

Credit in a notarial society

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The sources allow a fairly detailed picture of credit in the late medieval Ticino, because almost every loan of any size was recorded by a notary. The most common instruments were the simple loan (*mutuum*), the sale with a right of repurchase, the emphyteutic lease (*livello*), the rent charge (*censo*) and the sale of goods on credit.¹ The canonical prohibition of usury made open interest-bearing loans legally risky. The notaries therefore developed forms that achieved the same economic result without offending the rules. A sale of land with a right of repurchase, combined with a lease of the same land to the seller, allowed a lender to receive a fixed annual payment in exchange for capital advanced, while the seller could recover the land by repaying the price. A rent charge on a house or a field gave the buyer a perpetual or redeemable annual income secured on the property. Canon law condemned as usury any repayment above the sum lent, yet in 1425 Pope Martin V settled a long dispute by declaring that rents on real property bought at the customary price with a free right of redemption were not usurious. In the Swiss territories the rate of redeemable rents fell in the late Middle Ages from about seven to five per cent.²

These instruments connected the Ticinese economy to a much wider financial world. Lenders in Lugano or Locarno included local notables, clergy, religious institutions and merchants of Como and Milan. Borrowers included peasants who needed seed, cattle or money for taxes, communes that had to pay extraordinary levies or finance a lawsuit, and emigrant craftsmen who needed an advance for the journey to their workplaces abroad.³ Credit was secured on land, on future harvests and on the remittances of emigrants, a link that Chapter A.III develops. The communes of the valleys borrowed heavily in times of war and famine and repaid their loans over decades, with the result that the debt registers of the fifteenth and sixteenth centuries are among the best sources for the economic condition of the rural population.

1 Lombard bankers and the wider market

At the top of the credit system stood the bankers and financiers of Milan. The fifteenth-century duchy was one of the principal financial markets of Italy. The Borromeo, a Tuscan family established in Milan, ran a banking house whose branches reached as far as Bruges and London. Vitaliano Borromeo, general treasurer of Filippo Maria Visconti, used his wealth to acquire lordships on the southern shores of Lake Maggiore, among them Arona, which he bought in 1439.⁴ The Borromeo lordship on Lake Maggiore, which would later produce Carlo Borromeo (see Chapter B.III), is an example of a financial fortune converted into territorial power on the doorstep of the Ticinese territories. The Medici bank of Florence opened a branch in Milan in 1452, headed by Pigello Portinari, and received from Francesco Sforza a palace in the city, which illustrates the close connection between ducal politics and international banking.⁵

North of the Alps, "Lombard" had become a common name for moneylenders and pawnbrokers. Merchants and financiers from Asti, Chieri and other Piedmontese and Lombard towns had established lending houses (*casane*) in many towns of the Confederacy, of the Rhineland and of the Low Countries in the thirteenth and fourteenth centuries. They lent at interest under licences granted by town councils and lords, who taxed them in return.⁶ The territory of the Ticino lay between the home cities of these lenders and their northern markets. The Lombard banking tradition passed through it in both directions. The word "Lombard" survives in modern banking language in the *Lombardkredit* (a loan secured on pledged securities), a product that Lugano's private banks offer to this day.⁷

For the practitioner. Medieval Ticinese documents are unusually useful for the history of family property because they are mostly notarial and therefore systematic. Anyone researching old title, *patriziato* rights or family foundations with roots in the region should keep in mind: - that sums before about 1800 are usually expressed in Milanese lire, soldi and denari, and that the document must say which lira (imperial or *terzoli*) is meant; - that measures of land, grain and wine differed between districts and must be converted with the local standard; - that rent charges, repurchase clauses and emphyteutic leases may still underlie modern land records, especially in the valleys; - that the notarial archives of Como and Milan may hold the counterpart of a Ticinese deed.

2 Notes

1. Ostinelli and Chiesi (above). ↩

2. Hans-Jörg Gilomen and Anne-Marie Dubler, "Usura", DSS, version of 18 November 2014, <https://hls-dhs-dss.ch/it/articles/017472/> ("le rendite su beni immobiliari a un prezzo usuale con libero diritto di riscatto non erano da considerarsi usura"). Chapter B.III discusses the censo in early modern canon law, including the bull Cum onus of Pius V. ↩
3. Ostinelli and Chiesi (above). On emigrant credit see Chapter A.III. ↩
4. Treccani, Dizionario Biografico degli Italiani, art. "Borromeo, Vitaliano", [https://www.treccani.it/enciclopedia/vitaliano-borromeo_\(Dizionario-Biografico\)/](https://www.treccani.it/enciclopedia/vitaliano-borromeo_(Dizionario-Biografico)/) (general treasurer from about 1418; branches at Bruges, 1431, and London, 1435; purchase of Arona in September 1439). ↩
5. Treccani, Dizionario Biografico degli Italiani, art. "Portinari, Pigello", [https://www.treccani.it/enciclopedia/pigello-portinari_\(Dizionario-Biografico\)/](https://www.treccani.it/enciclopedia/pigello-portinari_(Dizionario-Biografico)/) (opening of the branch in 1452, gift of the palace by Francesco Sforza on 20 August 1455). ↩
6. DSS, art. "Lombarden", <https://hls-dhs-dss.ch/de/articles/014060/2008-02-04/> (pawnbrokers and money-changers from Piedmont and Lombardy in Swiss towns from the mid-thirteenth century). ↩
7. Wikipedia, "Lombard credit", https://en.wikipedia.org/wiki/Lombard_credit (consulted as a last resort). The product is treated in Chapter E.I. ↩

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