

The municipal exchange of 1504

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The financial institution that crowned the medieval development of Basel was established shortly after the city's accession to the Confederation. In 1504, the council created a municipal exchange, the *Stadtwechsel*, which received the monopoly of money changing in the city.¹ The *Stadtwechsel* exchanged foreign and domestic coins at official rates, bought precious metals for the mint, accepted deposits and made loans, in particular to the city itself. It was operated by officials appointed by the council and its profits went to the city treasury.

The *Stadtwechsel* belongs to a family of public banks that European cities created between the fifteenth and seventeenth centuries: the *Taula de Canvi* of Barcelona, founded in 1401; the *Casa di San Giorgio* of Genoa, founded in 1407; the *Banco di Rialto* of Venice, founded in 1587; the *Wisselbank* of Amsterdam, founded in 1609; and the *Hamburger Bank*, founded in 1619.² These banks had in common that they were created by public authorities, that they held a monopoly or a privileged position in money changing and in the receipt of deposits, that they provided a reliable means of payment in a world of multiple and debased coinages, and that they lent to the state that created them. They are the precursors of the central banks that emerged from the seventeenth century onwards, beginning with the Swedish Riksbank in 1668 and the Bank of England in 1694.

The Basel *Stadtwechsel* was a modest institution compared with the great public banks of Amsterdam or Venice, but it was one of the first in the Swiss and German-speaking area. It gave the city control over the exchange of money, which was a source of revenue and an instrument of monetary policy, and it provided the merchants of the city with a reliable service. It also created a structure in which the deposits of citizens could be used to finance the city, a mechanism that combined public credit with private savings.

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The *Stadtwechsel* existed until the eighteenth century, when the development of private banking houses in the city, which Part C examines, reduced its importance. Its history shows that the idea of a public institution guaranteeing the reliability of money and payments has deep roots in Basel. The central banks of the world chose Basel as the seat of their own bank in 1930 for reasons of neutrality and geography examined in Part F. The coincidence is nonetheless striking: the city that created one of the first public exchange banks north of the Alps became the seat of the bank of central banks.

1 Notes

1. On the Basel Stadtwechsel, established in 1504 by the council, with the monopoly of exchange, and its later development until the eighteenth century, see HLS, article "Banken", section on the early modern period; Harms, 1909–1913. Date of foundation and date of dissolution to be verified. ↩
2. Foundation dates: Taula de Canvi of Barcelona 1401; Casa di San Giorgio of Genoa 1407; Banco della Piazza di Rialto of Venice 1587; Amsterdamsche Wisselbank 1609; Hamburger Bank 1619. See the standard literature on the history of public banks. To be verified. ↩

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