

Transit, Tolls and Contraband: The Gotthard Route and the Milanese Market — overview and summary

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The previous chapters followed the land, the lordships and the people of the lakes and valleys south of the Alps. This chapter follows the goods. From the early thirteenth century, when the gorge of the Schöllenen above Göschenen was made passable, the Gotthard offered the shortest line between the Rhine at Basel and the plain of Lombardy. Everything that crossed it had to be carried, stored, taxed, insured against loss, financed and sold. The valleys of the Leventina, the Riviera and the Bellinzonese, and beyond them the market towns of Lugano, Locarno and Mendrisio, lived for six centuries from providing these services and from the income that the passage of goods left behind. Most of the institutions of a modern trading centre appear here in early form: carriers' corporations with liability for the load, public warehouses, sworn brokers, commission agents, forwarders, transit duties, treaties on market access and tariff preferences, together with a credit system resting on the bill of exchange and the notarial acknowledgment of debt.

The question of the chapter is how a transit economy shaped the institutions and habits of the territory that later became the Canton of Ticino, and what of that inheritance can still be recognized in the Lugano financial centre, in the trading and logistics houses of the Mendrisiotto and in Chiasso as a customs and banking town. The argument has three parts. First, transit on the Gotthard was organized from the start by corporations of carriers (the carriers' associations of Uri and Urseren, the *vicinanze* and *degagne* of the Leventina) that held monopolies over stages of the road, and by governments that taxed every stage. Second, the relationship with Milan was governed by treaty: the fifteenth-century *capitoli* with the Visconti and the Sforza, confirmed and renewed under French and Spanish rule until 1706, gave the Confederates tariff privileges and access to Lombard grain and salt. These treaties formed the legal backbone of the trade. Third, wherever prices, duties and monopolies differed on the two sides of a

border, goods moved outside the law as well as within it. Smuggling was therefore a structural feature of the border economy. It trained a population in the handling of goods, cash and discretion long before the first bank opened in Lugano.

The chapter does not repeat the political history of the conquest of the bailiwicks, which Chapter A.II treats, nor the emigration of builders and artists and the remittances that financed village capital, which is the subject of Chapter A.III. It concentrates on the road, the duties, the treaties, the markets, the contraband and the commercial and credit techniques that the transit trade required. A final section draws the line from the medieval *sosta* and the *dazio* to modern customs law, trade finance and logistics, and to the development of Chiasso after the opening of the Gotthard railway, which Chapter C.III treats in detail.

1 Conclusion

For six centuries the territory of today's Ticino lived from the passage of goods between the Rhine and Lombardy. The opening of the Schöllenen around 1200–1230 turned the Gotthard into one of the main routes across the Alps. The communities along the road organized themselves to profit from it. The carriers' associations of Uri and Urseren and the *vicinanze* of the Leventina held monopolies over the carriage of goods on their stages, distributed the loads among their members and stood liable for losses. The *Susten* stored and recorded the goods, while the *dazio* taxed them at every stage. The *landfogti* of the Confederate cantons farmed out the duties to local contractors who accumulated capital and information. The capitulations with Milan, renewed under each new sovereign from the Visconti and the Sforza to the Spanish Habsburgs, secured the tariff privileges, the grain and the salt on which the mountain cantons depended.

The same order produced its own shadow. Monopolies, export bans and differential duties on both sides of a border that could not be closed created a permanent trade in contraband, organized by merchants and financed by creditors, which the authorities of the bailiwicks tolerated and the communities regarded as legitimate. The commercial techniques of the route (brokerage, commission, forwarding, the bill of exchange and the notarial acknowledgment of debt) trained a population in the handling of goods, credit and currencies across jurisdictions.

The modern financial centre inherits this experience in several forms. The Swiss Code of Obligations still regulates the broker, the commission agent, the forwarder, the carrier and the warehouse keeper in terms that the merchants of the old regime would have understood. Chiasso grew as a

customs and forwarding town after 1874 and became a banking town when the flow across the border turned from goods to money. The Lugano trading houses carry on a *Transithandel* that no longer uses the road. The criminal law now treats qualified fraud in customs matters as a predicate offence to money laundering, a rule that has particular significance in a territory where contraband was long part of the ordinary economy.

2 In five sentences

The Gotthard became a major Alpine route after the Schöllenen gorge was made passable around 1200–1230, and the territory of today's Ticino lived for six centuries from the carriage, storage, taxation and sale of the goods that crossed it. Carriers' associations in Uri and Urseren and the *vicinanze* of the Leventina held monopolies over stages of the road, public warehouses (*Susten*) recorded and stored the goods, and the *dazio* farmed out by the Confederate bailiffs taxed them at every stage. The capitulations with Milan, from the settlement of 1426 to the last renewal of 1705, guaranteed the Confederates tariff privileges and access to Lombard grain and salt, which the mountain cantons could not do without. The price differences created by monopolies, export bans and tariffs made smuggling a structural feature of the border economy, and the brokers, forwarders, commission agents, bills of exchange and notarial credits of the route formed the commercial skills of the region. These institutions survive in the Code of Obligations, in customs and transit law, in the heavy vehicle fee, in Chiasso's history as a customs and banking town and in Lugano's trade finance and merchanting business.

3 Conclusion of Part A

Part A has followed the territory of today's Ticino from its Lepontic and Roman beginnings to the end of the old regime in 1798. Chapter A.I described a land divided by the Monte Ceneri into the Sopraceneri and the Sottoceneri, oriented towards Como and Milan by its dioceses, its lordships and its markets, and organized at the local level in rural communes and valley communities. The Visconti and Sforza dukes made the castles of Bellinzona a military and customs barrier, while the Milanese monetary system, with its lira of account, governed the money of the region. The market towns of Lugano, Locarno, Bellinzona and Mendrisio and the merchants of Como on the lakes were the first commercial institutions of a borderland whose economy depended on the exchange between the Alps and the plain.

Chapter A.II showed how the Confederate cantons acquired the valleys and towns south of the Alps between 1403 and 1516 and governed them as common lordships of one, three or twelve cantons until 1798. The *landfogti*, who had often bought their office, administered justice and collected revenues for the ruling cantons, and the *sindacato* audited them. Tolls, fines and confiscations made the bailiwicks a source of income for their rulers, while the confirmed statutes of the towns and valleys preserved a local legal order. The comparison with Geneva, which defended its independence while the Ticinese valleys remained subjects, explains why the Italian-speaking south entered the modern Confederation without institutions of its own above the commune and with a deep distrust of distant authority, and why the guarantees of the rule of law carry such weight in its later history.

Chapter A.III followed the builders, stucco-workers, painters and chimney-sweeps who left the valleys and the lakes for Rome, Milan, Turin, Vienna and St Petersburg, from Domenico Fontana and Carlo Maderno to Francesco Borromini and Domenico Trezzini. Their remittances, contracts, bills of exchange and notarial settlements created village capital and a habit of managing family wealth across borders that anticipates the work of the modern private banker and family office. The present chapter has shown the other pillar of the old economy: the transit trade on the Gotthard route, its corporations, tolls and treaties, its markets and fairs, the contraband it generated and the brokers, forwarders and credit instruments it required.

Taken together, the four chapters describe a society that lived from mobility: of goods over the passes, of people to the cities of Europe and of money in both directions. They show that the financial centre of Lugano did not arise from nothing in the twentieth century. It drew on a long experience of cross-border commerce, credit and discretion, on a legal culture shaped by the Milanese tradition and Confederate rule, and on a border that was both an opportunity and a temptation. The same experience also carries the risks that later chapters examine, from capital flight to money laundering.

Part B turns from goods and remittances to faith and exile. In 1555 the small Reformed community of Locarno was expelled by decision of the Confederate cantons and settled in Zurich, where families such as the Muralt and Orelli helped to found the silk industry and later the banking culture of that city. At the same time Carlo Borromeo's Counter-Reformation shaped the Catholic south, with its colleges, its confraternities, its *censi* and its doctrine on usury. Part B examines how these two movements, one leading out of the Italian-speaking valleys and one reshaping them from within, affected the relationship between conscience, capital and trust on which a financial centre depends.

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