

## The Church as a financial system

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To understand the financial stakes of the Council, it is necessary to recall the scale of the financial system that the papacy had built in the fourteenth century. During the residence of the popes at Avignon, from 1309 to 1377, the papal administration developed a fiscal apparatus that was among the most sophisticated in Europe. Its central organ was the Apostolic Camera, the *Camera apostolica*, headed by the chamberlain, which administered the revenues and expenditure of the papacy and kept detailed accounts.<sup>1</sup>

The revenues of the papacy came from several sources. The *servitia communia* were payments that bishops and abbots appointed by the pope had to make on their appointment, calculated as one third of the estimated annual income of their benefice. The annates were payments of the first year's income of lesser benefices conferred by the pope. The papal tithes were levies on the income of the clergy, imposed for crusades or other purposes. The *spolia* were the movable property of deceased clerics, which the Camera claimed. Fees were due for dispensations, absolutions, confirmations and the countless documents that the curia issued. Peter's pence was a tribute paid by certain kingdoms. And indulgences, granted in return for pious works that increasingly took the form of payments, became a growing source of revenue in the fifteenth century.

The collection of these revenues required a network that covered all of Latin Christendom. The Camera appointed collectors in each ecclesiastical province, who assessed and collected the sums due and transferred them to the curia. The transfer was carried out by Italian bankers, who received the sums from the collectors in the provinces and paid them to the Camera through bills of exchange, or who advanced sums to the Camera against the future receipts of the collectors. The bankers who served the Camera in this way held the title of depositaries or merchants of the Camera, a position that gave them access to the largest financial flows of the period.<sup>2</sup>

## *The Church as a financial system*

The Medici owed a large part of their fortune to their position as bankers of the papacy.

This system had been criticised long before the Council of Basel. The fiscal pressure of the curia on the local churches, the sale of offices and dispensations, the accumulation of benefices by absentee clerics and the enrichment of the curial bureaucracy were denounced by reformers throughout the fourteenth and fifteenth centuries. The Council of Basel took up this criticism and tried to dismantle the system by abolishing the annates and the fees. It failed, but the criticism remained and became one of the causes of the Reformation of the sixteenth century. Luther's attack on indulgences in 1517 was an attack on a financial practice. In Basel, Zurich and Geneva, the Reformation then ended the payments of the local churches to Rome.

For the history of finance, the papal fiscal system is significant in three respects. It was the first international system of taxation, covering many political territories under a single fiscal authority. It gave rise to the first international banking networks, which the Italian merchant bankers built to serve it. And it raised questions of legitimacy, transparency and accountability that every international financial institution faces: who decides on the levies, how are they spent, who controls the accounts? The Council of Basel was, among other things, an attempt to subject the papal finances to the control of a representative assembly. Its failure shows the difficulty of this enterprise; its ambition anticipates the demands for the accountability of international institutions that are formulated today.

### 1 Notes

1. On the Apostolic Camera and the fiscal system of the Avignon papacy, see the standard literature on papal finances in the fourteenth century. To be verified. ↩
2. On the role of Italian merchant bankers as depositaries of the Apostolic Camera and the transfer of papal revenues through bills of exchange, see de Roover, *The Rise and Decline of the Medici Bank 1397–1494*, 1963. To be verified. ↩

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