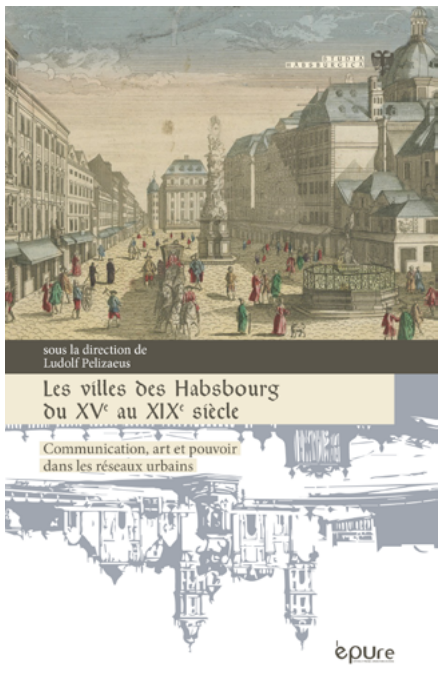



## ‘The greatest marketplace in the world’. The role of Antwerp in the economic and financial network of the Habsburg Empire

 <p>sous la direction de Ludolf Pelizaëus</p> <p>Les villes des Habsbourg du XV° au XIX° siècle</p> <p>Communication, art et pouvoir dans les réseaux urbains</p> <p>ÉPURE</p>	Auteur(s)	Michael LIMBERGER
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# 'The greatest marketplace in the world'

## The role of Antwerp in the economic and financial network of the Habsburg Empire

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**M**ATRIMONIAL policy and dynastic coincidences propelled the Habsburg dynasty into the position of a major European power in the last decades of the fifteenth century, in particular as a result of the marriage of Maximilian I with Mary of Burgundy, and later on, the union of Philipp the Handsome with Juana of Castile. The Burgundian and Spanish alliances enhanced the territorial as well as the economic dimensions of the Habsburg dominions in Western Europe and can be seen as the actual starting point of the Habsburg empire. The integration of the Spanish and Burgundian territories, and in particular the Low Countries, put two of the most dynamic economic motors of the sixteenth century at the disposal of the Habsburgs. One was certainly Spain, which through the port of Seville was the bridgehead to the New World. The discovery of the Americas in 1492 and the following conquest of the Aztec and Inca empires bestowed the Habsburg rulers with a new colonial empire with almost unlimited potential, especially because of its huge output of silver. The Low Countries, on the other hand, were an economic center with dynamic cities, urban industries, a vibrant trade and financial markets, which represented an indispensable asset for the valorization of the American colonies<sup>1</sup>.

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1 Hugo SOLY, "Introduction. *Charles V and his Time*", in Hugo SOLY & Wim BLOCKMANS, (eds.), *Charles V 1500-1558 and his Time*, Antwerp, Mercatorfonds, 1999, p. 11-25, 12-15; and Renate PIEPER, "Wirtschaftsräume und Wirtschaftsbeziehungen im Reich Karls V", in Alfred KÖHLER, Barbara HAIDER, Christine OTTNER (eds.), *Karl V 1500-1558, neue Perspektiven seiner Herrschaft in Europa und Übersee*, Vienna, Verlag der Österreichischen Akademie der Wissenschaften, 2002, Zentraleuropa Studien 6, p. 165-179.

If there is one city which embodied this strategic position of Flanders and the Low Countries in the creation of the Habsburg world empire, it is Antwerp, the commercial and financial metropolis of the sixteenth century. Antwerp was a port city and became the major distribution center of colonial import- and export commodities for the Spanish and overseas market. It was a meeting point of the leading commercial and financial firms of its time, the first precursor of the modern Stock Exchange, and thus became a unique concentration of capital and the leading financial market of Europe, both for commercial credit as well as for public loans. The capital market for public loans was essential for the funding of the colonial enterprise as well as for the creation of the Habsburg empire in general, and therefore the role of Antwerp was vital for the Habsburg rulers. Antwerp witnessed an extraordinary economic expansion during the sixteenth century, coinciding with the rise of the Habsburg empire, but it was stopped abruptly by the consequences of the Dutch Revolt after 1567, and the drawing of a frontier between the Southern and Northern Low Countries, and the so-called closure of the Scheldt by the United Provinces, in 1585. After that date, the city continued as a commercial and financial market, but it had lost its exceptional splendor of the heydays<sup>2</sup>.

### ‘Who wants to see the world, he can find it in Antwerp’

From the early sixteenth century on, Antwerp impressed its visitors through its size, its economic activity and its architecture. Albrecht Dürer, on his voyage through the Low Countries in 1521, resided in Antwerp during a considerable period, and was in close contact with the Portuguese factor, the official representative of the Portuguese merchant community and holder of the crown monopoly for spices, as well as with the leading merchants from Southern Germany, the Fugger, Welser, Tucher, etc. Dürer described the city and its elegant buildings, and he also left us several lively drawings of the city and its surroundings<sup>3</sup>.

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- 2 The most complete synthesis of Antwerp’s economic development in the 16<sup>th</sup> century is Herman VAN DER WEE, *The Growth of the Antwerp Market and the European Economy*, 3 vols. The Hague, Martinus Nijhoff, 1963. More recently: Jeroen PUTTEVILS, *Merchants and Trading in the Sixteenth Century. The Golden Age of Antwerp*, London, Routledge, 2015.
  - 3 Dagmar EICHBERGER, “Dürer and the Netherlands: Patterns of Exchange and Mutual Admiration”, in Larry SILVER & Jeffrey CHIPPS SMITH (eds.),

The most complete description of sixteenth century Antwerp is however by the hand of Lodovico Guicciardini, a Florentine merchant and humanist, and nephew of the famous historian Francesco Guicciardini. His work “Descrizione di tutti I Paesi Bassi” first published in 1567, contains a lively portrait of the city, its buildings, institutions as well as its cultural and business world. He writes of the cosmopolitan character of the city, where merchants from all over Europe were active and many of whom had settled permanently. He describes the port, with its great number of ships from all countries, the Great Market Square (*Grote Markt*) with the Renaissance City Hall, the Cathedral, the Exchange, the Hansa house and the impressive new fortifications in Italian design, the numerous straight and ample streets, the twenty-six squares, churches, abbeys and hospices, and mentions the great number of houses. Guicciardini characterized Antwerp (and the Low Countries) as “a market and fair of all Europe and even of the whole world”, and at the same time an artistic, cultural and intellectual center of excellence<sup>4</sup>. At the time Guicciardini wrote his description of Antwerp, the city had more than 100 000 inhabitants, which made it one of the most populated cities in Europe at the time. It was home to ca. 2 000 foreign and local merchants, numerous artisans and craftsmen, a number of renowned artists, such as Pieter and Jan Brueghel, Gillis Mostaert, or Martin van Cleve, and the famous book printer Christopher Plantin<sup>5</sup>.

Already more than one hundred years earlier, in 1425, another traveler, the Castilian Pedro Tafur, had also been impressed by Antwerp. He described in particular the yearly fairs of the city, where, according to him “who wants to see the world, or a large

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*The Essential Dürer*, Philadelphia, Pennsylvania U.P., 2010, p. 149-165, 258-262.

4 “this favorable location is the reason that this country becomes a port, fair and market for the whole of Europe, and, as can be seen, of the whole world, from East to West: where such activity, trade, exchange, and gathering is taken place, that it attracts countless foreigners and locals here”. Lodovico GUICCIARDINI, *Descrittione di M. Lodouico Guicciardini patritio fiorentino, di tutti i Paesi Bassi altrimenti detti germania inferiore*, Antwerp, Aeneas Silvius, 1567, p. 21; see also Michael LIMBERGER, “A merchant describing the city: Lodovico Guicciardini’s Description of tutti i Paesi Bassi as a source for the urban history of the Low Countries”, *Conference: Comparative history of European cities = Histoire comparée des villes européennes*, Lyon, European Association for Urban History, 2009 (published as “Zo schoon ende bequaem tot versamelinghe der cooplieden Lodovico Guicciardini’s *Descrittione di tutti i Paesi Bassi* als bron voor de economische geschiedenis van Antwerpen”, *HistoriAnt*, 2, 2014, p. 59-79).

5 Frans BAUDOUIN, “Antwerpia Pictorum Nutrix. La naissance de l’école anversoise de peinture”, in *De Bruegel à Rubens. L’école de peinture anversoise 1550-1650*, Ghent, Snoeck-Ducaju & Zoon, 1992, p. 9-18. See also Koenraad JONCKHEERE, “Trial and error. Antwerp Renaissance art”, in Bruno BLONDÉ & Jeroen PUTTEVILS (eds.), *Antwerp in the Renaissance*, Turnhout, Brepols, 2020 (Studies in European Urban History 49), p. 263-296.

part of it, he can find it (in Antwerp). Here, you can see the most beautiful things of the world and the greatest riches”<sup>6</sup> This focus on the Antwerp fairs is no coincidence. Antwerp had risen as a center of fairs already in the early fourteenth century, when the duke of Brabant, Antwerp’s territorial prince, granted the city the privilege to organize two annual fairs. The Brabant fairs were held twice a year in Antwerp and twice in Bergen op Zoom, another port town, situated 35 km further north. They were not only frequented by local merchants, but also by those from Cologne and England, as well as Italians from Venice and Florence<sup>7</sup>. However, the activity of the Brabant fairs could not compete with the activity of the main centre of international trade in Flanders of that time, Bruges. Bruges had established its position as centre of cloth production and became the leading international market in North-western Europe. Like Antwerp in the sixteenth century, Bruges was a cosmopolitan metropolis, with a thriving international merchant and banking community<sup>8</sup>. Ironically, it was during a period of annexation of Antwerp by the count of Flanders, between 1357 and 1406, that the Brabant fairs came into contact with the international merchant community of Bruges. According to some contemporaries, the business activity in Bruges stagnated during the Brabant fairs, because most of the international merchants were active at the fairs<sup>9</sup>.

While Antwerp increased its activity throughout the fourteenth and fifteenth centuries, it was only in the last decades of the fifteenth century, that Antwerp eventually overtook Bruges, as a result of commercial and political events, which were closely related to each other. On the commercial level, English cloth merchants chose for the Brabant fairs as their centre of distribution, especially as their main markets were situated in Germany, from where numerous merchants came to the fairs of Antwerp. The competition

6 “... quien quiere ver el mundo o gran parte de el, lo puede encontrar en Amberes. Aquí se pueden ver la cosas mas bonitas del mundo y la riquezas mas grandes...”, *Andanças é viajes de Pero Tafur (1435-1439)*, Marcos JIMÉNEZ DE LA ESPADA (ed.), Colección De Libros Españoles Raros o Curiosos, vol. VIII, Madrid, Impr. De M. Ginesta, 1874, p. 258-260.

7 Jan VAN GERVEN, “Antwerpen in de XIII<sup>e</sup> eeuw. De bescheiden opkomst van een stad”, *Revue belge de philologie et d’histoire*, vol. 94, fasc. 2, 2016, p. 209-254; and *Id.*, “Antwerpen in de veertiende eeuw. Kleine stad zonder toekomst of opkomend handelseentrum?”, *Revue belge de philologie et d’histoire*, vol. 76, fasc. 4, 1998, p. 907-938.

8 The most recent synthesis is Andrew BROWN & Jan DUMOLYN (Eds.), *Medieval Bruges*, c. 850-1550, Cambridge, Cambridge U.P., 2018.

9 Raymond VAN UYTVEN, “De triomf an Antwerpen en de grote steden”, in *Geschiedenis van Brabant*, hs. 6: Het hart van de Bourgondische en Habsburgse Nederlanden (1430-1531), Zutphen, Waanders and Leuven, Davidsfonds, 2004, p. 241-251.

between Flemish and English cloth production led to embargoes against the sale of English cloth in Bruges. At the same time the access to the French and Baltic markets was difficult for the English due to the outcome of the Hundred Years' War, and monopolistic policies of the Hansa. They delivered unfinished cloth in Antwerp, and had it dyed and finished by the specialized finishing industry which had developed in the city<sup>10</sup>.

The English textiles attracted merchant from different parts of Germany. Merchants from the Lower Rhine, especially from Cologne, had been active on the Brabant fairs since the fourteenth century. In the fifteenth century, increasingly merchants from Southern Germany, mainly from cities like Nuremberg, Augsburg and Ulm appeared in Antwerp. They exported fustians, a mix of cotton and linen, but also increasing amounts of copper and silver from Central Europe and the Alpine region. High silver prices in the Low Countries, as a result of overvaluation in 1466, made silver exports to Antwerp highly attractive. The Antwerp mint, which opened in 1474, worked 4 300 kg of silver per year, most of which came probably from Central Europe. Finally, also the Portuguese came to Antwerp to sell their commodities from their African trade, and after 1500, their spices imported from the Indian Ocean. They also were attracted by the metals sold by the Southern Germans, like copper and silver. Copper was in high demand in Western Africa, where the Portuguese were active throughout the fifteenth century. With the discovery of the Cape-route to the Indian Ocean, it was silver, instead of copper, that became the major exchange currency for the Asian spices. Hence, Antwerp was the ideal place to purchase silver and copper from the South-German importers and at the same time a good distribution-centre for their African and Asian commodities<sup>11</sup>.

The actual turning point was however related to political circumstances. The powerful cities of Bruges and Ghent had achieved a political hegemony in the county of Flanders, which was threatened by the attempts of the dukes of Burgundy to create a centralized princely state. During the short reign of Mary of Burgundy, they could temporarily increase their power. This changed with the governance of Maximilian of Habsburg, who reigned in the name of his son, Philipp the Fair after the

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10 J.H. MUNRO, "Bruges and the abortive staple in English cloth: an incident in the shift of commerce from Bruges to Antwerp in the late fifteenth century", *Revue belge de philologie et d'histoire*, vol. 44, no. 4, 1966, p. 1137-1159.

11 Jan A. VAN HOUTTE, "Bruges et Anvers, marchés 'nationaux' ou 'internationaux', du XIV<sup>e</sup> au XVI<sup>e</sup> siècle", *Revue du Nord*, 134, 1952, p. 89-108.

death of Mary, in 1482. The resistance of the Flemish cities against Maximilian escalated into a civil war in the 1480s. Especially Ghent and Bruges took the lead in the resistance, and the Archduke was even imprisoned in Bruges in 1488, while Antwerp chose the side of Maximilian and contributed considerably in the latter's eventual victory though its financial support<sup>12</sup>. Archduke Maximilian favored the loyal city of Antwerp and granted it some important privileges, among which the staple rights for alum from the papal mines at Tolfa. Most important of all, he urged the foreign merchants to leave Bruges and to settle in Antwerp. Although these measures were temporary, they incited many merchants to settle in Antwerp for good. Hence, by 1490, Antwerp had become an international commercial centre, with a good infrastructure as well as attractive commercial institutions<sup>13</sup>.

### 'A fair and market for the whole of Europe and the whole world'

All these developments put Antwerp in place for its role as a commercial hub at the crucial moment when a new era in European commercial history was about to start. The first key event was the successful expedition by Vasco da Gama to India and the resulting establishment of a spice monopoly in Antwerp. Antwerp, which already had played an important role in Portugal's export trade during the fifteenth century was to become the exclusive staple market for the Portuguese spices for the Northwest- and Central-European market. The Portuguese *Feitoria de Flandes* was an official representation of the Portuguese merchants in Flanders, which was to provide assistance and negotiate with the government authorities about privileges and civic rights of the community. As from 1511, it had its seat in a prestigious building at Kipdorp, with its own chapel, situated not far from where the New Exchange building should be erected two decades later. The Portuguese factor, that is, the representative of the Portuguese merchant community, was first appointed in Antwerp in 1494, and then again in 1499, shortly before the first cargo of spices arrived at the Antwerp port<sup>14</sup>.

12 Amable SABLON DU CORAIL, *La guerre, le prince et ses sujets. Les finances des Pays-Bas bourguignons sous Marie de Bourgogne et Maximilien d'Autriche (1477-1493)*, Burgundica XXVIII, Turnhout, Brepols, 2019, p. 327.

13 VAN UYTVEN, (footnote 9), p. 244.

14 Hans POHL, "De Portugezen in Antwerpen", in John EVERAERT & Eddy STOLS (eds.), *Vlaanderen en Portugal. Op golfslag van twee culturen*, Antwerpen,

The Portuguese *feitoria* handled the spice monopoly until 1549, although by then it had lost great part of its original success to individual merchants. After a short period of an open trade policy, with generous privileges to foreign merchant companies, especially from Italy and Southern Germany, the king found it advisable to concentrate the re-export of his spices on one particular place, which was, not by coincidence, Antwerp.<sup>15</sup> Antwerp was not only situated very favorably, with a good access to its main consumer markets, it was also sufficiently well protected being an inland port, situated along the river Scheldt, but nevertheless with easy access to the North Sea. Finally, it disposed of an outstanding commercial network and a well-developed financial market. The main attractive for the Portuguese, however, was the availability of the two main exchange commodities for the purchase of spices, that is copper and silver. This arrangement enabled them to distribute their spices to the most relevant markets of Europe and at the time to procure themselves with the necessary capital and retour cargo.<sup>16</sup>

Among the buyers of Portuguese spices, we find some big players, including renowned firms like the Affaitadi from Cremona and the South German companies of the Fugger, Welser, Hochstätter and Imhoff, many of which had their representatives in Antwerp. The Imhoffs practically held a monopoly of the pepper trade to Germany. These big firms from Italy and Upper Germany, together with the English Merchant Adventurers, dominated the trade in Antwerp during the first decades of the 16<sup>th</sup> century. Some Spanish merchants also belonged to this small group of major players, among which Diego de Haro, Antonio de Vaille and Fernando de Bernuy, as well as the renowned Simon Ruiz, who left an impressive archive, offering a privileged insight in the business world of the sixteenth century<sup>17</sup>. With the capital they accumulated through their commercial enterprise, they also provided the necessary funds for the expeditions to Asia and the establishment of the Portuguese *Estado da India*. Trade in Antwerp during these years was essentially based on the exchange of transit commodities,

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Mercatorfonds, 1991, p. 53-80.

15 Stefan HALIKOWSKI SMITH, *Portugal and the European spice trade, 1480-1580*, Unpublished Ph.D. Thesis, Florence, European University Institute, 2001, p. 71-81.

16 Hans POHL, *Die Portugiesen in Antwerpen*, Wiesbaden, Steiner, 1977.

17 Raymond FAGEL, "Spanish merchants in the Low Countries, *Stabilitas Loci* or *Peregrinatio*", in Peter STABEL, Bruno BLONDÉ & Anke GREVE (eds.), *International Trade in the Low Countries (14<sup>th</sup>-16<sup>th</sup> Centuries). Merchants, Organisation, Infrastructure, Proceedings of the International Conference, Ghent-Antwerp, 12<sup>th</sup>-13<sup>th</sup> January 1997*, Leuven, Apeldoorn, Garant, 2000, p. 87-104, 96. On Simon Ruiz, see: Valentín VASQUEZ DE PRADA, *Lettres marchandes d'Anvers*, vol. 1, Introduction, *Affaires et gens d'affaires*, 18-3, Paris, SEVPEN, 1960.



such as spices going from Asia via Lisbon and Antwerp to a widespread consumer market covering large parts of Europe, English cloth, being distributed via Antwerp throughout Europe, German metals, like copper and silver that went to Portugal and Asia.<sup>18</sup>

However, as the century went on, the group of merchants involved in the international trade via Antwerp became larger, and the share of local merchants increased<sup>19</sup>. This was partly the result of structural changes in the commercial networks of international trade. Political crises, such as the frequent wars between the Habsburgs and the French Valois kings and the German Peasant Wars in the 1520's and 30's affected maritime trade as well as the continental trade in Germany and the Habsburg Lands. In 1521, for example, the war with Denmark led to interruptions of the copper shipments to Antwerp via Danzig. The conquest of the Ottoman Turks in Hungary led on the long run to a decline and than a stop in copper exports from a number of Hungarian mines to Antwerp<sup>20</sup>. On the other hand, the Portuguese spice monopoly could not be maintained for long. Already in 1515, Venice managed to obtain a renewal of their trade agreement with the Ottomans about the spice trade through Alexandria. As a result, Venetian spices made their appearance once again on the European market. In Lyon, where spices had been imported via Antwerp, Venetian spices dominated 85 % of the market in 1533-1534. Even in Antwerp itself, Venetian spices, like ginger, were available<sup>21</sup>.

When the commercial activity recovered, after 1540, the composition of the Antwerp trade was quite different from what it had been in the first decades of the 16<sup>th</sup> century. Instead of transit trade of a limited number of commodities, like spices, English kerseys and Central European metals, export trade of products of the Low Countries, consisting to a large extent of textiles, played an increasingly important role. As recent research by Jeroen Puttevils shows, already by the 1540's, local merchants from Antwerp and the Southern Low Countries in general, were very well represented among the exporters of commodities from

18 The commercial activity in Antwerp in the first decades of the 16<sup>th</sup> century is reflected fairly well by the so-called certificates of the city aldermen, cf. Renée DOEHAERD, *Études anversoises : documents sur le commerce international à Anvers, 1488-1514*, 3 vols., Paris, SEVPEN, 1962-1963. See also: PIEPER (footnote 1).

19 The importance of Flemish merchants for the Antwerp trade was first stressed by Wilfried BRULEZ, *De Firma Della Faille en de internationale handel van Vlaamse firma's in de 16 de eeuw*, Brussels, 1959.

20 Herman VAN DER WEE, "Handel in de Zuidelijke Nederlanden", *Algemene Geschiedenis der Nederlanden*, Haarlem, vol. 6, 1979, p. 75-98, 84 f.

21 Herman VAN DER WEE, *The Growth of the Antwerp Market and the European Economy* (footnote 2), vol. 2, p. 153-157.

the Low Countries<sup>22</sup>. Next to a small elite of big players, who were still monopolizing certain trades like the spice- and copper trade, most of the export trade was carried out by a large group of small-scale merchants, among which merchants from the Low Countries did surprisingly well. According to estimates based on fiscal records, about 1 500 to 2 000 merchants were active in international trade in Antwerp around the middle of the 16<sup>th</sup> century. 400 to 500 of them were from the Low Countries, 300 from Germany, another 300 from England, which came mainly during the fairs, 300 from Spain, 200 from Italy, 150 from Portugal and 100 from France<sup>23</sup>. This increasing share of local merchants did not go unremarked. The secretary of the English Merchant Adventurers complained in a treaty published in 1601, that the Antwerp merchants would eventually “eat the Adventurers out of their trade”<sup>24</sup>. One of the explanations for this broad participation in Antwerp’s export trade is the existence of open access institutions, allowing for small-scale merchants to access the international import and export trade. Instead of being organized exclusively in limited groups, like merchant guilds or nations, trade was supervised by public authorities, such as the city aldermen and notaries, which were open to everyone, and provided a transparent legal framework. Furthermore, the market for capital was also well established and accessible to the general public. The Antwerp town authorities actively tried to provide favorable conditions for merchants. Already from its early beginning as location of the Brabant fairs, Antwerp granted protection and privileges to the foreign merchants who visited the fairs and later the city. The urban authorities made huge efforts to guarantee these privileges, including against the central government. They adapted their legal institutions to facilitate trade and provide legal security for merchants in their transactions<sup>25</sup>. They also invested largely in the commercial infrastructure, by building prestigious buildings like the Old- (1480) and New Exchange (1531), the Hansa- or Easterling-house (1568)

22 Jeroen PUTTEVILS, *Merchants and Trading in the Sixteenth Century. The Golden Age of Antwerp*, London, Routledge, 2015.

23 Estimates by Wilfried BRULEZ, “De handel”, in *Antwerpen in de XVI<sup>e</sup> eeuw*, Antwerp, Mercurius, 1975, p. 128-131. Oscar GELDERBLOM, *Cities of commerce: the institutional foundations of international trade in the Low Countries, 1250-1650*, Princeton, Princeton U.P., 2013, p. 292; has slightly different numbers.

24 Jeroen PUTTEVILS, “Eating the bread out of their mouth?: Antwerp’s export trade and generalized institutions, 1544-5”, *The Economic History Review*, vol. 68, no. 4, November 2015, p. 1339-1364.

25 GELDERBLOM (footnote 23), p. 155-159; Dave DE RUYSSCHER, “Antwerp Commercial Law in the Sixteenth Century: A Product of the Renaissance? The Legal Facilitating, Appropriating and Improving of Mercantile Practices”, in BLONDÉ & PUTTEVILS (footnote 5), p. 55-88.

and the Hesse-house, the New Scale, and last but not least, a new port infrastructure in the north of the city<sup>26</sup>.

Finally, another crucial factor, information and intelligence was also easily available in Antwerp<sup>27</sup>. Merchants in the sixteenth century depended heavily on a rapid and constant flow of information, which was guaranteed by the intensive correspondence maintained by merchants. Information circulated on the spot among the merchants, during their daily meetings at the Exchange, as well as in informal meetings. It was circulated among the wide-spread network of correspondents, who exchanged business letters in which exchange rates, prices and availability of a broad range of commodities was reported, as well as all kinds of useful information on the merchant community, politics and others were commented upon in a high frequency<sup>28</sup>. From the middle of the sixteenth century, also printed price lists were available<sup>29</sup>.

Financial techniques like obligations, letters of exchange and others were generally applied by merchants, rich and poor alike. Merchants collaborated by establishing different types of companies, which required a transparent form of book-keeping which was based on Italian experience. Also here, the town authorities contributed to a higher degree of flexibility and legal security, by regulating practices such as the assignment of letters obligatory and the endorsement of letters of exchange, in order to optimize the circulation of these instruments of credit.<sup>30</sup>

At the same time the Southern Low Countries, in particular Flanders and Brabant, provided manufactures, mainly consisting of textiles, a broad variety of luxury commodities and artwork, which

26 Piet LOMBAERDE, "Antwerp in its golden age: 'one of the largest cities in the Low Countries' and 'one of the best fortified in Europe'", in Patrick O'BRIEN, et al. (eds.), *Urban Achievement in Early Modern Europe: Golden Ages in Antwerp, Amsterdam and London*, Cambridge, Cambridge U.P., 2001, p. 99-127; Krista De Jonge, Piet Lombarde & Petra Maclot, "Building the Metropolis", in BLONDÉ & PUTTEVILS (footnote 5), p. 195-236.

27 GELDERBLUM (footnote 23), p. 52-57.

28 Numerous such letters by different merchants of different backgrounds have been published. See for example: VÁZQUEZ DE PRADA (footnote 17); Gisela JONGBLOET-VAN HOUTTE (ed.), *Brieven en andere bescheiden betreffende Daniel van der Meulen, 1584-1600*, Rijks Geschiedkundige Publicatiën Grote Serie CXCVI, The Hague, Martinus Nijhoff, 1986.

29 John J. McCUSKER, "The Role of Antwerp in the Emergence of Commercial and Financial Newspapers in Early Modern Europe", in *La ville et la transmission des valeurs culturelles au bas Moyen Âge et aux temps modernes-Die Stadt und die Übertragung von kulturellen Werten im Spätmittelalter und in die Neuzeit-Cities and the Transmission of Cultural Values in the Late Middle Ages and Early Modern Period*, Collection Histoire, no. 96, Brussels, Gemeentekrediet van België/Crédit communal de Belgique, 1996, p. 303-332.

30 Herman VAN DER WEE, "Anvers et les innovations de la technique financière aux XVI<sup>e</sup>-XVII<sup>e</sup> siècles", *Annales E.S.C.*, vol. 22, no. 5, 1967, p. 1067-1089.

were exported to Italy, Spain, Germany etc. Antwerp itself was a major center of silk, tapestries and other luxury industries<sup>31</sup>. It is especially in this export trade that merchants from the Southern Low Countries were particularly well established. They had a strategic advantage through their close connections to the regional trading networks and the producers themselves, which gave them the opportunity to adapt the production to the changing demand. Flemish merchants were therefore active not only in Antwerp and the smaller regional centers, but also in the major trading places of Europe, like Venice, Seville, Cologne, Leipzig, etc.

### Financing the monarchy

For the Habsburg rulers, Antwerp was therefore an important commercial center, providing an important gateway for international trade, a connection with the maritime Atlantic networks as well as the Mediterranean, the Baltic, and the continental trade of Germany and Central Europe. The concentration of wealth that this brought about made Antwerp a major source of taxation. With its more than 100 000 inhabitants, Antwerp paid a sizeable quota in the subsidies of the Estates of Brabant and some extraordinary taxes like the 100<sup>th</sup> penny on export trade of 1543, or the 10<sup>th</sup> and 100<sup>th</sup> penny taxes introduced by the Duke of Alba<sup>32</sup> as governor-general of the Low Countries (1567-1573).

At the same time, the city was one of the leading financial markets of its time, and as such an indispensable source of money, both in liquid cash and credit for its rulers. The origins of the Antwerp money market go back to the medieval fairs of Brabant. Merchants were used to provide credit via different kinds of arrangement, but mainly via letters obligatory, which were generally due at the upcoming next fair. With the arrival of Italian merchants at the Brabant fairs, other types of credit arrangement were introduced, like the letter of exchange, which combined an exchange transaction between different international currencies, and

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31 Alfons THIJIS, "Structural changes in the Antwerp industry from the fifteenth to the eighteenth century" in Herman VAN DER WEE (ed.), *The Rise and Decline of Urban Industries in Italy and in the Low Countries (Late Middle Ages – Early Modern Times)*, Studies in Social and Economic History, Leuven, Leuven U.P., 1988, p. 105-113.

32 Ferdinand H.M. GRAPPERHAUS, *Alva en de Tiende Penning*, Zutphen/Deventer, Walburg Pers/Kluwer, 1982.

a credit arrangement, because money was lent at one place, and returned at a later moment, at a different place. Until the end of the 15<sup>th</sup> century, Bruges was the uncontested center of the financial world in Flanders. Many Italian, Spanish and Hanse merchants had settled in Bruges and provided financial services there. Only after 1500, Antwerp also started replacing Bruges as a financial market.<sup>33</sup> Throughout the sixteenth century Antwerp held a privileged place in the financial network of Western Europe. Letters of exchange and obligations circulated between Antwerp and other financial centers, such as Augsburg, Nuremberg, Cologne and Hamburg in Germany, Milan, Venice, Florence and Rome in Italy, Seville, Lisbon, Rouen, Paris and London, and in particular the fairs of Lyon, Besançon, Frankfurt and Castille.<sup>34</sup>

Besides providing credit for merchants and other individuals, the Antwerp merchant community also became the place where the Habsburg princes and their governors general in Brussels could obtain loans. The big commercial and financial firms were among the few who could provide the necessary credit facilities for the ambitious political plans of the Habsburg rulers Charles V and Philipp II. Here, they could obtain huge loans from great international firms, among which the Augsburg Fuggers were the most renowned. The relationship between the Habsburgs with the Fuggers go back to the 14<sup>th</sup> and 15<sup>th</sup> centuries. Maximilian I had close financial ties with the company. This relationship was more than welcome when Charles V needed their financial services for his election as Emperor, in 1519<sup>35</sup>. Other major financiers in Antwerp were the Southern Germans Welser and Herwart, the Spaniards de Vaille and de Moxica and the Italians Gualterotti and Affaitadi. Moreover, there were numerous other merchants in Antwerp who were able and willing to lend considerable sums to the government. According to an English observer, there were thirty to forty Antwerp merchants, around 1564, able to give loans up to 300 000 guilders without any damage to their business, although thirty years before there had been only two or three<sup>36</sup>. Repeatedly, the emperor or some of his collaborators stressed the importance of the Antwerp money market in their correspondence. To maintain this market functioning, the emperor was ready

33 James M. MURRAY, *Bruges, Cradle of Capitalism, 1280-1390*, Cambridge, Cambridge U.P., 2005, p. 152-177.

34 VÁZQUEZ DE PRADA (footnote 17), vol. I, p. III.

35 Giovanni ARRIGHI, *The Long Twentieth Century. Money, Power and the Origins of Our Times*, New York/London, Verso, 2010, p. 126.

36 Richard EHRENBERG, *Das Zeitalter der Fugger, Geldkapital und Creditverkehr im 16. Jahrhundert*, Jena, G. Fischer, 1912, II, p. 45.

to make concessions to the city and its merchants. He used negotiators such as Lazarus Tucher, Gaspard Ducci or Erasmus Schets, in order to obtain loans directly from the Antwerp bankers. In a similar way, other European rulers turned towards the Antwerp money market to obtain loans. The English rulers sent several agents to Antwerp, among which Thomas Gresham played an outstanding role<sup>37</sup>.

The volume of the loans to the emperor increased throughout the first half of the sixteenth century, until reaching impressive dimensions and finally a turning point during the 1550s. The increasing imports of silver from America and the resulting returns incited the financiers of the Crown to accept ever higher loans, until the bankruptcy of 1557 ended the rise and the leading role of the Southern German companies as leading bankers of the Habsburgs. According to Fernand Braudel, the age of the Fuggers, and at the same time the age of Antwerp, was followed by the age of the Genovese, which provided credit for the Spanish kings via Milan, the fairs of Piacenza and Besançon, and only to a lesser degree via Antwerp<sup>38</sup>.

On various occasions, however, the rulers also called upon the city magistrate to negotiate with local merchants in order to obtain loans on favorable conditions, and to guarantee for the repayment. The personal credit of the king proved soon insufficient to obtain the amounts needed. He therefore had to rely on the receivers of his domain (*rentmeesters*) and on the cities to back up his credit. Antwerp, as the major commercial centre of his realm, could boast of a solid credit and was therefore solicited by preference. The interest rate the king had to pay for short term loans in form of obligations was generally considerably higher than that to be paid for annuities sold by the city, and an annuity on the city of Antwerp seemed to offer more securities of repayment than the personal promise of Charles V<sup>39</sup>. This made that the emperor asked Antwerp to take loans in his name, hence using the credit of the city. Already in the beginning of the sixteenth century, Charles repeatedly asked

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37 Peter SPUFFORD, "From Antwerp and Amsterdam to London: The Decline of Financial Centres in Europe", *De Economist*, no. 154, 2006, p. 143–175.

38 Fernand BRAUDEL, *Civilisation matérielle, économie et capitalisme, xv<sup>e</sup>-xviii<sup>e</sup> siècle*, vol. 3, *Le Temps du Monde*, Paris, Librairie générale française, 1986, p. 136.

39 "The most adequate manner nowadays is to find ready cash by selling annuities on the Estates or cities, which does not amount to such a high interest as lending money on obligations..., because the first costs only 6,25 % and the last 8, 10, 12 or even more..." Hendrik DE MOY, *Traktaet van Beden (Traçtaet van allen het gene gehandelt is in de vergaedinge van de heeren Staeten van Brabant t'sedert jaer 1404 tot 1577)*, Antwerp, 1595 (Antwerp City Archives, Old Archives, Privilegiekamer, no. 2376), p. 64.

the city to sell annuities in his name, which he would pay back via the general tax-receivers of Brabant, through the princely domain, or by granting the city reductions of taxes or other dues. These would therefore not cause any extra costs for the city, as long as the emperor paid back his debts on time. Nevertheless, backing up the credit of the emperor with that of the city had its risks. In case of non-compliance, the city was held responsible, including the private wealth of its citizens. Hence in 1545, Charles decided not to pay the pension of the former archbishop of Cologne, von Wied, after the latter had joined the Schmalkaldian Union. As the city had guaranteed for the payment, Wied held them responsible for the payment and kept several Antwerp merchants imprisoned in Frankfurt until the city would agree to pay the arrears<sup>40</sup>. Without reaching such extreme dimensions, the repayments of the royal debts had to be renegotiated frequently due to difficulties of the prince or some of his officers to pay back.

Another form of credit arrangement between the prince and the city was that of advancing the quota of a tax. As the collection of extraordinary taxes generally took considerable time and was therefore often spread over several months or even some years, the government preferred the cities or the Estates to sell annuities for the whole amount, which then could be paid back from the collected tax incomes<sup>41</sup>.

In 1542, after an attack on Antwerp by Guelders troops, the city took off to build new fortifications, “for the security of the foreign merchants, to protect their trade”<sup>42</sup>. These fortifications, although built on the orders of the governor Mary of Hungary, had to be financed exclusively by the city itself. The traditional means of funding, excises on goods of consumption, and the extensive sale of annuities proved far insufficient. The city had to take short-term loans for over two million guilders from the big German firms and local merchants to cope with the costs of the works<sup>43</sup>. To pay back

40 Floris PRIMS, “Antwerpse stadsschulden in Duitsland in de xvde eeuw”, *Mededelingen van de Vlaamse Academie voor Wetenschappen, Letteren en Schone Kunsten van België*, 1948, p. 5-34.

41 Michael LIMBERGER, “The Making of the Urban Fiscal System of Antwerp Until 1800. Excises, Annuities and Debt Management” in José Ignacio ANDRÉS UCENDO & Michael LIMBERGER (eds.), *Taxation and Debt in the Early Modern City*, London, Pickering & Chatto, 2012, p. 131-148.

42 Jan-Albert GORIS, *Étude sur les colonies marchandes méridionales à Anvers de 1488 à 1567*, Recueil de travaux publiés par les membres de conférences d'histoire, etc. sér. 2. fasc. 4, Louvain, Université de Louvain, 1925, p. 5, cited in GELDERBLOM, (footnote 23), p. 156.

43 Among the creditors were Anton Fugger, the Welser firm, Wolf Pusching, Ulrich Hainhofer, Anton Haug, the major German merchants active in Antwerp, as well as the Antwerp residents Lazarus Tucher, Erasmus Schets and

these loans, the city sold even more annuities and thus increased the urban debt even more. Finally, the city was faced with a debt of almost a million guilders in 1547, which made necessary a complete revision of the urban income-policy<sup>44</sup>.

The extraordinary expenses the city was confronted with and the access to credit incited the city to make use of credit more than other towns. In 1569, Antwerp had without comparison the highest urban debt in the southern Low Countries. According to the registers of the 100<sup>th</sup> penny tax of 1569, the value of annuities issued by the city until that moment was 4,6 million guilders, that is almost ten times more than cities as Bruges (671 700), Ghent (541 100), or Brussels (479 900)<sup>45</sup>. The period after 1566 was a turning point in the history of Antwerp, including the financial development. A high urban debt was sustainable, as long as the economic climate was positive, and the incomes of the city were at least stable. After the beginning of the religious troubles in 1566, this was not the case any more. The Antwerp wardmasters describe the difficult situation in a complaint dating from 24<sup>th</sup> october 1566:

that this city which before was very prosperous in commerce, and has helped her majesty in all moments of war, by means of money, and otherwise, which it could not do any more, if the commerce and business should disappear. And, because the city is mortgaged heavily through the fortification of the city and the building of the new town hall and other necessary works, it is to be feared, moreover, that we cannot pay these debts and burdens, if the activity of trade in the city breaks down, and the business would stop and would not continue in their former activity and prosperity, so that all citizens would be at once ruined, broke and executed tor these debts<sup>46</sup>.

## Iconoclasm, the Spanish Fury and The Closure of the Scheldt

The religious troubles and the Revolt of the Low Countries gave a serious blow to the Golden Age of Antwerp. Throughout

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his sons; SOLY, "Fortificaties, belastingen en corruptie te Antwerpen in het midden der 16e eeuw", *Bijdragen tot de Geschiedenis*, no. 53, 1970, p. 191-210, see also: Donald J. HARRELD, *High Germans in the Low Countries. German Merchants and Commerce in Golden Age-Antwerp* (The Northern World, 14) Leiden/Boston, Brill, 2004.

44 See SOLY, Fortificaties (footnote 43), p. 204-205.

45 Maurice A. ARNOULD, "L'impôt sur le capital en Belgique au xvi<sup>e</sup> siècle", *Le Hainaut économique*, I, 1946, p. 44, table VI.

46 Antwerp, City Archives, Privilegiekamer, 480, n 94.



the sixteenth century, Protestant ideas had spread among the cosmopolitan population of Antwerp. The central government answered with repression and severe religious edicts. In 1566, unrests started with a wave of Iconoclasm, the pillaging of churches and destroying religious images by Calvinists. The political as well as the religious situation changed further with the nomination of the Duke of Alba as the new governor, who was sent in to re-establish order. His policy of fiscal reform and religious repression led to a further escalation of the situation. In 1576, after Spanish troops had sacked the city during the so-called 'Spanish fury', Antwerp joined the rebels and formed a Calvinist Republic. Many of the foreign merchants left the city and turned to safer places<sup>47</sup>. Finally, in 1585, the troops of governor Alexander Farnese, duke of Parma, recovered the city from the Calvinists after a long siege. After the return of Antwerp under Spanish rule, the city was however isolated from its access to the North Sea, as the estuary of the river Scheldt remained under control of the rebels, who blocked the shipping traffic from and to Antwerp. The so-called 'Closure of the Scheldt', which was to last until the 19<sup>th</sup> century, was the major effect of the revolt on the position of Antwerp<sup>48</sup>.

After 1585, Antwerp lost a considerable part of its population. The number of inhabitants decreased from 100 000 inhabitants in 1565 to mere 42 000. The international merchant community dispersed over other centers, and in particular to Amsterdam, which would become the main successor of Antwerp in the seventeenth century. Antwerp may have lost its leading role in international commerce, but continued to be the main commercial and financial centre of the Spanish Low Countries, which remained important for its export trade of textiles, manufactures and art to the Iberian Peninsula as well as for its American colonies<sup>49</sup>. Antwerp continued to be an artistic and cultural metropolis as well as a centre of Catholic Counter-Reformation, the home of famous personalities such as Pieter Paul Rubens and Anthony Van Dyck<sup>50</sup>. However, it would take until the nineteenth century, before

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- 47 Guido MARNEF, *Antwerp in the Age of Reformation: Underground Protestantism in a Commercial Metropolis, 1550-1577*, The Johns Hopkins University Studies in Historical and Political Science, Baltimore, Johns Hopkins U.P., 1996.
- 48 A.K.L. THIJSS, "The Scheldt closed for two centuries 1585-1795" in Gustaaf ASAERT *et al.* (eds.), *Antwerp. A port for all seasons*, Deurne, MIM, 1986, p. 165-273.
- 49 Herman VAN DER WEE & Jan MATERNÉ, "Antwerp as a world market in the sixteenth and seventeenth centuries", in Jan VAN DER STOCK (ed.), *Antwerp, story of a metropolis* (exhibition catalogue, Antwerp, Hessenhuis, 25 June -10 October 1993), Ghent, Snoeck-Ducaju & Zoon, 1993, p. 19-32.
- 50 A. BALIS, "Antwerp, Foster-mother of the Arts: its contribution to the Artistic Culture of Europe in the Seventeenth Century", in VAN DER STOCK (footnote 49).

Antwerp would play a leading role again as international port and commercial metropolis.

## Conclusion

The Golden Age of Antwerp was a unique phenomenon in the history of the sixteenth century. It was the result of an exceptional moment in history, when Portuguese ships brought their first cargoes of pepper and other spices back from the Indian Ocean and were in need of a centre of distribution. They found it at the same spot where they could provide themselves with copper and silver, which was brought in from Central Europe by the South German firms. The Golden Age of Antwerp coincided with that of the Habsburg Empire of Charles V, and a part of the reign of Philipp II. It was a focus of the economic dynamic of the emerging world empire of the early overseas expansion, bringing together Asian spices, American silver and other overseas commodities, as sugar from the Atlantic islands, and a broad range of Flemish, Italian, English, Spanish and German products. The merchants dealing with these commodities, by the name of Fugger, Schets, Affaitadi, Mendes, or de Haro, to name just a few, accumulated unseen quantities of money, which in its turn created the basis of the Antwerp money market, the major asset of the city for the Habsburg monarchy. Money circulated in the form of silver coins, obligations, letters of exchange, and others, between Antwerp and the other major financial markets of sixteenth-century Europe, such as Lyon, Genova, or the fairs of Piacenza, Besançon or Medina del Campo, capital cities such as Madrid, London or Paris, and countless other places, and helped to finance commercial enterprises, overseas expeditions, state formation and warfare, not just of the Habsburg empire, but also of its competitors. The rise of Antwerp was the result of a series of coinciding historical circumstances, such as the meeting of the English, the Portuguese and the Southern German merchants at the Brabant fairs, the conflict between the Flemish cities and Maximilian of Habsburg, and the resulting decline of Bruges, and the dynastic union of the Habsburgs with the houses of Burgundy and the Spanish dynasty, making them the rulers of the Low Countries, the crossroads of the Atlantic World for more about a century. It was also historical circumstances that brought about the sudden end of Antwerp's Golden Age, as well as its key position within the Habsburg

Empire, less than a century later, when many of the leading merchants and bankers left the city during the turmoil of the religious conflicts and the Dutch Revolt. The spectacular rise of Antwerp during the first six decades of the sixteenth century therefore reflect the extraordinary dynamics of that era, which was indeed a period of unprecedented opportunities and new horizons. The legacy of Antwerp can be found in its successors as commercial and financial center of the North Sea area, Amsterdam, and later, London. Many of the merchants that left Antwerp in 1585 did so to settle in Amsterdam and contributed to a considerable extent to the rise of the city and of the Dutch Golden Age. They brought their capital, commercial and financial know-how and networks with them. Amsterdam would build its own Exchange in 1611 after the model of the Antwerp *Beurs*. During the seventeenth century, Amsterdam would become, on its turn, the center of a commercial empire, that of the Dutch Republic. At the end of the seventeenth century, yet another shift would make London the heir to both Antwerp and Amsterdam. The British Empire would eventually overshadow the Dutch Republic and the Habsburg Empire as the dominant force in the Atlantic World.