (eds.), *Poder, fisco y mercado...*, *op. cit.*

45. Between 1497-1499, see: Fernando Pino Rebolledo, *El primer Libro de Actas del Ayuntamiento de Valladolid. Año 1497*, Valladolid, Ayuntamiento de Valladolid, 1990; *Libro de Actas del Ayuntamiento de Valladolid. Año 1498*, Valladolid, Ayuntamiento de Valladolid, 1992; and *Libro de Actas del Ayuntamiento de Valladolid. Año 1499*, Valladolid, Ayuntamiento de Valladolid, 1993.

46. Antonio Collantes de Terán Sánchez, *Sevilla en la baja Edad Media. La ciudad y sus hombres*, Sevilla, Exmo. Ayto. de Sevilla, 1977.

intermediaries between their neighbours, many of them merchants, and financiers such as the Italians Cesaro Barce, Andrea Gentil, Tomás and Nicolao Spinola, Andrea Velluti, Pantaleón Vieri or Leonardo Rétulo⁴⁷. Capital transfers between Valladolid and Medina del Campo, Seville, or Valencia – towns with a habitual presence of Italians – show the potential and growing integration of the finances of Valladolid in the large financial networks of the Western Mediterranean, despite the few records that have been preserved. In short, economic activity in Valladolid found in urban credit a support upon which the expansion of commerce, the provision of certain services, and, to a lesser degree, artisan production could be consolidated⁴⁸.

Up to this point we have discussed the relationship between credit and economic activity without examining certain other essential elements in the development of the financial dynamics in the town. Understanding the forces at work in urban credit requires observing and comprehending the intense social and political dynamics present in the daily life of the townspeople.

The Social Bases of Credit: Family, Profession, and Reputation

Any credit transaction required bringing into contact at least two individuals who decide to fix, with greater or lesser freedom and degree of mutual knowledge, the terms and conditions of the deal. Because of that, apart from the strictly economic element, on many occasions credit transactions started with established social relationships, both in the vertical sense – going beyond the limits imposed by the social structure and hierarchy – and in the horizontal sense, between equals. Many of these social and financial relationships played a determining role for reinforcing personal ties, thus promoting the internal cohesion of professional associations or families, or simply between inhabitants of the same city or town⁴⁹.

47. The references about bills of exchange payments made by moneychangers from Valladolid between 1515-1519 in: AHPV, leg. 6095, f. 749r-v; leg. 6813, 55v y 58r-v; 7330, ff. 294r-v, f. 326r; leg. 7839, ff. 347-350r, ff. 474r-475r; leg. 7840, 49r-v, ff. 172r-173r, f. 214r-v, f. 863r, f. 869v, f. 899r, f. 901v, ff. 263v-264r, f. 411r-v; leg. 8438, f. 126; y leg. 20205, ff. 638r-665r.

48. David Igual, « Valladolid y sus círculos económicos... », *op. cit.*, p. 97-114.

49. Craig Muldrew, « Interpreting the market: the ethics of credit and community relations in early modern England », *Social History*, n° 18-2, 1993, p. 163-183; in other Castilian cities, just like Toledo, see: David Carvajal de la Vega, « Crédito y préstamo entre mercaderes castellanos a fines de la Edad Media », in Juan Antonio Bonachía Hernando and David Carvajal de la Vega (eds.), *Los negocios del hombre. Comercio y rentas en Castilla. Siglos XV-XVI*, Valladolid, Castilla, 2012, p. 53-76.

Neighbourhood relationships were common between creditors and debtors, although normally another kind of tie, such as professional or family connections, were present in most credit transactions. In other urban contexts, such as that of Burgos, we have been able to confirm to what point these ties were decisive in fostering financial contacts and strengthening the dominant elite. At the end of the fifteenth century, the dominant group in the society of Burgos was made up of merchants who, apart from fostering inbreeding among a limited number of families, took advantage of the relationships established among its members to facilitate the granting of credit and thus to further their businesses⁵⁰. We can observe something similar in Valladolid at the end of the Middle Ages where family and profession shared prominence as pillars and drivers of credit, consolidating the ties of a powerful urban elite.

There are many examples that show the importance that family relationships played in the world of urban credit. Apart from strengthening the relationships themselves, these ties encouraged the combined investment of parents, children, brothers, and sons-in-law in companies, or they facilitated financial support through subscription of large bonds, etc. These kinds of financial relationships responded to a series of representative and repeated behaviours among the most powerful groups in the town: merchants and money changers. Marriage, one of the most fundamental institutions for integrating and reinforcing the social and economic position of families, served as a foundation, bringing economic security to businesses. Married couples such as the merchant Lope de Vertavillo and his wife, Francisca López, were obliged to pay their creditors, in this case merchants from Burgos, Toledo, Valencia, and Genoa (and to answer with their goods and reputation the debts they had incurred)⁵¹. In a similar sense, marriage also fostered financial transactions between members of different families, such as the rag and bone man Juan Alonso de Roa, guarantor of his son-in-law, Cristóbal de Monzón, who set himself up with a public changing table in 1497. In the same way, Antón Garcia de Aranda appears as guarantor for his son-in-law, Bernardino de Portillo, or also the draper Juan González for his son-in-law, the money changer Gómez de Villalón in 1499, taking on great risks given that the vouched-for amounts were quite high, varying between 1 000 and 2 000 ducats⁵².

The providing of finance was tied to the consolidation of important

50. David Carvajal de la Vega, « Merchant Networks in the cities of the Crown of Castile », in Andrea Caracausi and Christof Jeggle (eds.), *Commercial Networks and European Cities, 1400-1800*, London, Pickering & Chatto, p. 137-152.

51. AHPV, *Protocolos*, leg. 32, ff. 100r-102r.

52. Fernando Pino, *El primer Libro de Actas...*, *op. cit.*

financial interests inside the town, such as having public changing tables from which one could manage private deals and some public town business. With this goal, many agents, especially merchants and money changers, chose to give their support to their respective sons or brothers, such as in the case of Bernardino de Portillo, guaranteed by his brother, the swordsmith Francisco Núñez de Portillo, in order to allow him to establish a public changing table in 1497⁵³. In this way, families such as the Verdesotos were able to maintain a central position in the financial structure of town and expand their business towards other centres such as the fairs of Medina del Campo.

Table 3 : Money Changers, Guarantors, and their Socio-economic Relationships

Year	Money Changers	Gua-rantors	Number of Securities	Securities per Money Changer (average)	Repeated Guarantors	Social & Economic Ties between Money Changers and Guarantors	
						Family Relations-hips	Professional Relations-hips
1497 (1)	20	17	21	1.1	-	6	2
1497 (2)	23	47	49	2.1	13	12	7
1498	28	52	59	2.1	27	11	22
1499	22	41	46	2.1	25	10	8

Fernando Pino Rebolledo, *El primer Libro de Actas del Ayuntamiento de Valladolid. Año 1497*, Valladolid, Ayuntamiento de Valladolid, 1990. (1) Moneychangers' obligations between January and February, 1497 (2) Moneychangers' obligations in March-July 1497. The table shows, for the years 1497 and 1498, the total number of money changers obligated before the town council, the total number of guarantors that appears in the securities, the number of granted guarantees (since some guarantors offered more than one guarantee), and the number of cases where there is some kind of family bonds between the money changer and the guarantor (father, son, brother, father-in-law) or some kind of professional ties between them (broker, partner, etc.).

Also, there were a large number of money changers who were supported by their parents for the same purpose. This leads us to observe the development of strategies of strengthening and perpetuation of family credit businesses based on transmission of clients and the support which money changers such as Pedro de Monzón, Alvar González de Villalón or Pedro de Rojas granted to their sons : Cristóbal de Monzón, Juan de Villalón or Francisco de Rojas. Definitively, sharing family ties meant an advantage

53. *Ibidem*, p. 33.

for receiving financial support through loans, securities, or combined investments like those carried out by merchants and money changers.

Professions created another privileged environment for the development of credit in Valladolid. At the end of the Middle Ages, there was a professional association in the town, the Confraternity of Mercy, basically made up of merchants and money changers⁵⁴. We have little information about it, but the merchant confraternity must have facilitated the relationships between merchants and financiers, even to the point at which it developed and exercised its own jurisdiction in cases of debt litigation among its members⁵⁵. Going beyond the limitations of formal institutions, credit relationships between merchants were common and their average amounts were high in comparison with the rest of the recorded transactions. Amounts such as the 40 900 *maravedis* that Juan de Camargo owed Francisco del Cueto for the purchase of merchandise on credit are good examples⁵⁶. On a smaller scale of number and amount, there were transactions between merchants and small volume retail vendors, debtors who turned to the merchants in search of loans to buy merchandise to sell in town or in the nearby villages, or to buy different kinds of goods on credit (slaves, mules, etc.). Apart from the economic data we have, we can certainly see that these relationships were based on mutual acquaintance and that they were long-time relationships, which was made clear by the interested parties or witnesses in debt cases. For instance, a witness by the name of Alvar García, a gunsmith from Valladolid, swore to the truthfulness of the contents of a «conocimiento» (a private credit document) because he could identify the handwriting of Rogel García, a merchant with whom he had some deals in the past.

« Alvar García took the aforesaid document, looked at the handwriting and read it, and afterwards he said that it was the handwriting and the signature of the late Rogel García, since he had seen him write and knows his handwriting and signature, and he has many letters written by him.

54. The ability of some institutions in Castile, above all merchants' guilds such as the «Consulado de Burgos», to exert its own jurisdiction is well known. This ability derived from the privileges granted by the Crown: Pedro-Luis Lorenzo Cadarso, «Los tribunales castellanos en los siglos XVI y XVII: un acercamiento diplomático», *Revista General de Información y Documentación*, vol. 8, nº 1, 1998, p. 141-169. About the importance of these institutions, James Davis, *Medieval Market Morality...*, *op. cit.*, p. 205; Sheilagh Ogilvie, *Institutions and European Trade: Merchants Guilds, 1000-1800*, Cambridge, University Press, 2011, chapter 7 and p. 428-434 and, in Castile, Hilario Casado Alonso, *El Triunfo de Mercurio. La presencia castellana en Europa (Siglos XV y XVI)*, Burgos, Caja Círculo, 2003.

55. ARChV, Pleitos Civiles, Masas (F), box 3174-3. See note 51.

56. AHPV, Protocolos, leg. 14065/10, ff. 572v-574r.

Furthermore, he knows that he owed that debt, for he had heard Rogel saying it. This is what he knows, and he swears it and signs his name.»⁵⁷

Though family relationships or those tied to professions were fundamental, it is also necessary to note that credit transactions also presented a relationship component that was difficult to evaluate and that, as far as we know, was fundamental when it came to generating financial associations. We are referring to the trust between agents, creditors and debtors, which was an essential ingredient for the formation of economic and social relationships⁵⁸. There is evidence of the importance that merchants assigned to reputation as a base for trust in different parts of Western Europe and the Mediterranean. In the case of Castile, documentary sources proceeding from testimony for debt trials record this phenomenon, expressing that trust in terms of honour, a quality that depended on the character of the debtors and their ability to obtain capital⁵⁹. Apart from preserving one's honour before one's neighbours – since in Valladolid it was easy to know or hear about the character of each person – merchants, money changers, artisans, and the majority of the agents who participated in credit made an effort to generate trust and credibility before his or her neighbours and the outsiders who came to town to carry out their business⁶⁰. Some merchants, like Jacome Lita, a member of a Milanese family settled in Valladolid, were able to defend their good name when they were wrongly accused of debts thanks to the deposition of some neighbours who answered questions such as «Do you know if the aforesaid Jacome Lita was an honest merchant and a good Christian and had a good name?» In their answers they confirmed before the authorities that Lita was an «honest merchant, truthful, with a good conscience, and a good Christian». It was a reputation earned with time, since several neighbours said that they had known him «for over twenty years, and in that time he was always known as an honest merchant of good fame.»⁶¹

57. ARChV, Pleitos Civiles, Alonso Rodríguez (D), box 35-1.

58. Craig Muldrew, «Interpreting the market...», *op. cit.*, p. 163-183.

59. Craig Muldrew, *The Economy of Obligation...*, *op. cit.*, p. 173; James Davis, *Medieval Market Morality...*, *op. cit.*, p. 207; Betsabé Caunedo del Potro, «Un manual de aritmética mercantil de Mosén Juan de Andrés», *Pecunia*, n° 8, 2009, p. 71-96.

60. In medieval Burgos, we could know well these aspects through great merchants' biographies, just in the case of Diego de Soria: Betsabé Caunedo del Potro, «Los negocios de Diego de Soria, mercader burgalés», in *La ciudad de Burgos. Actas del Congreso de Historia de Burgos*, Junta de Castilla y León, 1985, p. 163-172, p. 172.

61. Question VI. ARChV, Pleitos Civiles, Pérez Alonso (F), box 1141-4.

The mechanics of achieving a good reputation as a creditor or debtor basically centred around showing oneself as an honourable person when keeping the commitments one has acquired as a debtor, a guarantor, etc. Those inhabitants of Valladolid who wished to validate their good reputation, especially in the case of a complaint against their financial practices, turned to witnesses who, in general, identified them as prompt in paying debts and as honourable and responsible men, attributing to them the necessary attributes for them to defend themselves against the accusations of non-payment or usury, and reinforcing their credit in regard to future business activity.

Lawsuits brought against merchants and money changers make clear the need to maintain one's honour and good reputation in regards to remaining financial agents in the town. Negative comments, news about reprehensible behaviour, or complaints to judicial authorities could mean a loss of credit, which is why money changers such as Antonio de Paredes chose to carry out an active defence against proceedings initiated by the prosecutor of the Royal Chancery of Valladolid – possibly petitioned by other merchants and money changers, such as Álvaro de Cuéllar⁶². The complaint against Antonio de Paredes argued that he had committed usury in his credit transactions:

« and to lend to them, taking large amounts of what he had lent, and he had made contracts that were fraudulent due to usury, especially he said that he lent Rodrigo Perez and Alonso Perez, from Medina de Rioseco, thirty-two thousand *maravedis* to be paid at a certain time; and because they could not pay it at the aforesaid due date, the aforesaid Paredes asked for a promissory note on their behalf for thirty-five thousand *maravedis* from the money changer Alvaro de Cuellar, to be paid at a certain date; and because they could not pay them at the aforesaid date, the aforesaid Paredes asked for another promissory note on their behalf from Garçia de Dueñas for fifty-nine thousand *maravedis*, according to what he said that appeared in a report that he had presented and it should appear very useful in the prosecution of the aforementioned cause ».

The accusations against the money changer were serious and meant an attack against his professionalism and his honesty, qualities that a businessman had to maintain and display while carrying out his work⁶³. Antonio de Paredes's reaction was immediate. He claimed that everything

62. ARChV, Registro de Ejecutorias, box 225, 47 ; 1508, julio, 31.

63. David Carvajal de la Vega, *Crédito privado y deuda en Castilla (1480-1521)*, PhD dissertation, Universidad de Valladolid, 2013, p. 379; James Davis, *Medieval Market Morality...*, *op. cit.*, p. 205-207.

in the accusation was false and that he was « a person of good conscience, reputation, behaviour, and conversation, and that he lived and had always lived in an impeccable manner in his profession and that outside of it he would never have done nor committed anything that he shouldn't have » and those qualities could be corroborated by many witnesses, many of them neighbours and companions in Valladolid. Finally, after the prosecutor's appeal, the verdict gave the money changer his freedom, fully restoring his honour as a financier and his ability to prosper in his business and in his path towards upward social mobility, which he did.

The period of growth through which Valladolid passed for a good part of the fifteenth and sixteenth centuries can be explained as the conjunction of different geographic, institutional, social, and economic factors. To this point prevailing scholarly discourse has centred on the development of institutions such as the town council, the establishment of judicial bodies, the nobility's desire to control the town or the development of an urban economy strongly tied to the mercantile boom and competition with the fairs of Medina del Campo, Medina de Rioseco, or Villalón. Without dismissing the importance of these factors, we have shown through this study the need to incorporate urban credit as a phenomenon that contributed to strengthening economic relationships and fostered sectors such as commerce and production. The development of urban credit markets was a consequence of the context of growth and became one of the main agents boosting the positive economic trend, with an important presence of foreigners, just like in other Castilian and peninsular cities – Seville or Valencia – during the Middle Ages⁶⁴.

It is difficult to understand the bases of the growth of Valladolid without pointing out that credit, especially short-term credit extended through documents such as the promissory note – obligations –, made possible, apart from other things, a change in the urban landscape⁶⁵, the growth of commercial and financial activity in spaces such as the Plaza del Mercado, or the access to capital needed by artisans and businessmen to carry out their activity. The development of local banking and the rele-

64. Enrique Otte, *Sevilla y sus mercaderes a fines de la Edad Media*, Universidad de Sevilla, 1996, p. 167-168. About the role of credit in medieval Valencia, Juan Vicente García Marsilla, *Vivir a crédito en la Valencia medieval. De los orígenes del sistema censal al endeudamiento del municipio*, Universitat de València, 2002.

65. Juan Antonio. Bonachía and María Isabel del Val, « El sistema fiscal y financiero... », *op. cit.* ; Luis Vasallo Toranzo, « El convento de San Pablo de Valladolid contra Simón y Francisco de Colonia », *Boletín del Museo Nacional de Escultura*, nº 4, 2000, p. 7-10.

vance of its agents as financial intermediaries and credit suppliers until the second half of the sixteenth century was the best example. Even so, we must put special emphasis on the capacity of urban credit to incentivise consumer credit, facilitating access to new goods or merchandise of all kinds of quality thanks to the financial capacity of merchants, money changers, silversmiths, etc. There was a great importance of activities tied to the providing of services of credit that were both desired and necessary, since not only did they strengthen mercantile activity, but they also were basic for paying for some services in instalments or in the development of other businesses such as the buying and selling of bulls from Rome, thus creating a relationship between the credit business and atonement for sins⁶⁶.

The financial world of Valladolid, which had barely reached a certain degree of development, just like the majority of the financial systems of the period, was characterised by a high level of uncertainty that could be compensated for thanks to the establishment of personal relationships. Social ties (family, professional, or simply neighbourly) and the concern for maintaining one's reputation and personal and professional honour made up the foundations upon which stood social and economic credit in the thriving town of Valladolid at the dawn of its «Golden Age» and that positioned the town as one of the most important urban centres of Early Modern Europe.

66. AHPV, Protocolos, leg. 32, ff. 99v-100r. Gonzalo de Cereales, a gunsmith from Valladolid, and Bartolomé Catalán's wife, María Rodríguez, neighbour from the village of Mucientes, committed themselves to pay to Gómez de Villalón, moneychanger from Valladolid, the price of certain Roman bulls that Gómez de Villalón has negotiated with the Italian banker Nicolao Vaquerin.