

Private credit: rents on houses and merchant partnerships

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The rent was also the principal instrument of private credit. Citizens who needed capital, to buy a house, to set up a workshop or to finance a trading venture, sold rents secured on their real property. The buyer acquired a right to an annual payment, the *Zins* or *Gült*, secured on the house, a right that followed the property through changes of ownership. A house in medieval Basel could be burdened with several rents in favour of different creditors, the Church, religious foundations, private persons, and the registers of the city recorded these charges.¹

This system of real credit is the ancestor of the modern mortgage. Swiss land law, codified in the Civil Code of 1907, recognises the mortgage (*Grundpfandverschreibung*), the mortgage note (*Schuldbrief*) and, until its abolition in 2012, the *Gült*, a form of land charge that went back directly to the medieval rent.² The mortgage note, the *Schuldbrief*, which combines a personal claim with a land charge and can be issued as a negotiable security or registered in the land register, is the principal instrument of real estate finance in Switzerland today. The Swiss mortgage market, one of the largest in the world relative to the size of the economy, thus rests on legal forms whose roots reach back to the medieval rent market of cities like Basel.

Commercial credit took other forms. Merchants extended credit to each other through deferred payments for goods, recorded in their account books. They formed partnerships, the *Gesellschaften*, in which several partners contributed capital and shared profits and losses. The great merchant companies of Upper Swabia and of the Swiss plateau, such as the Great Ravensburg Trading Company, which operated from the late fourteenth to the early sixteenth century, and the Diesbach-Watt company of Bern and St Gallen, maintained branches and agents across Europe and dealt in linen, spices, metals and credit.³ Basel merchants participated in

this commercial world, in which the city's position on the routes between Italy, the Rhineland and Burgundy made it a meeting point for merchants of different origins.

The bill of exchange, the instrument that allowed Italian merchants to transfer money across Europe without transporting coin, was known in Basel, but its use remained limited until the Council of Basel brought the Italian banking houses to the city. The next chapter examines this encounter.

1 Notes

1. On private rents (Gülten, Bodenzinse) secured on houses in medieval Basel and their registration, see the Historisches Grundbuch of the Staatsarchiv Basel-Stadt; Harms, 1909–1913. To be verified. ↩
2. The Gült (Art. 847 ff. of the former Swiss Civil Code) was abolished with the revision of the law on real property rights in force since 1 January 2012; existing Gülten were converted. See the Federal Council's dispatch on the revision (BBl 2007 5283). To be verified. ↩
3. On the Great Ravensburg Trading Company (Grosse Ravensburger Handelsgesellschaft, c. 1380–1530) and the Diesbach-Watt company, see HLS, articles "Ravensburger Handelsgesellschaft" and "Diesbach-Watt-Gesellschaft". Dates to be verified; the presence of these companies in Basel is to be verified. ↩

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