

The players: merchants, factors and companies

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The Geneva fairs brought together a great variety of players whose roles were quite distinct. The great Italian trading and banking companies kept permanent or seasonal representatives there. Their organisation deserves description, because it prefigures that of international banking groups. A fifteenth-century Florentine company often consisted of a parent house and several legally separate branches, each with its own capital, its own partners and its own books, but linked by a majority holding of the parent house and by common management.¹ This structure limited the contagion of losses from one branch to another while allowing an overall strategy.

The branches were run by managers, often junior partners, who received a share of the profits. They employed factors, clerks and apprentices. The factors travelled from one fair to the next, sold and bought on behalf of their house, negotiated bills of exchange and reported to their superiors through an abundant correspondence. That correspondence is today a major source for the history of medieval trade.

The merchants of southern Germany were organised in a comparable way. The Great Ravensburg Trading Company, active from the fourteenth to the sixteenth century, had trading posts in several European cities and frequented the great fairs.² The merchants of Nuremberg, renowned for their hardware and metal products, were present as well.

The French merchants came mainly from Lyon, Burgundy, Dauphiné and the central regions. They bought spices and silks for resale in the kingdom and sold cloth and agricultural products. Their presence was to become a major political issue when Louis XI sought to divert them to Lyon.

The Swiss merchants, finally, played a growing role. Merchants from Bern, Fribourg, Basel and Lucerne used the Geneva fairs to sell their products and to obtain supplies. Their towns levied tolls on the goods in transit to

Geneva, which created a solidarity of interests between the cantons and the city.

Alongside these foreign merchants, the Genevans provided the services of the fair. Innkeepers lodged the merchants and stored their goods. Brokers brought the parties together. Money changers converted the currencies. Notaries drew up the contracts. Carters and porters carried the bales. Some Genevans also went into trade on their own account, but the city did not yet have great merchant or banking houses comparable to those of Florence or Nuremberg. This asymmetry matters: in the fifteenth century, the bankers of Geneva were foreigners settled in the city. Geneva banking in the proper sense would be born later, after the Reformation and the Refuge.

Key point. The great Italian companies of the fifteenth century were organised as networks of legally separate firms, linked by a majority holding and common management. This architecture limited the contagion of losses while allowing an overall strategy. Today's international banking groups rest on a comparable logic, with subsidiaries and branches subject to different legal regimes.

1 Notes

1. Raymond de Roover, *The Rise and Decline of the Medici Bank, 1397-1494*, Cambridge (Mass.), Harvard University Press (Harvard Studies in Business History, 21), 1963, xxii-500 pp.; Wikipedia (fr), "Histoire de Genève": opening of a Medici branch in Geneva in 1424. ↩
2. Dictionnaire historique de la Suisse (DHS), art. "Compagnie de Ravensburg": company active from around 1380 to 1530, with a factor in Geneva from 1454, establishments in St Gallen, Bern, Zurich, Lucerne and in Italy, Spain, France, Bruges, Antwerp, London and as far as eastern Europe; withdrawal from Switzerland after the Swabian War (1499). ↩

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