

CULTURAL EXCHANGE IN
EARLY MODERN EUROPE

VOLUME III

*Correspondence and Cultural Exchange in Europe,
1400–1700*

EDITED BY
FRANCISCO BETHENCOURT
AND FLORIKE EGMOND

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Merchants' letters across geographical and social boundaries

Francesca Trivellato

... a Factor is created by Merchant Letters¹

In his influential book *The Structural Transformation of the Public Sphere*, Jürgen Habermas contrasted medieval business correspondence with the public dissemination of economic news that began in the late seventeenth century, and defined the latter as more central to the development of western capitalism.² Several economic historians have endorsed this account. Business newspapers thus add substance to the conventional portrayal of the rise of an open, efficient (modern), Anglo-Atlantic market economy that superseded the medieval, Italian, exclusivist (backward) organisation of trade.³ This picture, however, rests on a clear-cut and hierarchical opposition between 'private' and 'public' economic information and its means of dissemination that is inconsistent with the commercial practices adopted by European merchants throughout the early modern period.⁴ While fast and reliable information is central to all economic activities, it would be wrong

¹ Gerard Malynes, *Consuetudo, vel, Lex Mercatoria, or, The Ancient Law-Merchant* (London: Adam Islip, 1622), p. 111. A factor is an agent who worked on commission.

² Jürgen Habermas, *The Structural Transformation of the Public Sphere: An Inquiry into a Category of Bourgeois Society* (Cambridge, MA: MIT Press, 1989), pp. 16–21.

³ For a recent assessment of this view, see John J. McCusker, 'The demise of distance: the business press and the origins of the information revolution in the early modern Atlantic world', *American Historical Review* 110.2 (2005), 295–321.

⁴ On the complementarities of manuscript and printed sources of economic information, see Pierre Jeannin, 'La diffusion de l'information', in Simonetta Cavaciocchi (ed.), *Fiere e mercati nella integrazione delle economie europee secc. XIII–XVIII* (Florence: Le Monnier, 2001), pp. 231–62.

to assume that newspapers delivered such information to everyone interested in acquiring it.

Rather, we need to understand the precise content and function of commercial and financial information, how it circulated, and what merchants valued most. The news relevant to merchants often overlapped with news also possessed by diplomats, missionaries, travellers and others – and merchants themselves could simultaneously be missionaries, diplomats, adventurers, pilgrims and similar intermediaries. In Counter-Reformation Italy, for example, 'Lutheran' books were often smuggled by merchants, and business letters contributed to the spread of heterodox ideas.⁵ Even restricting our analysis to a purely economic perspective, we must dismiss any simplistic evolutionary depictions of the relation between business correspondence and economic newspapers. By illuminating the principal uses of letters exchanged among merchants involved in long-distance trade, this chapter contends that private correspondence continued to play a fundamental role in the eighteenth century, that is, long after the appearance and diffusion of printed periodicals containing economic information. In so doing, it also throws light on the mercantile culture of early modern Europe even beyond the chronological period examined in this volume.

More specifically, merchants' letters remained uniquely valuable for circulating information about the aptitude and trustworthiness of distant agents. This argument has important empirical and theoretical implications, because as European commerce expanded geographically, business organisation became more complex: new formal institutions such as joint-stock chartered companies and stock markets emerged. Individual family firms and ethnic-religious trading diasporas, however, remained essential protagonists in many branches of commerce, and were also forced to establish durable economic relations with outsiders. Business correspondence, as I will show, was a crucial instrument in forging and maintaining these informal

⁵ Rita Mazzei, *Itinera mercatorum: circolazione di uomini e di merci nell'Europa centro-orientale, 1550–1650* (Pisa: Maria Pacini Farri Editore, 1999), pp. 189–90.

cross-cultural networks, and thus also constitutes a precious historical source for studying a neglected phenomenon.

BUSINESS CORRESPONDENCE IN LATE MEDIEVAL
AND EARLY MODERN EUROPE

In the fourteenth century, offering advice on how to succeed in business, an Italian merchant recommended, 'You should not postpone to your correspondence. Paper is cheap, and often brings in good profit.' And he added, 'One must know how to keep books and records; to write and answer letters, which is not a small thing, particularly that of knowing how to dictate letters.'⁶ A champion of such recommendations was Francesco, son of Marco Datini (c. 1335–1410), a textile merchant–producer from Prato (near Florence), whose suppliers and customers extended from Barcelona to Bruges, Lisbon, Sicily and even further. Through good fortune and his own efforts we possess over 126,000 original commercial letters sent to Datini from 285 different localities, and some 11,000 private letters exchanged between him and his wife, which include many references to his economic activities.⁷ To date, this is the largest known collection of business correspondence available to historians of Europe and the Mediterranean. One, two, even three centuries later, merchants still continued to devote considerable time and care to letter writing, although few were as zealous or as fortunate as Datini in their record-keeping. Simon Ruiz of Medina del Campo received more than 50,000 letters between 1558 and 1598;⁸

⁶ Anthony Mollo (ed.), *Social and Economic Foundations of the Italian Renaissance* (New York: John Wiley & Sons, 1969), pp. 55, 57.

⁷ Federigo Melis, *Aspetti della vita economica medievale (Studi nell'Archivio Datini di Prato)*, 2 vols. (Siena: Leo S. Olschki, 1962), vol. 1, pp. 13–17; Bruno Dini, 'L'archivio Datini', in Simonetta Cavaciocchi (ed.), *L'impresa, industria, commercio, banca secc. XIII–XVIII* (Florence: Le Monnier, 1991), pp. 45–58; Elena Cecchi, *Le lettere di Francesco Datini alla moglie Margherita (1385–1410)* (Prato: Società Pratese di Storia Patria, 1992).

⁸ Henri Lapeyre, *Une famille de marchands: les Ruiz* (Paris: Librairie Armand Colin, 1955); Valentín Vázquez de Prada, *Lettres marchandes d'Anvers*, 4 vols. (Paris: SEVPEN, 1960).

and nearly 80,000 letters were sent to the Roux of Marseilles from 1728 to 1843.⁹

When studying business correspondence, economic historians have mostly privileged the medieval over the early modern period in spite of the large collections of letters surviving from the later period. This preference reflects the importance of merchants' letters in the panorama of sources available to historians of medieval trade. Starting in the sixteenth century, new economic institutions have indeed produced new and voluminous types of records, but reliance on such documents should not obscure the continued centrality of merchants' letters in early modern commercial practices.

Both practical and legal reasons account for the persistent importance of business correspondence in European trade. While merchants became more sedentary, and new legal contracts (such as the *commenda*) ensuring a more efficient division of labour, risk and profit developed in medieval Italy, letters remained the main instruments for a merchant to exert control over his agents overseas.¹⁰ As European commerce expanded, commission agency became increasingly essential for conducting long-distance trade, and business correspondence attained greater rather than lesser significance. In the most famous and widely imitated commercial manual of early modern Europe, Jacques Savary warned against the risks of commission trade, claiming that 'those who do business via commission agency go straight to the poor house'.¹¹ Savary knew all too well that the age of Europe's travelling

⁹ Ferréol Rebuffat, *Répertoire numérique des Archives*, vol. II, *Fonds annexes de la Chambre* (Marseille: Imprimerie Robert, 1965), pp. 89–149. The Roux's correspondence is used amply in Charles Carrière, *Négociants marseillais au XVIII^e siècle: contribution à l'étude des économies maritimes* (Marseille: Institut Historique de Provence, 1973), and Charles Carrière, Michel Gutschatz, Marcel Courdurié and René Squarzonni, *Banque et capitalisme commercial: la lettre de change au XVIII^e siècle* (Marseille: Institut Historique de Provence, 1976).

¹⁰ Frederic C. Lane, *Andrea Barbarigo, Merchant of Venice (1418–1449)* (Baltimore: Johns Hopkins University Press, 1944), pp. 97–9.

¹¹ '... qui fait ses affaires par commission va à l'Hôpital en personne'; Jacques Savary, *Le parfait négociant ou Instruction générale pour ce qui regarde le commerce des marchandises de France et des pays étrangers* (Paris: Jean Guignard fils, 1675), book 2, ch. 47, p. 33; also quoted in Henri Hauser, 'Le "Parfait Négociant" de Jacques Savary', *Revue d'histoire économique et sociale* 13 (1925), 1–28, here 16.

merchants had faded away, and that letters were the primary tool for weaving webs of commercial relations across space and social groups. As he recognised, 'nothing preserves commerce as much as commissioners and correspondents'.¹² In addition, beginning in the fourteenth century and becoming standard practice after the sixteenth, merchants no longer needed to certify their papers with notaries.¹³ Once business correspondence acquired autonomous legal validity, a merchant's job became simpler and cheaper. Meanwhile, as letters became accepted proof in court, their language necessarily became increasingly formulaic: expressions of gratitude and friendship, for example, acquired contractual meanings.¹⁴ Indeed, the oft-lamented formulaic prose and repetitive content of business letters account for their effectiveness, because rhetorical standardisation rendered contracts and obligations intelligible and enforceable across geographical and social boundaries.

The literature known as *ars mercatoria* mirrors these changes in both the legal and practical functions of business correspondence. Merchants' manuals of the fourteenth and fifteenth centuries rarely mention letter writing, while listing different local units of measurement, currency values and trading customs.¹⁵ From the late sixteenth century onwards, specialised letter-writing models appeared in print while commercial treaties began to devote greater attention to correspondence. The *Formulaire de missives, obligations, quittances, lettres de change, d'assurances . . .* by Gabriel Meurier was published in Antwerp in 1558, followed in 1576 by Gérard de Vivre's *Lettres*

¹² 'Il n'y a rien qui maintienne tant le commerce, que les commissionaires ou correspondans'; Savary, *Le parfait négociant*, book 2, ch. 55, p. 143.

¹³ Maura Fortunati, *Scrittura e prova: i libri di commercio nel diritto medievale e moderno* (Rome: Fondazione Sergio Mochi Onory per la storia del diritto italiano, 1996).

¹⁴ Fortunati, *Scrittura e prova*, p. 22; Carlos Petit, 'Mercatura y ius mercatorum: materiales para una antropología del comerciante premoderno', in Carlos Petit (ed.), *Del ius mercatorum al derecho mercantil: III Seminario de Historia del Derecho Privado (Sitges, 28-30 de mayo de 1992)* (Madrid: Marcial Pons, Ediciones Jurídicas y Sociales, 1997), p. 64.

¹⁵ Francesco Balducci Pegolotti, *La pratica della mercatura*, ed. Allan Evans (Cambridge, MA: The Mediaeval Academy of America, 1936); Franco Borlandi, *El libro di mercantie et usanze de' paesi* (Turin: S. Lattes, 1936); Antonia Borlandi, *Il manuale di mercatura di Saminiato de' Ricci* (Genoa: Di Stefano, 1963).

missives and Jean Bourlier's *Lettres communes*.¹⁶ A century later, such compilations had multiplied and now included booklets addressed to tradesmen, shopkeepers and the educated public, such as John Hill's popular *The Young Secretary's Guide: or, A Speedy Help to Learning* (first printed in London in 1680, it had reached its 27th edition by 1764). More specialised bilingual models of business letters appeared, such as the Italian–German edition of Matthias Kramer's *Il segretario di banco* (Nuremberg, 1693). *Il negoziante* by Giovanni Domenico Peri, the most sophisticated seventeenth-century Italian merchants' manual, included sketchy instructions on how to write letters, and referred to the legal standing of business correspondence in a chapter devoted to 'contracts'.¹⁷ In his *Parfait négociant*, Savary urged all merchants to keep copies of the letters they sent, so that they could submit them as evidence in court or could review what they had previously written to their correspondents in order to verify their orders and their answers.¹⁸

While merchants' manuals took notice of the importance of business letters, by the late sixteenth century and more intensively after 1650, new periodical publications offering economic information became available. First came single-sheet currents (containing lists of local prices and exchanges rates), then more voluminous almanacs and gazettes.¹⁹ These printed materials have provided economic

¹⁶ Roger Chartier, 'Secrétaires for the people? Model letters of the ancient régime: between court literature and popular chapbooks', in Roger Chartier, Alain Boureau and Cécile Dauphin (eds.), *Correspondence: Models of Letter-Writing from the Middle Ages to the Nineteenth Century* (Princeton: Princeton University Press, 1997), pp. 59–111, here p. 68. See also Jochen Hoock, Pierre Jeannin and Wolfgang Kaiser (eds.), *Ars Mercatoria: eine analytische Bibliographie*, 3 vols. (Paderborn: Ferdinand Schöningh, 1991–2001), vol. 1.

¹⁷ Giovanni Domenico Peri, *Il negoziante*... (Venice: Gio. Giacomo Hertz, 1662 [1638]), pp. 11–14, 41.

¹⁸ Savary, *Le parfait négociant*, book 2, ch. 43, p. 8. Similar prescriptions in Samuel Ricard, *Traité général du commerce*... , 5th edition (Amsterdam: Aux dépens de la Compagnie, 1732), pp. 531–2.

¹⁹ John J. McCusker and Cora Gravesteyn, *The Beginning of Commercial and Financial Journalism: The Commodity Price Currents, Exchange Rate Currents, and Money Currents of Early Modern Europe* (Amsterdam: NEHA, 1991); John J. McCusker, 'The Italian business press in early modern Europe', in Simonetta Cavaciocchi (ed.), *Produzione e commercio della carta e del libro secc. XIII–XVIII* (Florence: Le Monnier, 1992), pp. 797–841.

historians with invaluable information. Michel Morineau, for example, challenged accepted wisdom concerning the arrival of American bullion in Europe on the basis of figures extrapolated from Amsterdam gazettes.²⁰ We should not, however, conclude that economic periodicals supplanted business letters as the chief source of economic information in the seventeenth and eighteenth centuries. In spite of progress in postal services as well as in overland transportation and sea shipping, no significant remedy existed for slow communication before railways, steamships and the telegraph were invented. In the early modern Mediterranean and Atlantic, couriers became faster and more regular, and average freight costs decreased, but no revolution occurred in maritime or terrestrial transportation.²¹

Economic newspapers thus had no structural advantage over business letters in terms of the rapidity with which they disseminated information. It is often assumed that the public nature of periodicals had a strong impact on market expansion and integration. In practice, however, the publication of prices, exchange, interest and stock rates had only limited effects: it was most effective locally, but did not significantly enhance long-distance trade.²² While updated lists of stock rates were available to small and medium-sized investors who purchased shares of the Dutch and English East India Companies, they were not able to reduce the asymmetry of information between them and the boards of trustees of these speculative institutions.²³ Admittedly, gazettes and other periodical publications brought remarkable

²⁰ Michel Morineau, *Incroyables gazettes et fabuleux métaux: les retours des trésors américains d'après les gazettes hollandaises (xvii-xviii siècles)* (London, New York and Paris: Cambridge University Press and Maison des Sciences de l'Homme, 1985).

²¹ Fernand Braudel, *The Mediterranean and the Mediterranean World in the Age of Philip II*, 2 vols. (New York: Harper & Row, 1972-3), vol. 1, pp. 355-74, and *Civilization and Capitalism, 15th-18th Century*, 3 vols. (New York: Harper & Row, 1981-4), vol. 1, pp. 415-30; Russell R. Menard, 'Transport costs and long-range trade, 1300-1800: was there a European "transport revolution" in the early modern era?', in James D. Tracy (ed.), *The Political Economy of Merchant Empires* (Cambridge: Cambridge University Press, 1991), pp. 228-75.

²² Jeannin, 'La diffusion de l'information', pp. 252-3.

²³ Jonathan Barron Baskin, 'The development of corporate financial markets in Britain and the United States, 1600-1914: overcoming asymmetric information', *Business History Review* 62.2 (1988), 199-237, here pp. 202-3.

innovations in both retail and wholesale marketing. David Hancock has shown how London-based merchants took advantage of the proliferation of newspapers in the first half of the eighteenth century in order to advertise the arrival of their cargo, the auctioning of their goods and the availability of their ships, and promote their affairs more generally.²⁴ Hancock has also documented how newspapers, correspondence and personal ties all helped expand the market for Madeira wine in North America during the eighteenth century.²⁵

Periodicals, however, were less than efficient when it came to informing agents about either the objective or the intangible qualities of their distant correspondents, especially when the latter were neither relatives nor coreligionists. Such goals were best fulfilled by business correspondence. In addition to allowing merchants to deliver orders (purchases, sales, subscriptions of insurance policies, extensions of credit lines, etc.) and serve as proof that such transactions had occurred, letters also transferred information among correspondents about a large variety of topics. Indeed, most letters simply reported facts and opinions without ordering the completion of any specific transactions.²⁶

The information transmitted via private business correspondence can be schematically grouped under three headings. The first category included commodity prices, local units of weights and measures, insurance premia, exchange rates, descriptions of the quantity and quality of products available in specific towns or regions, and similar matters. Secondly, news concerning political, military and diplomatic events also abounded. Both types of information helped agents assess

²⁴ David Hancock, *Citizens of the World: London Merchants and the Integration of the British Atlantic Community, 1735–1785* (Cambridge: Cambridge University Press, 1995), pp. 32–3.

²⁵ David Hancock, "'A revolution in the trade': wine distribution and the development of the infrastructure of the Atlantic market economy, 1703–1807", in John J. McCusker and Kenneth Morgan (eds.), *The Early Modern Atlantic Economy* (Cambridge: Cambridge University Press, 2000), pp. 134–42.

²⁶ Jeannin, 'La diffusion de l'information', p. 245; Giovanni Levi, 'I commerci della Casa Daniele Bonfil e figlio con Marsiglia e Costantinopoli (1773–1794)', in Stefano Gasparri, Giovanni Levi and Pierandrea Moro (eds.), *Venezia: itinerari per la storia della città* (Bologna: Il Mulino, 1997), pp. 223–43, here p. 225.

short- and medium-term market fluctuations, and thus facilitated their decision-making process. A correspondent often tailored his writing to suit the needs and the requests of his addressees. Naturally, merchants gathered intelligence wherever they could. Strolling along the docks or on the market square was a necessary daily exercise. Sometimes, printed price or stock lists were expedited together with a letter – another testimony to the complementarity of printed and manuscript sources. Gazettes were mostly filled with political and military reports, but did not necessarily offer speed, quality or reliability.²⁷

Most importantly, merchants' letters also contained a third type of information, that is, about merchants themselves. This knowledge could be either direct (when, for example, the success or failure of an agent was communicated to correspondents) or indirect (in the sense that letter exchange was itself a form of recognition of reciprocal esteem, or at least tested the possibility of future collaboration). References to personal and family matters in business correspondence, while sporadic, nevertheless nourished social as well as business ties. Any ambitious merchant considered expressing his condolences and greetings to business associates to be part of his duties, and many took up their pens in order to negotiate matters as crucial for their firms as good marriages for their daughters. In addition, bills of exchange, or references to their negotiability, were sometimes included in ordinary business letters. This overlap was due as much to the organisation of private credit at the time as to the inextricable link between an individual's economic and social credit.²⁸

Writing to a friend in 1717, an English trader noted, 'To support and maintain a man's private credit, 'tis absolutely necessary that the world have a fixed opinion of the honesty and integrity, as well as the ability of the person.'²⁹ For this, private business correspondence was definitely

²⁷ As Barbarics and Pieper demonstrate convincingly in chapter 2 of this volume.

²⁸ This issue is explored, though less in connection to long-distance trade than in relation to local and regional economies, in Craig Muldrew, *The Economy of Obligation: The Culture of Credit and Social Relations in Early Modern England* (New York: St Martin's Press, 1999).

²⁹ A. A. Sykes, *A Letter to a Friend* . . . (London, 1717), quoted in Peter Mathias, 'Risk, credit and kinship in early modern enterprise', in McCusker and Morgan (eds.), *The Early Modern Atlantic Economy*, p. 29.

more adequate than public sources. Not only did it ensure the secrecy that helped one cope with competition and was necessary in certain dealings, but it also incorporated facts and judgements about other businessmen that rarely found expression in printed materials. By the early eighteenth century the bankruptcy of large merchant houses regularly appeared in a special section of most London gazettes, but this information was fairly selective and standardised, and restricted to a local readership. Private correspondence was the only way in which many merchants could nuance, diffuse, and update information about the reputations of their smaller and distant counterparts. Rich in candid comments about his competitors and filled with a variety of gossip, the letters that Joshua Johnson sent from London to his associates in Maryland in the 1770s, at a time when English trade in North America was the most thriving sector of international commerce, testify to this crucial function.³⁹

Letters of introduction provided a common and indispensable tool for any merchant interested in entering a new market or enlarging his network. Conversely, letters could point to the failures of correspondents who did not deliver on their promises or performed below expectations. Always keen to avoid legal troubles, but often unable to bring a distant correspondent to court in cases of malfeasance, merchants used letters to select apt and reliable agents, as well as to check on them. Trust was a precious and fragile commodity; it built on constant reinforcements that buttressed one's reputation and on the multiple cross-references that correspondence networks helped forge. A trader frequently repeated the same information in letters addressed to different agents as a way of stimulating competition and generating vigilance among them. Despite the individual character of each letter, business correspondence should actually be read as a polyphonic conversation rather than a dialogue. In sum, primarily because they conveyed reputations far better than any public information sources, private business letters remained a vital element in the organisation of early modern long-distance trade.

³⁹ Jacob M. Price (ed.), *Joshua Johnson's Letterbook 1771–1774: Letters from a Merchant in London to his Partners in Maryland* (London: London Record Society, 1979).

ECONOMIC HISTORIANS AND MERCHANTS' LETTERS

Merchants' letters have long been a classic source for the study of European economic history. Scholars have traditionally used them to document the speed of diffusion of economic information or such advances in business techniques as the appearance of new forms of partnership or novel financial and insurance systems.³¹ Others have relied on business correspondence to outline what was once called 'the psychology of merchants', that is, their more or less idealised and typified sociological traits as a social group. In the words of Robert Lopez and Irving Raymond, there exists 'no better key to the psychology of the merchant' than business correspondence.³² A master of this approach, S. D. Goitein, used merchants' letters to illustrate the 'sociological' rather than 'economic' aspects of the overseas trade conducted by a group of North African Jews during the eleventh and twelfth centuries.³³ In the 1950s and 1960s, under the sponsorship of Fernand Braudel, various collections of merchants' letters were published with little or no commentary, as if such presumably transparent

³¹ Pierre Sardella, *Nouvelles et spéculations à Venise au début du xvii^e siècle* (Paris: Librairie Armand Colin, 1948), pp. 56–75; Yves Renouard, 'Information et transmission des nouvelles', in Charles Samaran (ed.), *L'histoire et ses méthodes* (Paris: Editions Gallimard, 1961), pp. 95–142; Melis, *Aspetti*, vol. 1, pp. 13–17; Melis, *Documenti per la storia economica dei secoli XIII–XVI* (Florence: Leo S. Olschki, 1972), pp. 14–27, 136–229; Melis, 'Intensità e regolarità nella diffusione dell'informazione economica generale nel Mediterraneo e in Occidente alla fine del Medioevo', in *Mélanges en l'honneur de Fernand Braudel*, vol. 1: *Histoire économique du monde méditerranéen 1450–1650* (Toulouse: Editions Privat, 1973), pp. 389–424.

³² Robert S. Lopez and Irving W. Raymond, *Medieval Trade in the Mediterranean World: Illustrative Documents Translated with Introductions and Notes* (New York: Columbia University, 1955), p. 378. See also Armando Sapori, *Le marchand italien au Moyen Age* (Paris: Librairie Armand Colin, 1952). Melis, *Aspetti*, p. 4 n. 1, criticised Sapori's use of Datini's letters and account books for not addressing their technical dimension more skilfully.

³³ S. D. Goitein, *Letters of Medieval Jewish Traders Translated from the Arabic with Introductions and Notes* (Princeton: Princeton University Press, 1973), p. 11; *A Mediterranean Society: The Jewish Communities of the Arab World as Portrayed in the Documents of the Cairo Geniza*, 6 vols. (Berkeley and Los Angeles: University of California Press, 1967–93).

primary sources would serve the purpose of a *histoire totale* of the merchants' world.³⁴

More recently, economists and economic historians have returned to the study of merchants' letters, this time concentrating on the role of information in pre-modern markets. They are now less preoccupied with the technicalities of its transmission than with its functions in forming solidarities, enforcing contracts and minimising opportunist behaviours. Merchants' letters are thus examined first of all as the means through which an agent's ability and honesty were circulated among his correspondents. The most innovative and influential insights have come from the economist Avner Greif, who for over fifteen years has engaged in theoretical and comparative analysis of the organisation of medieval Mediterranean trade. Through the use of game theory, rational-choice modelling and the new institutional economic history, Greif further refines the opinions of Robert Lopez and Raymond de Roover about the so-called 'commercial revolution' of the Middle Ages, and specifically about the consequences of the routine use of new legal contracts and institutions in the Italian maritime republics of the thirteenth century.³⁵ Greif's most original contribution concerns the power and limitations of mechanisms of contract enforcement generated solely by reputation control in a context where legal institutions were either weak or absent. He analyses a group of North African Jews active across the Mediterranean as self-interested individuals dependent on information about an actor's past conduct in order to make decisions about whether or not to trade

³⁴ Fernand Braudel, 'Avant-propos', in Micheline Baulant-Duchaillat (ed.), *Lettres de négociants marseillais: les frères Hermite (1570-1612)* (Paris: Librairie Armand Colin, 1953); Ugo Tucci, *Lettres d'un marchand vénitien: Andrea Berengo (1553-1556)* (Paris: SEVPEN, 1957); José Gentil da Silva, *Marchandises et finances: Lettres de Lisbonne 1563-1578*, 3 vols. (Paris: SEVPEN, 1959); Vázquez de Prada, *Lettres marchandes*; Felipe Ruíz Martín, *Lettres marchandes échangées entre Florence et Medina del Campo* (Paris: SEVPEN, 1965).

³⁵ Raymond de Roover, 'The organization of trade', in *The Cambridge Economic History of Europe*, vol. 3: M. M. Postan, E. E. Rich and Edward Miller (eds.), *Economic Organization and Policies in the Middle Ages* (Cambridge: Cambridge University Press, 1965), pp. 42-118; Robert S. Lopez, *The Commercial Revolution of the Middle Ages, 950-1350* (Englewood Cliffs, NJ: Prentice-Hall, 1971).

with him. Departing from previous interpretations, Greif argues that they created dependable networks of long-distant agents during the eleventh and twelfth centuries, not because of their social cohesion or ethical injunctions, but through individual rational calculation and collective punishment.³⁶

Even a sympathetic reader becomes suspicious of his sharp distinction between economic and social sanctions, since these business associates were also coreligionists and not infrequently relatives, who shared much more than an interest in the pursuit of profit. Although we know that this specific group of North African Jewish traders cooperated with Muslims as well as with other Jews, Greif claims that these informal mechanisms of monitoring and information transmission did not extend to members of other communities.³⁷ This view reduces business correspondence to a traditional tool of commercial operations incapable of sustaining market expansion, until legally sanctioned commercial contracts later provided Italian merchants with the necessary security to venture into business outside their own families and immediate communities.

Historians who have called attention to the role of information in European commercial organisation are generally more inclined than economists to acknowledge the social and collective dimensions of unofficial forms of reputation control. But by and large they too focus on pre-established groups, whether family clans or religious and ethnic minorities. Letters are thus considered an asset in the hands of Genoese merchant-bankers who dominated Iberian finances from the early sixteenth to the mid seventeenth century.³⁸ Examining the business

³⁶ Avner Greif, 'Reputation and coalition in medieval trade: evidence on the Maghribi traders', *Journal of Economic History* 49.4 (1989), 857-82; Avner Greif, 'Contract enforceability and economic institutions in early trade: the Maghribi traders' coalition', *American Economic Review* 133.3 (1992), 525-48.

³⁷ Compare, for example, S. D. Goitein, 'Letters and documents on the India trade in medieval times', in *Studies in Islamic History and Institutions* (Leiden: E. J. Brill, 1966), pp. 329-50, here p. 350, with Greif, 'Reputation and coalition', pp. 862, 878.

³⁸ Giorgio Doria, 'Conoscenza del mercato e sistema informativo: il know-how dei mercanti-finanzieri genovesi nei secoli XVI e XVII', in Aldo De Maddalena and Hermann Kellenbenz (eds.), *La repubblica internazionale del denaro* (Bologna: Il Mulino, 1986), pp. 57-122.

correspondence of two family firms of wholesale traders in Stockholm, Leos Müller demonstrated how intense communication of economic news and social relations had a greater impact than legal enforcement on the stability of commission trade. The activities of these Swedish merchants, however, were restricted in terms of geography, articles and actors, producing remarkable stability in their networks, which revolved around a core of relatives in Amsterdam and a few occasional correspondents.³⁹

The function of correspondence can be better tested through commercial diasporas – such as the Sephardic Jews, Huguenots, Quakers, Armenians and later the Greeks – that contributed to disseminating skills and integrating distant markets in various regions of the globe during the European commercial expansion. The geographical expansion of European commerce increased the need for information to travel not only across vast geographical distances, but also across ethnic, religious, cultural and political boundaries. In many instances, specialised groups of brokers and trading diasporas became influential through their ability to facilitate cross-cultural trade.⁴⁰ Their strength derived from their internal cohesion and geographical dispersion, which gave them a competitive advantage over individual family firms. Received traditions in the social sciences and the character of most historical records have induced most scholars (whether proponents of a purely economic explanation of trust, or inclined to recognise its social components) to look primarily at how information circulated within the boundaries of closed communities, either locally or globally. But precisely because of their role as cross-cultural agents, trading diasporas had to engage in sustained economic relations with outsiders. Their business letters offer a unique lens through which to observe the workings of these economic relations.

³⁹ Leos Müller, *The Merchant Houses of Stockholm, c.1640–1800: A Comparative Study of Early-Modern Entrepreneurial Behaviour* (Uppsala: Uppsala University Library, 1998).

⁴⁰ Philip D. Curtin, *Cross-Cultural Trade in World History* (Cambridge: Cambridge University Press, 1984).

BUSINESS LETTERS ACROSS ETHNIC AND
RELIGIOUS BOUNDARIES

Sephardic Jews were the most global and the most successful trading diaspora of the early modern period, exerting particular influence on international commerce between 1650 and 1750.⁴¹ Especially in the Dutch Atlantic economy, their efficacy was such that on more than one occasion they learned of political or military news before diplomats did, and with this news were able to influence the fluctuations of the Amsterdam stock exchange.⁴² They also continued to be dynamic actors in Mediterranean trade throughout the eighteenth century. Like all other merchants of the time, they made use of a combination of printed, manuscript and oral sources of information to devise their strategies. From 1675 to 1690, an entrepreneurial Sephardic Jew of Amsterdam published a periodical in Spanish, called *Gazeta de Amsterdam*, which sent political and economic news to Jews and crypto-Jews across the globe.⁴³ Not surprisingly given the competition in the information market, the experiment was ineffective. A few surviving collections of letters written by eighteenth-century Sephardic firms in western Europe provide us with a much richer sense of the ways in which they acquired, managed and utilised information. Among these are 13,670 letters written between 16 December 1704 and 4 February 1746 by the Ergas & Silvera partnership of Livorno (known in English as Leghorn) to both coreligionists and non-Jews in numerous ports of the Mediterranean and northern Europe, and even to Goa, the capital of Portuguese India.⁴⁴

⁴¹ Jonathan Israel, *Diasporas within a Diaspora: Jews, Crypto-Jews and the World Maritime Empires, 1540–1740* (Leiden, Boston and Cologne: Brill, 2002).

⁴² Israel, *Diasporas*, pp. 453–4.

⁴³ Henri Méchoulan, *Etre Juif à Amsterdam au temps de Spinoza* (Paris: Albin Michel, 1991), p. 112.

⁴⁴ Archivio di Stato, Florence (hereafter ASF), *Libri di commercio e di famiglia* (hereafter *LCF*), 1931, 1935–9, 1941, 1945, 1953, 1957, 1960. The archival classification of these records was recently updated. Here the new one is provided, together with the correct total number of letters included. For more on what follows, see also Francesca Trivellato, 'Juifs de Livourne, Italiens de Lisbonne et hindous de Goa: réseaux marchands et échanges interculturels à l'époque moderne', *Annales HSS* 58.3 (2003), 581–603.

At the turn of the eighteenth century Livorno was the largest Mediterranean port until the rise of Marseille; along with Amsterdam, it was also one of the two largest Sephardic settlements in Europe. Ergas & Silvera was a prominent merchant house, with a branch in Livorno and another one in Aleppo (Syria). Like many of their coreligionists in Livorno, Ergas & Silvera conducted most of their trade with the Ottoman Empire. They imported raw cotton from the Levant, re-exported raw silk from southern Italy, funnelled fine silk textiles from Italy into central and northern Europe, and traded in a large variety of Mediterranean goods. Unlike the Dutch and English Sephardim who made their fortunes in the West Indies, those based in Livorno were not directly involved in transatlantic commerce, although they controlled a large share of the American goods imported into the Italian peninsula, especially tobacco, sugar, indigo, coffee and brazil-wood.

A particular speciality of Livorno's Sephardim was the exchange of Mediterranean coral and Indian diamonds. From the 1660s, this lucrative but risky barter came increasingly under the aegis of the English East India Company, and London became the world market for rough diamonds.⁴⁵ The readmission of the Jews to England in 1656 spurred this trade, which in turn stimulated fresh Sephardic migration to London. However, throughout the eighteenth century, and especially until the 1730s (when the English lifted all restrictions on diamond trading and achieved supremacy in the Indian Ocean, while Brazilian diamond mines began to be exploited), the Sephardim of Livorno continued to carry out the exchange of coral and diamonds relying on a Portuguese connection centred on Lisbon and Goa. Indeed, the latter remained a centre of the diamond trade until 1730.⁴⁶

⁴⁵ Holden Furber, *Rival Empires of Trade in the Orient 1600–1800* (Minneapolis: University of Minnesota Press, 1976), pp. 133–4, 260–2; Gedalia Yogevev, *Diamonds and Coral: Anglo-Dutch Jews and Eighteenth-Century Trade* (Leicester: Leicester University Press, 1978); Søren Mentz, 'English private trade on the Coromandel coast, 1660–1690: diamonds and country trade', *Indian Economic and Social History Review* 33.2 (1996), 155–73; Edgar Samuel, 'Diamonds and pieces of eight: how Stuart England won the rough-diamond trade', *Jewish Historical Studies* 38 (2004), 23–40.

⁴⁶ Charles R. Boxer, *The Portuguese Seaborne Empire 1415–1825* (London: Hutchinson, 1969), pp. 148–9.

Of the 13,670 surviving letters of Ergas & Silvera, 242 were addressed to Christian (mostly Italian) merchants in Lisbon, and 86 to Hindu merchants in Goa. All their correspondence with both Lisbon and Goa concerns the trade in coral and diamonds. Considering the diversity of the addressees and the lack of an overarching legal authority to which any parties could bring their complaints (aggravated by the banning of Jews from all Portuguese dominions), one naturally wonders how sufficient trust could possibly be built across such geographical and ethno-cultural distances. The answer, I believe, lies primarily in the intense and widespread circulation of business letters among these merchants, which created and nourished informal mechanisms of obligations and reciprocal control. These mechanisms worked because each merchant was not an autonomous entity, a monad, but rather a member of a larger community (which in the case of the Sephardim had a diasporic dimension). Although driven by the search for profit, individual merchants also abided by collective social and normative codes of behaviour impressed upon them by their communitarian organisations. The result was not a series of isolated, occasional transactions, but the development of durable cross-cultural relations of mutual dependence in the context of complex intergroup dynamics made possible by the circulation of information about the reputations of individuals and groups. Ergas & Silvera invested in the Portuguese branch of the exchange of coral and diamonds for a period of over thirty years, between 1710 (when their first shipment of coral to Goa is recorded) and 1741 (when they regularly preferred London and Madras to their previous destinations). They opted for this Portuguese connection because they could rely on a pre-existing network of correspondents in Lisbon and Goa, who also served other Sephardim in Livorno and their coreligionists in Amsterdam and London, and they could use letters to carve their own niche within this network.

In Lisbon, Ergas & Silvera relied primarily on resident Genoese and Florentine merchants, who were active in the trade with the Italian peninsula. The most reliable among these correspondents were the Florentine Enea Beroardi (in partnership until 1738 with another Florentine, Girolamo Paolo Medici) and the Ravara and Cambiaso

families of Genoa. In the early eighteenth century, these Italians no longer held the dominant position in Lisbon that they had occupied during the early phase of Portuguese exploration and conquest, but they were still influential, especially in the import of food staples and luxury items from the Mediterranean and the re-export of Portuguese colonial goods to various Italian states. Around 1730, an anonymous traveller to Lisbon noted that the Italians had the biggest commercial houses next to the English, who, together with the Dutch, were the most privileged foreign communities in town, and that some Italian merchants handled a larger volume of transactions than the entire French 'nation'.⁴⁷

All of Ergas & Silvera's letters to Goa were addressed to Hindu Brahmans of the Saraswat caste, the city's leading native elite throughout the four and a half centuries under Portuguese rule.⁴⁸ Ergas & Silvera's closest agents were members of the Camotim family (Portuguese for Kamat), probably the richest family in Goa in the 1730s.⁴⁹ From this correspondence we learn that the Camotins operated as a united clan,

⁴⁷ *Description de la ville de Lisbonne...* (Amsterdam: Pierre Humbert, 1730), pp. 249–50.

⁴⁸ N. K. Wagle, 'The history and social organization of the Gauda Sāraswata Brāhmanas of the west coast of India', *Journal of Indian History* 48 (1970), 7–25, 295–333; Frank F. Conlon, *A Caste in a Changing World: The Chitrapur Saraswat Brahmans, 1700–1935* (Berkeley, Los Angeles and London: University of California Press, 1977); M. N. Pearson, 'Banyas and Brahmans: their role in the Portuguese Indian economy', in *Coastal Western India: Studies from the Portuguese Records* (New Delhi: Concept Publishing Company, 1981), pp. 93–115. Pearson notes that Conlon's 'Saraswat Brahmans' are a small subgroup of the Gaud Saraswat Brahmin caste-cluster; *ibid.*, pp. 111–12 n 5.

⁴⁹ Panduronga S. S. Pissurlencar, *The Portuguese and the Marathas* (Bombay: State Board for Literature and Culture, 1975), pp. 277–81; Teotonio R. de Souza, 'Mhamai house records: indigenous sources for Indo-Portuguese historiography', in *II Seminário Internacional de História Indo-Portuguesa: Actas* (Lisbon: Instituto de Investigação Científica Tropical, 1985), pp. 933–41; Teotonio R. de Souza, 'French slave-trading in Portuguese Goa (1773–1791)', in de Souza (ed.), *Essays in Goan History* (New Delhi: Concept Publishing Company, 1989), pp. 119–31; Celsa Pinto, *Trade and Finance in Portuguese India: A Study of the Portuguese Country Trade, 1770–1840* (New Delhi: Concept Publishing Company, 1994), pp. 53–6; Charles J. Borges, SJ, 'Native Goan participation in the Estado da Índia and the inter-Asiatic Trade', in Artur Teodoro de Matos and Luís Filipe F. Reis Thomaz (eds.), *A Carreira da Índia e as rotas dos estreitos: Actas do VIII seminário internacional de história indo-portuguesa* (Braga: Angra do Heroísmo, 1998), pp. 672–83.

careful about the good standing of their members and eager for the continued delivery of new orders from Livorno. Writing to Gopala and Fondu Camotim in January 1727, Ergas & Silvera complained to them about the lack of return cargoes and letters from their relative Nillea Camotim. At the same time, they wrote to a Genoese in Lisbon, Lazzaro Maria Cambiaso, enquiring about the opinion that his 'friends', recently returned from Goa, held of this Nillea.⁵⁰ Ergas & Silvera's correspondence indicates that cross-checks worked to threaten negligent agents. It mentions no cases of actual expulsion from the network by reputation mechanisms, although it allows us to examine the circumstances under which some names appeared and disappeared from the pool of Ergas & Silvera's agents. Greif found very little evidence of misconduct in his analysis of the documents concerning the medieval 'coalition' of North African Jews.⁵¹ Similarly, the heterogeneous network of Sephardic, Catholic and Hindu traders in which Ergas & Silvera participated showed a remarkable level of cohesion and continuity, which can be attributed to the pressure exerted by letter writing.

Considering the nature of the coral and diamond trade, business correspondence proved much more efficient than public sources of economic information. Livorno was then a centre for the production and dissemination of economic information, where a commodity price current was first printed in 1627 and exchange rate lists began in 1663 and became a regular biweekly publication by the mid eighteenth century.⁵² Every Monday, Wednesday and Friday, the postal service delivered foreign mail, from which it was possible to ascertain price variations elsewhere.⁵³ Finally, numerous manuscript *avvisi*, which included information about commercial activities, were sent to the

⁵⁰ ASF, *LCF*, 1939.

⁵¹ Greif, 'Contract enforceability', p. 528 n 8; Greif, 'Cultural beliefs and the organization of society: a historical and theoretical reflection on collectivist and individualist societies', *Journal of Political Economy* 102.5 (1994), 924 n 13.

⁵² McCusker and Gravesteyn, *The Beginning*, pp. 253–63; Elena Gremigni, *Periodici e almanacchi livornesi secoli XVII–XVIII* (Livorno: Tipografia San Benedetto, 1996).

⁵³ ASF, *Mediceo del principato* (hereafter *MP*), 2275 (letter of Giacinto del Vigna to Marquis Rinuccini, 18 January 1723).

Medici grand dukes in Florence and circulated widely.⁵⁴ Presumably, Ergas & Silvera consulted these *avvisi* regularly, and their papers show that they subscribed to various gazettes, some of which they sent to their coreligionists in Aleppo, who eagerly awaited these publications in order to catch up on world news.⁵⁵ But private business correspondence was definitely their primary source of information, certainly when it came to coordinating their long-distance trade.

The difficulty of bringing a lawsuit to court in a port many months distant and the unpredictability deriving from the coexistence of various statutory and customary laws both conferred even greater importance on merchants' letters as tools to monitor the good standing of distant agents. As we have seen, this information travelled across local or transnational merchant communities, and thus contributed vigorously to the formation of cross-cultural trading networks. Nevertheless, the role of each community in implementing conformity among its members should not be disregarded. For a minority group such as the Sephardim, constantly vulnerable to stereotypical anti-Semitic accusations of illicit speculation, for example, collective credibility was an indispensable asset. More generally, peer pressure and normative sanctions concurred with rational calculation to minimise misconduct in all merchant communities. In other words, the self-policing mechanisms enacted by each merchant family, community and diaspora were inseparable from the rational pursuit of profit. Cross-cultural networks such as the one in which Ergas & Silvera participated should thus be regarded as networks of communities rather than networks of individuals. Each merchant involved in the exchange of coral and diamonds via Livorno, Lisbon and Goa was related to other members of the network by 'multiplex relationships', which provided sources of potential conflict as well as added strength.⁵⁶

⁵⁴ ASF, *MP*, 2328A ('Avvisi di Livorno', 1686–1704); ASF, *MP*, 1540–61 and 1612–28 ('Avvisi di mare', 1664–1715); ASF, *MP*, 4277–8 ('Avvisi da Costantinopoli e da altre località del Levante', 1543–1625); ASF, *MP*, 1605–6 ('Avvisi di Levante, India et Barbaria', 1665–93).

⁵⁵ ASF, *LCF*, 1942, fols. 28, 32; ASF, *LCF*, 1938, letter to Isaac and Joseph Belilios in Aleppo (25 February 1724).

⁵⁶ Max Gluckman, *The Judicial Process among the Barotse of Northern Rhodesia (Zambia)* (Manchester: Manchester University Press, 1955), p. 19.

The interconnectedness of the Sephardic diaspora across Europe was an essential component in the stability of a cross-cultural network that also included Italians and Hindus. Notarial records in both Livorno and Amsterdam reveal that the same correspondents who served Ergas & Silvera in Lisbon and Goa also acted on behalf of several other European Sephardim.⁵⁷ The interdependence of this diaspora was highlighted in 1722: upon hearing the news of the seizure of the Portuguese ship *Nossa Senhora do Cabo* off the Mascarene Islands, Ergas & Silvera initially feared that the diamonds it carried would never be recovered, and lamented to a coreligionist in Genoa the suffering this loss would cause to 'our nation' (the Sephardim) both 'here' (meaning in Livorno) and in Amsterdam.⁵⁸

The reliability of this intercontinental, informal network of Sephardic, Catholic and Hindu merchants was so well recognised and noteworthy that the Portuguese government entrusted it with the transfer of public funds. After losing the Northern Provinces of its Indian territories to the Marathas (1736–40), the Portuguese crown appealed to Sephardic bankers for a loan of about 90 million réis (the equivalent of about 450,000 *livres tournois*) to finance a military counter-offensive. The state bonds that were issued refer to 'the money that is borrowed from the merchants of the Portuguese Kingdom, Livorno and Amsterdam'⁵⁹ – an expression that clearly alludes to Portuguese 'New Christians' and Jews. But the identity of these bankers had to be protected from the Inquisition, and the money had to be made available in Goa. Once more, it was the Italians of Lisbon

⁵⁷ For Livorno, see ASF, *Notarile Moderno. Protocolli* (hereafter *NMP*), Agostino Frugoni, 24732, fols. 15v–16r, 90v–91r, 141v–143r; 24733, fols. 43v–46v; 24736, fols. 4r–5r; 24737, fols. 151r–152r, 162v–163v; ASF, *NMP*, Giovanni Battista Gamera, 25265, fols. 77v–78r, 46r–v; ASF, *NMP*, Filippo Gonnella, 27193, fols. 1v–2r. For Amsterdam, see Gemeentearchief, Amsterdam, *Notarieel Archief*, 11291, fol. 34; 2943, fol. 34; 6036, fol. 58; 2943, fol. 13. Occasionally, as in 1728, Italian merchants in Lisbon also served leading Sephardic merchants in London; Stephen H. E. Fisher, *The Portugal Trade: A Study of Anglo-Portuguese Commerce 1700–1770* (London: Methuen, 1971), pp. 55n, 57.

⁵⁸ 'Que el Dío tenga piedad y restaure a los perdientes que bastantes ai de nostra nacion aquí y Amsterdam'; ASF, *LCF*, 1938, letter to Abraham Lusena in Genoa (22 April 1722).

⁵⁹ '... o dinheiro que se toma por empréstimo aos mercadores do Reyno, Leorne e Amstardão'.

and the Camotins of Goa who supplied the link to the Sephardic diaspora. In 1742 Italian merchants like Enea Beroardi, Giovanni Battista Ravara, Lazzaro and Gianandrea Cambiaso – all prominent members of Lisbon's Italian community and regular correspondents of Ergas & Silvera's – bought these state bonds and thus served as intermediaries in their repayment in Lisbon.⁶⁰

The heterogeneity of addressees in Ergas & Silvera's correspondence is hardly exceptional. The letter books of two Sephardic firms in eighteenth-century Bordeaux, Gabriel de Silva (c.1683–1763) and Abraham Gradis (c.1695–1780), also reveal that they employed non-Jews whenever it seemed most advantageous to do so. De Silva specialised in the banking sector. His correspondents included Christians in both Amsterdam and Paris, and especially influential Huguenots in the French capital.⁶¹ As the Gradis family expanded the scale and scope of their operations in the 1740s, they also strengthened their ties with the Parisian and provincial nobility as well as the ministers of the French crown in the West Indies. Although Abraham had relatives in the Caribbean, the position of the Jews in the French Antilles was fragile. If the Gradises became increasingly involved in the Atlantic trade, it was through forming partnerships with non-Jews and developing connections with public officials in the colonies, particularly in the slave and Canadian trade.⁶² Like Ergas & Silvera or de Silva, the Gradises cultivated agents who they expected would deliver the best services, regardless of their religious affiliation. Their letters open up a rare window into some prolonged business associations between Jews and non-Jews.

CONCLUSION

On the basis of the records left by North African Jewish traders in the eleventh and twelfth centuries, Avrom Udovitch maintained that

⁶⁰ Arquivos Nacionais / Torre do Tombo, Lisbon, *Chancelaria D. João V*, livro 18, fols. 269r–270r; livro 22, fols. 123r–125r; livro 22, fols. 143r–144v.

⁶¹ Jose do Nascimento Raposo, 'Don Gabriel de Silva: a Portuguese-Jewish banker in eighteenth century Bordeaux', unpublished PhD thesis, University of York, Ontario (1989), pp. 89–90, 97, 248–61.

⁶² Richard Menkis, 'The Gradis family of eighteenth century Bordeaux: a social and economic study', unpublished PhD thesis, Brandeis University (1988), pp. 130–1, 154–77.

'Business letters were more than just a means of communication; they served as sinews holding together the entire organic structure of medieval Islamic long-distance trade . . .'⁶³ The same conclusion applies to European commerce, and far beyond the Middle Ages. Despite the creation of such new economic institutions as joint-stock chartered companies and stock markets, and the birth of so-called economic journalism, letters remained the single most important source of information for merchants involved in long-distance trade throughout the early modern period. Even Max Weber, who never failed to stress the precocious evolution of western capitalistic institutions, admitted that newspapers began to play an important role in the diffusion of economic information only in the nineteenth century, when the publication of stock prices became the rule. He concluded that 'in the eighteenth century, business depended on the organized exchange of letters'.⁶⁴

The centrality of business letters persisted for several reasons. Slow progress in transportation systems affected private and public sources of information alike. The different kinds of news contained in printed and manuscript sources made correspondence a decisive tool to minimise the risks involved in agency relations (that is, the relations between a 'principal' and his 'factors' or agents). Improvements in the legal validity of merchants' records and the development of a customary, internationally recognised commercial law did not eliminate the perils of commission trade, especially when conducted outside familial circles. Correspondence was simply more efficient than periodicals when it came to circulating information about the aptitude and trustworthiness of private traders: and the circulation of this information made commission agency viable. The same anonymous fourteenth-century Italian merchant who urged his fellows to tend with care to their correspondence also proclaimed, 'one must take good account

⁶³ Avrom L. Udovitch, 'Formalism and informalism in the social and economic institutions of the medieval Islamic world', in Amin Banani and Speros Vryonis Jr (eds.), *Individualism and Conformity in Classical Islam* (Wiesbaden: Otto Harrassowitz, 1977), p. 63.

⁶⁴ Max Weber, *General Economic History* (New Brunswick and London: Transaction Books, 1981), p. 295.

of the types of people one deals with, or to whom one entrusts one's goods, for no man is trustworthy with money'.⁶⁵ The ability to provide and obtain information about an agent's competence and solvency was the best way for merchants to reduce hazards in a world where uncertainties loomed large and the means to tame them were restricted. In their letters, merchants conveyed agreements of reciprocal assistance, promises of future profits and outrage about fraud. In so doing, they wove a net of legal and practical enforcing mechanisms that could not have emerged otherwise.

If reputation was a merchant's social capital, business letters offered the most viable channel for reinforcing and spreading it. Business correspondence thus served as an instrument to control flows of information that were both a strategic economic advantage and a form of social control. Both features were not necessarily confined to the limited world of family firms or even to a single trading diaspora. Merchants' letters could become connective links between trading networks which transcended cultural barriers that are generally presumed to jeopardise forms of reciprocity and trust perceived to be 'natural'. As evidenced in the exchange of Mediterranean coral and Indian diamonds conducted by the Sephardim of Livorno via Lisbon and Goa, business correspondence was the glue that kept together a network of communities who lived in distant regions and were also separated by dramatic ethnic and religious divides. While the prospect of future profitable transactions helped to contain dishonesty, institutional coercion was often feeble or sometimes altogether absent. It was the regular and wide circulation of information, enhanced by the global nature of the Sephardic diaspora, which created a set of durable and effective informal mechanisms of reputation control that allowed cooperation to develop across geographical and cultural borders.

⁶⁵ Molho, *Social and Economic Foundations*, p. 55.