Finances, currency and taxation in the 14th and 15th centuries

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Abstract

The emergence of state taxation in the 14th century is intrinsically associated with monetary and financial development. In Catalonia, the crux of this joint evolution was the emergence of general taxes over the entire land, which required the towns to implement the censo, leading, in turn, to consolidated public debt and the financial slump of the 1380s, followed by difficulties caused by errors in monetary policy. The creation of the Taula de Canvi de Barcelona in 1401 mitigated both problems, but after 1440 the manufacturing crisis and currency problems prompted heavy clashes with the municipal power, one of the factors in the 1462-1472 Civil War, which would prove ruinous to the country. The subsequent redress was not enough: the war had depleted Catalonia’s economic and political power.

Keywords: currency, finances, state taxation, Catalonia, late Middle Ages

The crisis of the late Middle Ages is primarily a crisis in the etymological sense of the word, a moment in which the old structures are adapted or replaced. The changes were both political and economic and therefore affected society as a whole; however, the economic changes were the ones that both drove and paved the way for the structural changes.

The most important economic transformations are related to an agricultural system which was basically self-supplying yet generated a rising surplus and was aware of the market possibilities. This was joined by a rise in trade that added to the traditional luxury products, home manufactures, raw materials and agricultural products. The consequence and support of these two facts was a rising monetisation of the economy. In around 1300, the market was the epicentre of the economy, and market means currency and credit.

The political transformations that accompanied the economic changes are embodied by the shift from feudal predominance to the pre-eminence of the monarchies, stemming from the decreasing importance of the feudal chivalry compared to the paid infantry (soldiers). This change required an outlay of money that could not be fulfilled with the monarchy’s traditional patrimonial revenues. Under these conditions, the war led to the creation of state taxation which was the first state structure. By the end of the period, the monarchic state and the king’s political superiority would be firmly entrenched.

Therefore, the 14th and 15th centuries witnessed economic growth accompanied and leveraged by a rise and improvement in the monetary and financial instruments, while at the same time by a heavy growth in fiscal pressure, which had a huge impact on the economy and standards of living. This article will examine these latter aspects: the monetisation of the economy and its consequences, the increase in credit and its main instrument, financial entities, and also the emergence of state taxation.

Studying these phenomena separately conceals their constant interrelations; hence, I prefer to examine their joint evolution through four time sequences: before the Black Death: the early problems; the crisis in the second half of the 14th century; recovery and clashes in the 15th century; and the Civil War (1462-1472) and political and economic decline.

Before the Black Death: The early problems

At the start of the 14th century, Catalonia was in the midst of both a political and an economic upsurge. The conquest of Sicily (1285), the victory against the invasion of the French crusaders (1295) and the adjudication of the Kingdom of Sardinia (1297) signalled the peak of Mediterranean imperialism. Economically, between 1280 and 1350, Barcelona became a world-class market with major banking and insurance activities, while it also began to manufacture quality cloth. Catalonia’s territorial and commercial expansion around the Mediterranean are two different processes that took place at different paces, but they clearly had synergies.

The challenge of the rising monetisation of the economy

According to Spufford, the main monetary problems in the late Middle Ages were the shortage of mineral and the differences in monetary policy depending on whether the
monarchs or the urban municipalities held the authority to mint money. They each had divergent interests: the monarchies were known for steep devaluations followed by returns to strong currencies, following the cycles of war and peace. In contrast, the commercial cities (mainly the Italian cities and Barcelona) were interested in main-
taining the value of their currencies, sometimes even beyond all logic.6

In around 1300, Catalan currency maintained the Carolingian tradition of the pound of 20 sous (shillings), each of 12 diners (pennies). An agreement in 1256 between the king and the Consell de Cent (Council of One Hundred), that is, the city government of Barcelona, established as currency the diner de tern, that is, the diner with a silver content of three parts (named also diners) over the dozen that fine silver has; so the diner de tern contained a quarter of diner de plata. It also declared the diner de tern perpetual and attributed authority over it to the town of Barcelona.7 At that time, most of the neighbouring countries were already issuing “grosos” (fine silver coins), but their Catalan equivalent, the silver ral or croat, was not admitted until 1285. Just before the Black Death, the Crown of Aragón joined the countries that were issuing gold coin by imitating the Florentine florin, but its history falls within the next period.

The formation of the financial system
Despite the rising monetisation, to function, the economy required credit in all its guises. However, I shall only discuss two aspects: banking as an institution specialising in credit and in particular its role in the finances of the monarchy and the municipalities,8 and the public debt, represented by the censals.

By the late 13th century, there were numerous powerful bankers in Catalonia; we only know the names of some of them, most of them associated with the royal or urban finances. The monarch’s protection of the bankers to whom he was indebted and whom he was unable to pay led to the reaction of the Courts, which laid the groundwork for Catalan banking laws.9 The 1300 Courts of Barcelona and 1301 Courts of Lleida ordered moneychangers to keep a record of transactions in a legal ledger, declared that bank deposits had the status of order (that is, money released to do business), required moneychangers to deposit a high bond (1,000 silver marcs in Barcelona and Lleida, 300 elsewhere),10 required them to be answerable with all their assets for the money deposited with them, and condemned bankrupt moneychangers to never exercise their trade again and to be imprisoned with just bread and water until they paid off their debts. Significantly, the Courts also prohibited the king from allowing moneychangers to delay payments. Despite this, in 1309 Jaume II exonerated Berenguer de Finestres, Bartomeu Cendra and Pere de Santpere from their stigma in view of the debts he owed them and was unable to pay. The provisions became even more stringent in the 1321 Courts of Girona, which stipulated a death sentence for bankrupt bankers who could not reach an agreement with their creditors; two years later this sentence would extend to all silent partners in bankruptcy.11

The rising inadequacy of the monarchy’s resources
Jaume II’s difficulties paying his bankers are a good example of the monarch’s insufficient resources. This led to
the transformation of feudal taxation into state taxation in a long process that spans primarily from the 1280s to the mid-14th century. Traditionally, the royal coffers were filled by the lands owned by the king, most of which were granted in emphyteusis, along with direct taxes on his seigneuries, taxes and exactions on religious minorities, indirect taxes on sales and markets (import, export and passage taxes, measurements, market taxes) and other random revenues, such as laudemiums and emphyteutic entries, income from the justice system and scribal taxes. The king could also demand donations from the Courts and the royal cities, but the 1283 Courts of Barcelona had banned any general constitution without its own approval; this was the principle of pactism in action, but it was also a confirmation of the limitations on the monarch’s fiscal power. At the same time, the kings pressured the royal cities and towns as much as they could and often made them pay for the monarch’s immediate help with future concessions. They also exerted pressure over the Jewish quarters. However, all of this still did not supply the king enough resources, especially at times of war: the sovereigns were repeatedly required to hock or sell part of the royal assets, a solution that allowed them to solve their immediate dilemmas but at the expense of lowering their future revenues. From 1320 to 1340 alone, the income from royal patrimony dropped by half. Given the insufficiency of its income, the monarchy increasingly had to enlist the aid of its subjects. The 1289 Courts of Montsó and the 1292 Courts of Barcelona granted general subsidies to the king for the first time; that is, the subjects of the nobility and of the Church also had to pay. This was the beginning of state taxation, which would spread quickly and become an essential factor in the economic, political and social changes in the late Middle Ages.

The largely peaceful years between 1305 and 1321 allowed a respite from tax demands; however, the conquest of Sardinia (1321-1324) and the wars against Genoa and Granada (1327-1336) gave the final impetus to state taxation. Upon the concession of a new subsidy, Barcelona asked to collect it through indirect taxes, which it regarded as a more effective, quicker procedure than the previous talles. Tarragona, Tortosa, Girona, Palamós, Sant Feliu de Guixols and Lleida soon followed the capital’s example by supplementing or replacing direct taxes, like the quésitia and the talla, with indirect taxes on a larger or smaller number of goods or services. Thus, the cities’ participation in financing the monarchy shifted from the compulsory quésitia to the granting of Court subsidies, which were theoretically voluntary but in reality more onerous. In each case, the first indirect taxes had to be subsidised by the king; therefore, this was not exactly city taxation but more the towns collecting the royal tax. However, taxes to pay the subsidies to the monarchy became the cornerstone of municipal finances.

On the other hand, the second quarter of the 14th century witnessed a virtually incessant round of wars (Sar-
The initial florin of Pere II contained only 2% less gold than the Florentine original, but it was quickly weakened after successive devaluations until it stabilised in 1363 at 75% of its initial content, a value it maintained for the rest of the Middle Ages.\(^{30}\) Counter to the opinion propounded by historians until recently, the florin’s loss in value was due not to economic reasons but to the desire to align with the concurrent florins in the Piedmont, Provence and Flanders.\(^{31}\) Stability was achieved by the intervention of the 1365 Courts, which took advantage of a new request for money from the king to force him to agree to stabilise the florin. However, in exchange, the king received a concession that would jeopardise monetary stability in the future: the florin was fixed at eleven sous,\(^{32}\) which meant a gold and silver ratio of 13:1, very high compared to its European contemporaries, which fluctuated between 11 and 11.5.

**Croats** were undervalued not only in terms of gold but also in relation to French **blancas**, which were valued at eight diners (and seven and a half in 1405), while relative to the silver content of the croat, the blanca must have been valued at six and a half diners.\(^{33}\) In consequence, good croats disappeared from circulation as they were hoarded or exported, a problem that would last until 1407. Florins were also at a disadvantage compared to the French **écu** (escut), such that they were accepted underweight.

These were recurring problems during the rest of the Middle Ages, as was the mismatch between silver content and the respective values of the croat and the diner. The monetary problems were magnified by the lack of insight and extreme conservatism of Barcelona’s authorities, who were opposed to any changes.

By law, the croat was supposed to contain the same amount of silver as the twelve diners it was worth. The city of Barcelona ferociously adhered to this equivalency, even though it was obvious that minting twelve diners was more costly than minting a croat, and therefore, logic would have recommended compensating the expense by lowering the silver content of the diner, as other countries did.\(^{34}\) This imbalance was aggravated as silver became scarcer, especially as a result of the depletion of the Sardinian mines;\(^{35}\) in fact, diners de tern stopped being minted after 1381. The devaluation that the Barcelona government refused to accept came to fruition: diners, which had not been replaced and were thus increasingly worn out, gave the croat the right additional value, but the scarcity of small coin and the disappearance of croats led to complaints and encouraged the circulation of overvalued French **blancas**,\(^{36}\) as well as the proliferation of local coins, especially in Terres de Ponent.\(^{37}\) The official imbalance was rectified by the market, which accepted croats at 14 diners; it ended up being set at 18 diners by Martin the Human in 1408.

The monarchs tried to solve these impasses by issuing their own silver coins, which clashed with Barcelona’s privileges.\(^{38}\) Regarding gold, the value of the French **écu** fell to 15 sous and 7 ½ diners (1398),\(^{39}\) and in 1401 a “**taula de canvi** [exchange bank] to weigh florins” was established with the goal of removing those which were underweight. By doing so, a comparatively low ratio of 8.75 was achieved; exports of silver ceased but exports of florins began. Finally, in 1413 **blancas** and escuts were banned from circulation.\(^{40}\)

**The new taxation**

Despite the previous problems, the 1350s signalled a qualitative leap in the tightness of the Crown’s finances and the creation of state taxation. The war against Genoa and the Sardinian uprising, and especially their later overlap with the war against Castile after 1356, necessitated more resources more quickly. The 1350 Courts of Perpignan decreed a general tax on grains, wine, meat and textiles for a three-year period, but before that period was over the Courts of Vilafranca added a new subsidy for the Royal Branch. This meant a rise in the previous tax rates, but even more importantly, it gave the king an advance on his tax revenues. Both the taxes and the monetary advances to the king were repeated in the subsequent years. The advances mainly came from certain bankers, but soon they also came from the sale of censals by the cities and the Diputació del General or Generalitat, the Court’s permanent body that administered the taxes granted to the monarchy, which would become the cornerstone of the system.\(^{41}\)

The censal became the main instrument of public credit in the second half of the 14th century. As Roustit says, the public censal was new in 1330, but by 1350 it was essential to municipal finances. Ortí does not hesitate to describe its expansion as a second financial revolution. Its peak was the second half of the 14th century; afterwards, the bankruptcy of many municipal treasuries turned it into a less desirable investment.\(^{42}\)

The rise in fiscal effort required of the Catalan population was achieved in exchange for significant compensation. First, the creation of the Diputació del General revealed that this was not royal taxation but state taxation.\(^{43}\) Likewise, in exchange for their money, cities demanded privileges and exemptions that would lead to municipal autonomy;\(^{44}\) each city could display its book of privileges, which were zealously defended. In short, the tightness of royal finances required the king to accept pactism; to put it more bluntly, the ruling classes exchanged money for power.
The Diputació del General appeared for the first time in the 1359 Courts of Cervera as a temporary body to collect and administer revenues, and to borrow money if the monarch’s shortfalls made it necessary. The Diputació del General quickly shifted from a temporary to a permanent body and added the function of serving as a permanent organ of the Courts when they were not in session for two primary reasons: the overlap of successive deputations assigned to manage the donations of different courts, and especially the creation of its own taxes (the generalitats, in the 1362-1363 Courts of Montsó).

The generalitats were indirect taxes that affected the entire land. First, they taxed the production and sale of textile goods (called the dret de bolla), while secondly they taxed foreign trade, both imports and exports (called the dret d’entrides i eixides); eighty customs points were created to collect the latter. In addition to the generalitats, these Courts also granted the king a donation which was to be collected via a direct tax according to the number of inhabitants of each locale, based on the tally of households (fogatjament) ordered by the 1359 Courts of Cervera. The 1364-1365 Courts of Tortosa added the third definitive pillar to state taxation: permission to obtain the money needed quickly through the sale of censals (a perpetual but redeemable debt) and violaris (life annuities for two lifetimes). At that time, the conviction regarding the permanence of the institution was so clear that the Generalitat opened its first registry. Despite the importance of the taxes exacted from all subjects, the financial constrictions of the monarchy weighed on the Royal Branch: the cities created the public tax before the state created its tax, in response to the fiscal pressure from the monarchy. Indeed, the 1350s were crucial in consolidating taxes and granting the right to indebtedness through loans or censals. The Crown’s constant requests to the towns ended up transforming the censal from indefinite debt to perpetual debt, thus creating the chronic indebtedness which became quite dangerous throughout the second half of the 14th century. For example, in Barcelona in 1361, the pensions from the censals accounted for 42% of municipal expenditures, and from that year until 1396, the public debt multiplied by almost 2.3 times. In other places, such as Cervera and Valls, the consequences were even direr. The political solution of censal debt led to a clearly regressive tax model both because of the decrease in talles in favour of taxes and because pensions represented a transfer of money from the population as a whole to the coffers of the censal holders, that is, the wealthier classes.

Many towns were already experiencing serious financial difficulties in the late 1350s and did not pay the pensions as punctually as they should have, so they were often the subject of grievances and fines that accomplished nothing other than increasing the expenditures and non-payments. Even worse, in the early 1360s it was clear that many towns would never be able to pay, and negotiations and agreements to lower the pensions got underway. However, we should note that despite the huge supply of censals for sale, the demand must have been even higher if we consider that the interest rate dropped. This decrease explains why the censal attracted to the financial markets people and institutions that had been removed from them in the past – the clearest example is Church institutions. However, it is also related to trust in the issuer: the city of Barcelona obtained the lowest rates; the interest rate of 7.95% in 1371 dropped to 5.78 in 1398-1399 and 4% in 1405. In contrast, in this latter year, Mallorca had to pay 10% to find buyers, while other towns like Tortosa and Lleida paid intermediate rates.

The peak of the mediaeval bank

Even though we do not have sufficient information on the evolution in banking techniques, it seems clear that they were fully developed by the second half of the 14th century. At that time, Barcelona became a prime banking centre, although local banking merchants did not play a central role in the industry. The tendency in Catalan banking seems to have leaned more towards public finances in their different guises, or perhaps those bankers were the ones that left the clearest document trail, often because of their bankruptcies. In addition to institutional credit and partial investments of the money deposited in mercantile credit, basically in the guise of orders, the Barcelona moneychangers, and especially their Italian counterparts headquartered in Barcelona, were also quite active in the business of bills of exchange, which seem to have become common in Barcelona by the last quarter of the 14th century.
In the second half of the 14th century, Barcelona’s banks seem to have undergone two main waves of bankruptcies: the first in the 1350s and the second between 1375 and 1383. In 1359, Jaume des Vilar, the leading banker in the city of Barcelona, was brought down, and others were the next year, including Francesc Castelló, the only banker who was subjected to the barbarous provision that ordered the beheading of bankrupt moneychangers. Therefore, we should ask whether the other bankrupt bankers had managed to reach agreements with their creditors or whether there were extenuating circumstances in the case of Francesc Castelló. We are not aware of the reasons for these bankruptcies in 1359-1360, but they might have been related to the war with Castile. However, this was just a single coincidence; in the ensuing years, we are aware of flourishing bankers with notable activity in both Barcelona and the towns of Tarragona, Girona and Tortosa.

The crisis in the last quarter of the century

Just as in all crises, a temporary crisis caused by the repeated poor harvests in the Mediterranean in 1374 and 1376 led to a profound structural financial crisis due to the intersection of three interrelated phenomena: the end of plentiful silver; the economy’s maximum exposure to debt, especially public debt; and the insolvency of the monarchy, which was in the grips of the war with Castile and the Sardinian uprisings.

The crisis was felt deeply in the Catalan banking industry, especially in the banks more closely involved in financing the monarchy. In 1381, Pere des Caus and Andreu d’Olivella, the main lenders to the monarchy since at least 1374, went bankrupt. Their bank did offer the king advances with their own money, although they usually acted via third parties by guaranteeing the loans that private individuals made to the monarch. Since the money was deposited in the bank, des Caus and d’Olivella were responsible for the amount. As a guarantee of their intermediation, the bankers had been assigned several revenue sources from the monarchy, such as the collection of household taxes and the donations to the king from the Kingdom of Mallorca. However, in the autumn of 1380 the agricultural crisis and previous indebtedness brought this island’s economy to the brink of bankruptcy: virtually no money left the island, either for the king or for the private censal holders. Pere des Caus and Andreu d’Olivella were doubly compromised: many of the lenders did not renew their expired credits, and the income assigned to them only covered a small portion of the king’s debt to the bank. By late 1380, the king and his primogenitor owed des Caus and d’Olivella more than 314,000 pounds. Having reached that point, the king resorted to subterfuge and stopped paying, and the bankers were only able to hold out until March 1381, although legally the bankruptcy never actually happened because the king granted the bankers a moratorium. Pere des Caus and Andreu d’Olivella may have been the most prominent ones, but they were not the only bankers harmed by the monarchy’s insolvency: less than two years later, Pere Pasqual and Arnau Esquerit fell in Barcelona, Ramon Medir in Girona and Bartomeu Gari in Perpignan, and in the ensuing years they were joined by the banks of Provençal and Brunet, the bank of Colom, that of Rabosier and others.

The entire economic world of Catalonia appeared to have been affected by the twofold economic and financial crisis: the major consequences of the crisis include the attack on the Jewish quarters (1391) and the revaluation of capital, which Vilar and Vicens claim heralded the shift from an entrepreneurial society to a rentier society. This thesis, which is even accepted today among the majority of historians, requires further nuancing: first, the bankruptcies did not involve huge losses of capital given that most of the debt was usurious interest; likewise, through an examination of the list of creditors of the bank of des Caus and d’Olivella and the subsequent books of the Taula de Canvi, we can see somewhat scant participation by commercial capital in credit at fixed interest rates. In fact, the crisis was limited to the monarchy’s credit banks: Riu cites eight banks that remained standing in Barcelona during the ensuing years.

There was yet another consequence of the collapse of the financial system: the creation of the Taula de Canvi de Barcelona. However, I prefer to regard it not as the culmination of the crisis but instead as the start of its recovery.

Recovery and clashes in the 15th century

The crisis in the last quarter of the 14th century was extremely dire in the fiscal, financial and monetary worlds, and in its social aspects as well, but the economy only suffered from a few short-term jolts: the pace of growth dropped in around 1415, and even more steeply in around 1435, but there was overall growth until the beginning of the Catalan Civil War from 1462 to 1472, albeit at a slower rate and lower than in the competing countries. The first half of the 15th century was also the time of Catalonia’s peak political and military power, with milestones such as the pillage of Marseille in 1423 and the conquest of Naples in 1445.

Despite this, it was an era of upheaval, mainly because of the coexistence of three interrelated clashes, all of which had clear political undercurrents: between lords and serfs owing to the latter’s aspirations for freedom and land; between the urban patrician class and the working classes, as the latter wanted to participate in municipal government; and between the local institutions (the Courts, the Generalitat and the monarchy) over control of power and taxes. These varied clashes would lead the country to the Civil War of 1462-1472.

The Taula de Canvis i Comuns Dipòsits of the city of Barcelona

The financial crisis of the 1380s prompted a great deal of distrust towards banks. However, there was some capital (judicial, from corporations, trusteeships, etc.) that nec-
essarily had to be deposited in the *taula de canvi*, the municipal bank, which was therefore exposed to its dangers. Furthermore, bankers sparked bitter complaints because they hoarded good coin and paid with poor coin.72 Likewise, the city of Barcelona watched as the money from taxes deposited in private banks was endangered, while it simultaneously yearned for better control over its finances and was bound by the amount of the pensions of the *censals* and *violaris* it had sold.

In an attempt to resolve all these problems, in 1401 the Consell de Cent created the first public bank in Europe: the Taula de Canvis i Comuns Dipòsits de la Ciutat de Barcelona.73 Its main purposes were to pay with good coin (*taula de canvi* or *exchange bank*),74 and to concentrate forced deposits75 and incomes and payments of the city, as well as voluntary deposits (*comuns dipòsits*). The Taula offered security, since it was guaranteed by all the municipal taxes, and it offered savings: the entries in its accounts, just like in any other insured bank, had the value of a notarised receipt of payment.76 However, the City, which defrayed the institution’s salaries and other expenses, was the only legal beneficiary of the Taula’s credit,77 and this more than offset its expenses: it earned money from the Taula both to make payments and to redeem *censals* and *violaris*. In fact, in the early years the city of Barcelona seemed to be abusing this credit so much that it sparked doubts regarding the institution’s trustworthiness,78 which was probably aggravated by the bankruptcy of the two leading private bankers who had accounts in the Taula and had been allowed overdrafts: the Gualbes and Massana banks.79

The role played by the Taula de Canvi in the economy of both Barcelona and Catalonia as a whole has been debated: counter to the traditional praise, Vicens Vives regards it as a myopic, defensive solution which kept capital away from mercantile business. Vilar shades this opinion by assessing the Taula de Canvi’s role in putting a damper on municipal debt and countering the insecurity of private banking. My opinion (which is shared by Adroer and Riera Melis) is that it was a beneficial institution for both the city and private individuals, and that the capital immobilised in the Taula was unlikely to have been invested in business.80

The first known ordinances, which date from 1412, regulated the Taula’s relationship with the municipal *clavaría* (treasury) by assigning the collections of certain taxes to specific expenditures, which rather turned the regents of the Taula into inspectors of municipal spending.81 The stricter oversight and the fact that the Generalitat and other institutions deposited their funds in the Taula restored the public’s trust in this institution to such an extent that in the future most of the leases of seigniorial rights indicate that the payments were to be made to the Taula de Canvi de Barcelona.

The success of the Taula was immediate and important: a kind of income statement from 1433 shows that the amount of capital deposited was thirteen times the municipal income. The cash coefficient was approximately one-third of deposits; the rest of the money was used to redeem the city’s *censals* thus lowering its debt.82 These proportions remained in place with minor fluctuations until the Civil War, while the capital deposited in the Taula grew considerably: from 175,000 pounds in 1433, the deposits rose to 375,000 in 1451, and on the eve of the Civil War they surpassed 600,000 pounds. All told, there were twice as many voluntary as forced deposits,83 and even more importantly, the Taula’s credit allowed *censals* to be redeemed, lowering the amount of the pensions the city paid by around one-third.84

The Taula de Canvi’s transactions were conditioned by two intertwined problems: clashes with private banking and the struggle to set the value of coins. They both preceded that time: all we have to do is recall the bank ordinances from 1397 and the attempts at monetary reform, especially during the reign of Martin the Humane. Despite this and the two suspensions of payment at times of war, in 1468 and towards the end of the Catalan Revolt (1640-1652), public trust in the Taula remained steady until the abolition of the Consell de Cent (the traditional corporate municipal organization) and of the Catalan state after the victory of the Bourbons in 1714.

**An active bank, but one under suspicion**

The relationship between the Taula de Canvi and private banks was always tense: the Consell de Cent favoured the Taula and wanted to control the activities of private banks, which were reasonably and sensibly considered harmful to the desired monetary stability and the city’s interests. At first, the creation of the Taula had deprived private bankers of the forcible deposits which they had received before, and in 1441 they were also obligated to keep their term deposits and those of the monasteries and pious organisations in the Taula.85 However, more importantly, the city of Barcelona had a belligerent attitude towards private bankers, although it was neither constant nor terribly effective: in 1433 they were banned from holding accounts in the Taula, and in 1437 the Consell de Cent issued a reminder that moneychangers had to be insured. It also required them to update their bonds every four years and banned them from creating new banks without city permission, which was granted on a highly restrictive basis. Even Jaume de Casasaja, a financier who had earned the king’s trust, was at first refused a license with the excuse that there were already enough private bankers.86 The outcome was the proliferation of moneychangers who accepted money on deposit and intervened in bills of exchange against ordinances and without insurance.87 The most well-grounded accusations that could be levelled at the bankers were that they paid late and in poor coin, they committed a great deal of fraud, and they often went bankrupt.88

The Consell de Cent also used the Taula against private bankers when issuing bills of exchange, based on the erroneous belief that speculation with exchanges led to the
flight of good coin. In 1446, the city of Barcelona banned private bankers from negotiating bills of exchange, in a failed attempt to concentrate their payment in the Taula. The complaints were largely targeted against Italian bankers and businessmen, who were very active in negotiating bills of exchange – which were used in a wide variety of ways especially in the Italy-Flanders-Catalonia (Barcelona or Perpignan) triangle, which was used quite heavily by the Datini and other large Italian companies – and bills of exchange between Naples and Barcelona during the campaigns of Alfons the Magnanimous. The problem was resolved in 1449 when the city lifted the ban on the condition that the bankers apply the official currency exchange rate.

The tax burden and the monetary needs of the monarchy
The heavy direct fiscal pressure in the second half of the 14th century was relieved during the subsequent period, particularly because of the decrease in military spending but also because of the oversight of the Generalitat and the Courts’ resistance to the monarchy’s demands. The monarchs always had difficulties getting the money they needed for their enterprises, first because they could hardly subject their vassals to greater fiscal pressure, and secondly because the traditional oligarchy made the new Trastámara dynasty, originally from Castile, pay for its dubious legitimacy and shallow roots. Ferdinand I was obligated to accept the limitations of royal authority, which we know as pactism, in the Courts of 1413 and 1421-1422. The king ruled in practice, but the Courts and the Generalitat controlled him politically and financially.

Resistance to the monarchs’ monetary demands had clear political motivations, but it also reflected the weight of the debt generated in the previous era in both the Generalitat and the municipalities. Until 1428, the revenues of the Generalitat fluctuated between 50,000 and 60,000 pounds; the 1430s were characterised by a decline in revenues which, coupled with a careless and not always honest administration, led to the Generalitat’s increasing indebtedness. However, in the ensuing years it was able to pay off the censals and secure lower interest rates. In parallel, many municipalities were being strangled by the pensions they had to pay, even though a financial structure to serve the debt had been established. In Cervera, Montblanc, Lleida, Berga, Manresa, Tarragona and Valls, the debt had become untenable by the late 14th century and the towns resorted to a new kind of income, the perpetual or non-redeemable censal which was, therefore, no longer a censal. Thus, the towns could get money to redeem the more expensive censals and momentarily clean up their local finances at the expense of deferring their debt.

It was not enough: Valls in 1406, Montblanc in 1410, Cervera and Lleida in 1413 and Balaguer, Tarragona, Manresa, Berga and Cardona in undetermined years, but around the same time, had to bite the bullet and suspend the payment of all censals with an interest rate.
higher than 3.3% (2.5% in Montblanc). The censal holders had no choice but to accept the downgrade.⁹⁷ Yet the relief was only temporary: in 1430–1431, Cervera was once again selling censals at 8.3%, and at the onset of the Civil War, the municipal finances were once again on the verge of collapse. The course of events and the result must not have been too different in many other places.⁹⁸

However, the monarchs continued to need more money than what they could eke from their subjects. The insufficiency of the monarchy’s finances soared as a result of Alfonso the Magnanimous’ Mediterranean expansionism, culminating with the conquest of Naples. The king financed this enterprise through donations from Courts, which were costly to obtain, although the monarch always considered them insufficient. However, their implications for his subjects were a rise in fiscal pressure and the issuance of public debt.⁹⁹ He also tried to retrieve alienated jurisdictions, which he only managed to partially achieve at the expense of the towns, which either willingly or forcibly had to pay the price of rejoining the royal jurisdiction.¹⁰⁰ In 1446, he ordered an inventory of all the royal assets, from castles to estates, with the goal of recovering those which were held without proper transfer deeds, a difficult feat to accomplish for the older cessions and usurpations. The Courts were opposed to this measure and were dissolved in 1448. The king managed to embargo a few lands at the cost of further distancing himself from the privileged estates.

Faced with the opposition of the Courts and financial strangulation, the king undertook two policies which would lay the groundwork of the Civil War. First, he supported the serfs and the urban middle classes in their struggle against the traditional oligarchy with the idea of weakening it from both inside and outside the Courts.¹⁰¹ Even worse, he began to enact laws that benefitted the highest bidder, changing decisions time and again depending on the amounts the conflicting parties offered him. The situation was particularly scandalous in 1452–1455: the penalty of the king did nothing other than heavily poison the conflicts.¹⁰²

**Urban conflicts, with monetary policy as the battlefield**

The urban patrician class had a de facto monopoly on municipal power everywhere, and it used this power to forward its interests. The area where this domination was the most important and has been studied the most is in Barcelona. Theoretically, the Consell de Cent had sovereignty over municipal affairs. The urban patrician class (honorary citizens) and guild masters sat on the Consell, which was presided over by an executive of five counsellors, positions that were reserved for the oligarchy, especially after the reform of Joan II in 1388. The counsellors managed municipal policy according to their class interests and only brought minor issues to the Consell de Cent for discussion.¹⁰³ Positions, offices and municipal commissions (with the wheat supply as the juiciest business) were thus divided among a small group of families which were believed to be the Biga (beam) that upheld the city. The Biga imposed a heavily orthodox, conservative monetary policy which was favourable to its own interests as rentiers, along with a liberal trade policy that also benefitted them as the importers of spices and luxury fabrics.

Although the urban economy operated without too many hindrances, the situation did lead to complaints about poor governance; it also led to isolated incidents which became increasingly serious with the manufacturing and trade crisis that came into clear focus in 1435: an uprising in 1436 ended with four executions.¹⁰⁴ Almost immediately, the Busca (splinter) sprang from the middle classes in opposition to the conservative Biga with a four-point programme: participation in municipal power, the correction of abuses, economic protectionism and monetary reform. In fact, the Busca served as an umbrella for two groups with divergent interests which banded together because of their opposition to the Biga: on the one hand, the Sindicat dels Tres Estaments (Union of the Three Estates: merchants, artisans and tradesmen), who tended towards radicalism; and on the other hand, a group of merchants and masters of the leading trades, who had attained financial status similar to that of the patrician class and were, in fact, even more dynamic, although they were excluded from political power. The latter were members of the moderate Busca, which enjoyed the monarchy’s favour and always served as the representatives of the movement.¹⁰⁵

Municipal corruption and especially municipal deficit, particularly the steep increase it experienced in 1447–1452, rendered the situation unsustainable and weakened the Biga, but only the king could change the regulations to put an end to its monopoly. Despite the doubts and reluctance which allowed him to extract money from both sides, the king showed his preference for the Busca: with the reform of the municipal administrations he sought to both keep domestic peace and get money, directly from the city of Barcelona (which would also serve as an example for other cities) and indirectly from the Courts, where a Barcelona allied with the monarchy allowed to king to more easily overcome the rejection or reluctance of the estates.

In November 1453, Governor General Requesens, acting on the king’s orders, suspended the statutory election of councillors and appointed a council of men from the Busca. Then, in 1455, a new regulation on the election of councillors “democratised” the city, allowed the tradesmen to join the Consell¹⁰⁶ and granted more taxation power to the Consell de Cent. Thereupon, the most important economic reforms were undertaken: the protectionist measures issued in 1422¹⁰⁷ were revived and the monetary policy was reformed.

The need to reform the currency had been one of the Busca’s battering rams against the power of the Biga. The intersecting problems were the same as always: the shortage and poor quality of fractional coins; the difference between the silver contained in the croat and its equivalent
twelve *diners*;\textsuperscript{108} the ratio between gold and silver, that is, between the florin and the *croat*; and the invasion of foreign money, partly to offset the shortages of circulating hard cash and partly because of the traditional excessive valuation, which did not take into account the devaluations that these coins underwent.\textsuperscript{109}

The Biga firmly upheld the traditional equivalences because both possible solutions seriously jeopardised its interests: raising the value of the *croat* lowered its income and declared capital, both of which were fixed in *diners*;\textsuperscript{110} while the alternative, lowering the metal content of the coin, harmed import trade. However, this inactivity led the *croats* and florins to disappear from circulation, replaced by foreign coins with a lower real value. As always, poor coin replaced good coin.\textsuperscript{111}

The Busca, which upheld the interests of the producers, advocated setting higher values for the *croat* and florin, thereby devaluing the functional currency which would allow it to have *diners*, that is, small coins, and thus align Catalan currency with the neighbouring monetary systems. However, the monetary devaluation also sought to make imports more expensive and thus facilitate exports and create jobs. On the other hand, the devaluation of the *diner* favoured debtors, including the municipality and the king. Ultimately, the issue was who was going to foot the bill for the crisis.

The Busca’s proposal was to value the *croat* at 18 *diners* and the florin at 13 *sous*, while the Biga only agreed to raise the *croat* to 15 *diners*. After the king vacillated without taking a final decision for more than a year, in 1456 he decreed that a *croat* was worth 18 *diners* (thus the *diner* lost one-third of its value) and that the florin was worth 13 *sous* (thus silver lost 18.18% compared to gold). However, the deposits in the Taula de Canvi de Barcelona and the value of some *censals* and public contracts would be increased by two *sous* and eight *diners* per pound, or 13.33%, which accounted for 40% of the loss. Thus, widely accepted monetary stability was achieved, which, however, the war would once again topple. Nonetheless, the reform did not get more small coin circulating, most likely because hammering coins was still a poor business, even with the *croat* worth 18 *diners*.

The Busca’s reforms were not as effective as expected, and the members soon fell into the same vices for which they had criticised the men of the Biga.\textsuperscript{112} All of this led to a decline in prestige and divisiveness within the Busca, while factional shifts allowed the Biga to win back municipal power in 1460. From there, it would play a highly active role in the outbreak and financing of the Civil War.

**Civil War (1462-1472) and political and economic decline**

Despite the political and social confrontations of the previous decades, upon the death of Alfons the Magnanimous in 1458 nothing intimated at an imminent conflict. In fact, the spark that kindled the conflict was largely random: if the heir to the Crown, Carles, Prince of Viana, had not died in 1461 with suspicions of having been poisoned by his stepmother, Joana Enríquez, the *Generalitat* would not have been able to prompt enough of an anti-monarchic climate to rise up in arms against the king.

**The war ruins the public and private finances**

I shall discuss not how the war unfolded but instead only its effects on currency, banking and finances.\textsuperscript{113} The first thing to mention is that the confrontation lasted ten years because of each side’s inability to amass enough means to prevail over the other. Peace came because by 1472 neither side had enough money to continue the conflict.

The financing of the war by the Catalan institutions largely befall the city of Barcelona, which in the summer of 1462 voted on an extraordinary tax of 60,000 pounds, which it hoped to offset with surcharges on the taxes on meat, wine and fresh fish.\textsuperscript{114} This money was mostly spent in 1462 and 1463; afterwards, regular spending dropped considerably and was once again financed by raising the taxes on foodstuffs, selling *censals* and securing more advances from the Taula de Canvi.

The *Generalitat*, both the one in Barcelona and its royalist counterpart in Tarragona,\textsuperscript{115} imposed new taxes and charges and issued a huge number of *censals*, but they never managed to raise enough financing, as the complaints from the military chiefs clearly reveal.\textsuperscript{116}

The Taula de Canvi underwent a twofold process that lowered its cash flow: many deposits were withdrawn as the city of Barcelona withdrew increasing amounts of money to finance the war. In January 1463, the Taula’s reserves were already low, and in the ensuing years it took a number of steps that were essentially a disguised suspension of payments, such as selling *censals* at increasingly high rates, offering interest for money deposited as high as 15% and lowering cash payments to small amounts. Finally, the Taula went bankrupt in February 1468: the war had depleted Barcelona’s entire savings.\textsuperscript{117} However, this bankruptcy did not mean the liquidation of the Taula: before a month had gone by, it opened once again with a “new account”, deposits which were usually negotiable and reimbursable. The previous deposits or “old accounts” could only make payments via transfers between accounts; their holders were offered the chance of recovering the money deposited in *censals* at 5%. Whoever did not want to accept this offer had to wait until the Taula had enough resources to pay.\textsuperscript{118} The war led not only the Taula de Canvi de Barcelona to bankruptcy but also many local treasuries which were unable to pay the pensions from the *censals*. In Cervera, for example, the *censal* holders were paid nothing between 1462 and 1481,\textsuperscript{119} and the same surely occurred in other places as well.

Private banks also suffered greatly from the effects of the confrontation: in addition to the usual problems during times of conflict, the traditional distrust of the city of
Barcelona and the need to hoard money for the war at the start of the conflict led it to demand compliance with the 1437 ordinance, which prompted the closure of several banks. In 1467, the activity of private banks was suspended given the obligation that all payments be made via the Taula, which, as mentioned above, entered the operations into the books but did not pay in cash.

The monetary system was also affected: the war led to changes in the valuation of currencies and the appearance of new currencies. Given the shortage of coins, they were paid with a bonus: in 1467 the florin was worth 15 sous, and in 1472 it was worth 17 1/2, while the croat rose to 20 diners. Issuing coins was only possible by lowering their quality, but the Consell de Cent would not budge even under these circumstances; it rejected the attempt by the newly elected king, Pere of Portugal, to mint low-grade croats. However, gold coin fell within the king’s purview, and this allowed him to mint a new coin, the pacific, which copied the Portuguese crusado. If we compare its gold content with the florin, it should have been worth 14 1/2 sous; however, since the king was asking for it to be valued at 18, the Consell de Cent attributed no equivalency to the pacific, although the market immediately accepted it at 20, the value of the Venetian ducat.

On the other hand, the shortage of small coins led cities and villages on both sides to mint local coins, regardless of whether or not they had permission to do so. Despite their lower value, these pieces, which were usually made of copper, were accepted as worth one diner, and this minting continued after the war ended, despite the protests from Barcelona.

Post-war difficulties and insufficient redress

The capitulation of Pedralbes (1472), which put an end to the war, sought to deny that there had been an uprising, in that everything had to return to its previous state of affairs. However, there had been a war, and there were winners and losers: acting like nothing had happened was pure chimera. Setting aside largely irrelevant political factors, the war had destroyed Catalan trade and with it the economy of the Principality. The best summary of the situation is still in Vilar’s words in the titles of “La crisi sobreviu a la guerra” (The crisis survives the war) and “La crisi sobreviu als primers esforços de redreçament (1484-1487)” (The crisis survives the early efforts at redress (1484-1487)). Emerging from the crisis took at least 15 years; yet Catalonia never fully regained the power it had had before. It was scarcely able to take advantage of the shift towards an expansive economy that Europe was experiencing after 1488.

At the same time, there were pressing financial problems which were necessarily linked to political decisions: the main ones were the return of seized assets; the late payment of debt and revenues, especially the pensions from the censals; and the recovery of the public finances, from the royal to the municipal and the Generalitat.

As a whole, these issues were not resolved until the very important Courts of 1480-1481 during the reign of Ferdinand II. The Courts granted the king a subsidy of 100,000 pounds to compensate his supporters. Even though it was a minuscule sum if we bear in mind the sheer amount of goods to be restored, the agreement allowed property to be returned to its previous owners. The same Courts recognised the debt issued by the Catalan institutions to finance the conflict; to pay the censals, which the Generalitat and many town halls could not handle, discounts ranging from 20% to 40% were established in the pensions to be paid depending on whether the beneficiaries had supported the monarchy’s cause or not.

Seigniorial and agrarian revenues were much harder to collect, although this varied widely depending on the place. In fact, the post-war period partly held the territory impenetrable for the officials and seigniorial or royal collectors, but the same Courts of 1480-1481 abolished the interchangeability of 1455 and returned to the lords all their traditional rights to serfs. The upshot was the Second Revolt of the Remences (1484-1485). The remences (redemption payments paid by serfs) were abolished and the serfs’ leader, Pere Joan Sala, was executed, but it was soon clear that the serfs were in a better position to continue the struggle than the monarchy and the lords. This allowed both parties to accept the king’s arbitration, leading to the Arbitration Judgement of Guadalupe (1486), which pacified the Catalan countryside.

The restoration of the Taula and private banking

Despite its bankruptcy in 1467, the Taula de Canvi managed to regain the public’s trust quickly, first because private banking was not entirely reliable, and secondly thanks to the privilege which safeguarded the deposits from any confiscation or seizure, a privilege which had been granted in 1468 by Joan de Lorena and was once again granted by Joan II in 1472. In any event, the deficit in municipal finances continued to thwart the stability of the Taula: the pensions to be paid from the censals totalled 40,000 pounds, but the city revenues were far beneath this amount, such that delays in the payments became greater and greater and the municipal debt once again imperilled the Taula. Finally, in 1491 the interests on the pensions were lowered by 15% for twelve years, which allowed the city to almost break even by 1500.

After the war, there were eight private bankers in Barcelona, and the ban on their keeping accounts open in the Taula was renewed in 1476. In compensation, they were authorised to negotiate bills of exchange, the other divisive issue between the Taula and private bankers, as long as they respected the obligation to apply the same interest rate on the currencies as the Taula de Canvi. Indeed, this was the content of the 1449 agreement.

The redress of the market

The Courts of 1480-1481 also instituted what was called the redreç de la mercaderia (redress of the market). The goal was to revive the Busca’s policy of tariffs aimed at...
protecting trade and the most important sectors of Catalan manufacturing (cloth, wrought iron, coral and leather products), with the addition of the king’s concession of a market reserved for the island of Sardinia, where only Catalans could bring textiles and purchase unworked coral. In 1504, the reserve for the cloth market was expanded to Sicily and Naples along with the markets in North Africa.135 More than a redress, these measures were defensive and reveal the loss of competitiveness in international markets, compounded by the lack of confidence in recovering it. However, we should bear in mind that the redress had to adapt to new situations: despite the prestige of trade with the East, the intervention in the Atlantic world was far more profitable, as was trade with inland Castile, especially the markets of Medina. In contrast, the tariff benefits in the ports of North Africa were taken advantage of directly not by the Catalans but by the German merchants, who purportedly acted as the clerks of the Catalan merchants.136 The redress was further complicated by the instatement of the Castilian Inquisition in 1487 and the expulsion of the Jews in 1492.

Despite this, Catalonia’s manufacturing capacity remained virtually intact and witnessed a rise in artisanal output and exports of fabric outside of Barcelona, especially in the area between Barcelona, Manresa, Berga, Ripoll and Perpignan. On the other hand, there is a sector in which Catalonia, and especially in Barcelona, excelled during that period: insurance. This indicates that despite the financial collapse and the cost of war, both direct and indirect owing to the failure to pay income, small amounts of capital could still be amassed for a secure and fairly profitable business which diluted risk by participating in many operations but risking little money in each of them. This success can primarily be explained by an advantageous legal regulation: the ordinances of 1484 were comparatively quite liberal and, among many other factors, allowed up to seven-eighths of the value of the goods sailing in Catalan ships to be insured, and three-fourths on foreign vessels, a difference that was systematically ignored.137 This turned Barcelona into a major insurance hub, even for routes that did not stop there, such as journeys between Andalusia and the Canary Islands and back, or between Andalusia and the Netherlands, Aigues-Mortes, Rhodes, Crete or Alexandria, and from Mallorca to Ragusa or Venice.138

**Ferdinand II’s monetary reorganisation**

In the late 15th century, the status of the European monetary system was characterised by stable gold stocks and a rise in silver exports.139 However, in Catalonia the diner kept losing value: in April 1491, the pacific remained at 20 sous, but the florin had risen to 17, such that gold was still overvalued compared to in the neighbouring countries, once again prompting a flight of crotats.140

This was the situation when Ferdinand II carried out a general overhaul of the currency in 1493, which would serve as the foundation of the Catalan monetary system of the Modern Age.141 First, the diner was devalued so that its silver content was only 60% of the theoretical diner de term. The crotat was revalued at 24 diners, twice its original value, but it still contained more silver than 24 ordinary diners.142 This inconsistency was resolved by decreeing that it was not compulsory to accept the diner, that is, by reducing its function to amounts lower than one crotat. Thus, it was no longer a real coin but instead became a fiduciary coin, a very modern solution.

Ferdinand II also introduced a new gold coin which quickly replaced both the florin and the pacific: the principalat, a copy of the Venetian ducat, the leading international currency at the time. Both the principalat and its Castilian equivalent, the excelente de la Granada, were always known as ducats.

**Conclusions**

The most important change experienced by Catalan currency during the last two centuries of the Middle Ages was the introduction of gold coin, the florin, a sign of power, but also a source of headaches because of its relationship with silver coin. The monetary problems came from the strict orthodoxy upheld by Barcelona’s Consell de Cent, which was in charge of silver coin in an ever-changing milieu with coins of lower value, which repeatedly led to the flight of good coin and the circulation of foreign pieces worth less. Despite this, a positive note is the hardiness of Catalan coin, which was spared the drastic fluctuations experienced by Castilian and French coin: the diner de term always retained its original value and two-thirds of it until it was halved just on the eve of modernity.

Banking developed in Catalonia in the 14th century, both technically and in the volume of deposits. The deposits allowed the banks to grant loans, which flowed towards commercial orders and the currency exchange business (especially by the Italian bankers living in Catalonia), as well as towards the direct or indirect financing of the monarchy. Often the banks retained an insufficient cash flow coefficient, making bankruptcies a frequent occurrence; the most famous ones came in the 1380s and were caused by the monarchy’s insolvency. Local private banks never fully recovered from this setback: in the 15th century, public banking emerged via the Taula de Canvi de Barcelona, Italian merchant bankers proliferated and there was stricter oversight of the private banks both to avoid real or assumed abuses and because of the city of Barcelona’s interest in ensuring the success of the Taula de Canvi, which furnished it money to pay censals, thus lowering the debt burden.

State taxation was established in the first half of the 14th century, and it was controlled by the Courts and their offshoot, the Diputació del General. The increase in taxes was possible because of the success of the economy, even though it also put a damper on the economy.
Primarily after 1435, the urban economic crisis translated into a social struggle against the oligarchy (the Biga), while the countryside was riven with the conflict between the serfs and the lords and the clash between the monarchy and the oligarchy, represented in the Courts. This all led to the Civil War of 1462-1472 and the country’s economic ruin. The subsequent attempts at redress failed to restore Catalonia’s earlier power, which, coupled with its permanent distancing from the royal court, practically erased Catalonia from both the political and economic maps.

**Notes and references**


[6] Peter Spufford. *Dinero y moneda en la Europa medieval*. Crítica, Barcelona 1991, p. 372 and 442. The difference in the behaviour of the monetary authorities can clearly be seen in Catalonia: while Barcelona focused on maintaining silver coin, wherever the monarchy had free rein it chose to devalue it (the Sardinian ral went from 12 to 18 dîners in 1325) or to lower its silver content, as in Mallorca and Valencia. Miquel Cruasfont i Sabater. *Barcelona i la moneda catalana*. Caixa de Pensions, Barcelona 1989.


[9] Stephen Bensch. “La primera crisi…”, *op. cit.* Abbot Payson Usher. *The Early History of Deposit Banking in Mediterranean Europe*. Harvard University Press, Cambridge (Mass.) 1943, p. 239. However, the foundation of the banking system dates from earlier: the Recognoverunt proceres, a compilation of municipal laws in Barcelona from 1284, gives judicial value to the items entered in the moneychangers’ books, as long as they were sworn to before the veger: Rafael Conde y Delgado de Molina. “Problemas y puntos destacados de una historia de las prácticas contables de la banca privada catalana en los siglos XIII, XIV y XV”. In: *En torno a la elaboración de una historia de la contabilidad en España*. Madrid 1996, p. 130.

[10] One thousand silver marcs was equivalent to 3,600 pounds in coin. No banker would deposit such a large amount; instead, they would show guarantors for this amount.


Sánchez Martín were the: Manuel, an allocation by heads of households acc. pp. 242 and 247-248.

Sardinia had been adjudicated to Jaume II in 1297, but Manuel see Josep tat…

38 Manuel

Even though in practice both names were used synony-

tically during the period of time, the
censal amounted that the cities paid the monarch in recognition of his sovereignty, and it was distributed among the peo-

tle by talles, an allocation by heads of households according to their estimated wealth. The talles were ex-
	remely controversial because of the exemptions, inequalities in the allocation of the amounts to pay and the lack of updates, which
divided tax demands from the real economic situation. Flocel Sabaté i Curull.

"L’augment de l’exigència fiscal en els municipis catalans...", op. cit., pp. 242 and 247-248.

Villages, however, continued paying quèsties: Manuel Sánchez Martínez. El naixement de la fiscalitat..., op. cit., p. 92.

Manuel Sánchez Martínez and Pere Ortí Gost. "La Corona en la gènesis...", op. cit., p. 234.

Manuel Sánchez Martínez. El naixement de la fiscalitat..., op. cit., p. 100.


The censal was a private instrument of credit which consisted of the sale of the right to receive an annual pension in exchange for a certain amount received, as long as the initial amount was not returned. Legally it was a sale, but

in fact it was an indefinite credit line which could be returned at the request of the debtor and was guaranteed by a

property or deposit. As a form of debt for an indefinite period of time, the censal became common among private individuals after the mid-13th century; by one century later, it had become the main instrument of public debt. The violari was a special kind of censal which limited the obligation to pay the pensions or return the capital in one or two lifetimes; these limitations were compensated by higher interest rates. Regarding it as a sale shielded it from the Church’s condemnations of usury, even though the controversy around this point would remain alive until around 1340. The basic legal study on the censal and the violari is still: Arcadi García Sánz. "El censal". Boletín de la Sociedad Castellonense de Cultura, xxxvii (1961); for the dispute regarding its licitness, see Josep Hernando Delgado. "Les controvèrsies te-

lògiques sobre la licitud del crèdit a llarg termini". In: Manuel Sánchez Martínez. El món del crèdit..., op. cit.,


"La comissió creada pel rei Joan I li la reina Violant a partir dels prograns contra els jueus de 1391. Espoliació del capital i patrimoni dels jueus conversos". Acta Historica et Archaeologica Mediaevalia, 30 (2009-2010).


In the most common ratio in Europe, the florin must not have been valued at more than 9 ½ sous: Mario del Trep-


Pierre Vilar. Catalunya dins l’Espanya..., op. cit., p. 179,
with further information provided in Antoni Riera and Gaspar Feliú. “Activitats…”, op. cit., p. 224, especially note 476.

[34] Blindness due to monetary orthodoxy was not found exclusively in Barcelona. Venice, which was on the forefront in commercial affairs, repeatedly refused to change its silver coin, which ended up disappearing from circulation. Peter Spufford. Dinero y moneda…, op. cit., p. 365.


[38] Joan I introduced the coronat, worth four diners, in 1394; Martí the Humane issued croats in 1398, an imitation of the Mallorcan rat in 1400 and a “blanca coronada” in 1409. In addition to legal opposition, the councillors of Barcelona thwarted these issuances by giving them an unfavourable equivalence compared to the French blancs.


[40] Florins taken to France were worth 12.5% more. Claude Carrère. Barcelona, 1380-1462…, op. cit., pp. 168-169 and 191-192.

[41] There is extensive literature on the origins of the Generalitat; I shall only cite the most recent and most comprehensive study: Maria Teresa Ferrer i Mallol. Els orígens de la Generalitat de Catalunya (1359-1413). Generalitat de Catalunya, Barcelona 2009, “Història i Pensament” collection, 7, reissued with a few changes in: Maria Teresa Ferrer i Mallol. “El naixement de la Generalitat de Catalunya (1359-1413)”. In: Maria Teresa Ferrer i Mallol (dir.). Història de la Generalitat…, op. cit.


[43] This contrasted clearly with France or Castile, where the public tax was a creation of the Crown, which determined its forms and collected it: Antoni Furió. “Estructures fiscals, pressió impositiva i reproducció econòmica al País Valencià en la baixa edat mitjana”. In: Manuel Sánchez and Antoni Furió (cur.). Colloqui Corona…, op. cit., p. 508; Manuel Sánchez Martínez. “La consolidació de la nova…”, op. cit., p. 110.


[45] The bola was an iron seal placed in the factory as a sign that the tax had been paid.

[46] Manuel Sánchez Martínez. El naixement de la fiscaliitat…, op. cit., p. 132. As Sánchez accurately states, the allocation by number of households was only used to determine the amount to be paid but did not stipulate the way each place would collect the money.


[48] Back in 1326, Jaume II allowed the cities to sell censals and violaris to raise the money for the subsidy which they had promised him. Yvan Roustit. “La consolidation de la dette…”, op. cit., p. 95; Jordi Morelló Baget. “El sistema fiscal dels municipis catalans: l’exemple del Camp de Tarragona”. In: Manuel Sánchez and Antoni Furió (cur.). Colloqui Corona…, op. cit., p. 279. There is a great deal of literature on municipal debt; most can be found in Manuel Sánchez Martínez. “Introducció”. In: Manuel Sánchez Martínez (ed.). La deuda pública…, op. cit., p. 9, with the addition of the studies published in this volume.


[57] Peter Spufford. *Dinero y moneda…*, op. cit., p. 506. Even though the dissemination came late, the regulation was ahead of its time: the only earlier Florentine regulation (1393) dates from one year prior to Barcelona’s; it regulated the acceptance and payment of the bill and the issuer’s responsibility; three years later, lawsuits over bills were entrusted to the Consolat de Mar as a mercantile court: Antoni Riera and Gaspar Feliu. "Activitats…", op. cit., pp. 232-233. Endorsements were also soon adopted: André-E. Sayous. *Ellos métodos comerciales…*, op. cit., p. 35.

[58] Abbot Payson Usher. *The Early History…*, op. cit., p. 242. The Gualbes banks stand out, several companies governed by family members; they managed to survive the crisis in the early eighties, but in the last representatives, Francesc and Manuel, fell in 1405. Damien Coulon. *Barcelone et le grand commerce…*, op. cit., pp. 542-549; Gaspar Feliu. *El primer llibre…*. Other banks that survived were associated with the Usay, Brunet. Provençals, Bertran, Pasqual, Madir and Bellmunt families. Manuel Riu. "La banca…", op. cit., p. 209, offers a more extensive list.

[60] The mechanism is well known: poor harvests lead to higher food prices and difficulties selling the urban output; on the other hand, the municipals treasuries suffer from increased spending on the purchase of wheat and a drop in tax revenues, which brings them to the brink of bankruptcy.


[63] This was determined by the Courts of Barcelona in 1299, which made the moneychangers responsible for the items entered into their books. The transaction required three accounting entries; private individuals, lured by the bait of high interest rates, deposited money in an account of the royal treasury; then the capital plus interest were noted by the bankers in the lender’s account, indicating the date when it could be withdrawn, that is, the length of the loan (Abbot Payson Usher. *The Early History…*, op. cit., pp. 262-264, and more comprehensively, Rafael Conde y Delgado de Molina. "Las actividades y operaciones…", op. cit., p. 143, only talk about the first two steps). Finally, if everything went well, at the end of the loan the royal treasury deposited the capital and interest in the possession of des Caus and Olivella, and if not the latter were authorised to charge interest on the debt, which in this case quickly snowballed.


[65] The king was irritated because des Caus and Olivella did not grant him a new loan of 50,000 florins that they had promised him for the conflict in Sardinia, despite the bankers’ protest, as they claimed that could not grant the loan because the king had not paid his debts that were due. The subsequent developments, which are highly

[66] Gari and not García, as it erroneously appears in Ramon Gubern. “La crisis financiera...”, op. cit., and as it has appeared in a great deal of the ensuing historiography.


[72] In 1395, the City banned moneychangers from buying and selling florins, and in 1397 it placed bankers under the jurisdiction of the Consolat de Mar (trade board) and required them to work out of Llotja (the Hall), which had been opened just a short time earlier, where they could be more closely monitored: Abbot Payson Usher. The Early History..., op. cit., pp. 244-245; Manuel Riu. “La banca...”, op. cit., p. 211.


[74] The Taula seemed to have absorbed a previous bank to weigh florins.

[75] Judicial deposits, trusteeships, dipòsits a solta (deposits retained until a given condition was met), etc.

[76] This is why a large number of accounts were opened for a single transaction: the money deposited was immediately withdrawn, but there was proof of the payment. According to Abbot Payson Usher. The Early History..., op. cit., p. 181, in 1433 a total of 1,494 people had had a relationship with the Taula, which led to the exaggerated claim that one out of every four families in Barcelona had an account there; at best, one out of every four families in Barcelona had had some dealings with the Taula.

[77] Abbot Payson Usher. The Early History..., op. cit., p. 169, claims that the Taula kept numerous accounts in the red, which broke the theoretical municipal monopoly; Pere Ortí Gost. “Les finances municipals...”, op. cit., p. 281, showed that the credits were to municipal officials, beginning with the treasurer. Nonetheless, the Taula administrators seemed to overlook this: in the cash count dated the 23rd of January 1405, when the 1404 administrators gave way to their successors, 419 pounds, 2 sous and 4 diners was missing, which was not paid by one of the previous administrators, Pere de Casasaja, until the 20th of August; Gaspar Feliu. Els primers llibres conservats..., op. cit.

[78] In 1412, the municipal treasurer owed the Taula de Canvi a sum much higher than the municipal revenues: Francesc Carreras Candi. Ciutat..., op. cit., pp. 688-690; Pere Ortí Gost. “Les finances municipals...”, op. cit., p. 274.

[79] Francesc and Manuel de Gualbes fell in November 1404, and Jaume and Joan Massana the following spring; Gaspar Feliu. Els primers llibres conservats..., op. cit. Overdrafts with other banks were inevitable: without mutual credit, there was no chance of maintaining inter-bank relations.


[81] The first ordinances from 1401 do not survive, although they must have largely been incorporated into the 1412 ordinances. Francesc Carreras Candi. Ciutat..., op. cit., p. 689; Abbot Payson Usher. The Early History..., op. cit., pp. 264-265.


[90] Lists of these bill trades can be found in Elisa Soldani. *Uomini d’affari…*, op. cit., p. 119; Claude Carrère. *Barcelona, 1380-1462…*, op. cit., p. 225. The activity encompassed commercial bills of exchange and endorses, as well as bills of ricorsa, which were personally carried by the beneficiary in order to deposit money in the destination. André-E. Sayous. *El métodos comercials, op. cit.*, p. 32.


[94] This is proven, for example, the legislation of these Courts on peasant servitude: Jaume Vicens Vives. *Història de les remensas en el siglo xv*. Instituto Jerónimo Zurita. Consejo Superior de Investigaciones Científicas, Barcelona 1945; Gaspar Feliu. "Relleugint la Història dels remences de Jaume Vicens Vives". *Butlletí de la Societat Catalana d’Estudis Històrics*, xxii (2011), pp. 33-64; and, in other matters, the king’s obligation to pay the tributes of the Generalitat: Antoni Riera Melis. "La Diputació del General…", op. cit., p. 181.


[96] Pere Verdés Pujuan. "Per ço que la vida…", op. cit., ch. 1 and 11; Pere Verdés i Pujuan. "Barcelona, capital del mercat…", op. cit., pp. 292-294; Jordi Morelló Baget. "La crisi financera…", op. cit. We are only aware of these cases, but there were more likely more of them.


[99] The courts’ resistance was due less to the reasons expressed and more to the fact that the Catalans knew that the conquest of Naples was the king’s personal enterprise which would not benefit the Crown (Gaspar Feliu. "La crisi de la baixa…", op. cit., p. 44); hence the divorce from royal imperialism discussed by Pierre Vilar. *Catalunya dins l’Espanya…*, op. cit., p. 188.


[101] I will only briefly allude to the issue of the serfs, which is tangential to the purpose of this article.


[103] Carme Batlle Gallart. *La crisis social…, op. cit.*, pp. 210 and 231. In around the mid-15th century, the councillors played a decisive role in appointing the members of the Consell de Cent, keeping the opposition away.


[106] The new council was made up of two honorary citizens, a merchant and two artisans (a notary and a silversmith).

[107] Ban on importing foreign wool and silk cloth unless it was in transit: Jaume Vicens i Vives. *El Trastàmares…*.
op. cit., p. 23. The Generalitat was opposed to this restoration of prohibitionism claiming that it lowered customs revenues; Carme Batlle Gallart. La crisis social, op. cit., p. 161.

[108] In any event, the croat, which had been worth 18 diners at the start of the century, had dropped to 15 and later to 12: Mario del Treppo. Els mercaders catalans..., op. cit., p. 246.


[110] We should recall that the diner was not only the basic currency but also the functional currency.


[113] The seminal works on the Civil War are: Jaume Vicens i Vives. Els Trastàmores..., op. cit.; Jaume Vicens i Vives. Juan II de Aragón (1398-1479): Monarquia y revolución en la España del siglo xv. Teide, Barcelona 1953; the compilation of articles in Santiago Sobrequès i Vidal and Jaume Sobrequès i Callícó. La guerra civil..., op. cit.; Jaume Sobrequès. “La Diputació del General i la guerra civil del segle xv”. In: Maria Teresa Ferrer i Mallo i (dir.). Història de la Generalitat..., op. cit., pp. 73-97.

[114] Jaume Sobrequès i Callícó. “Aspectes econòmics de la vida a Barcelona durant la guerra civil (les despeses municipals de 1462-1465)”. In: Santiago Sobrequès i Vidal and Jaume Sobrequès i Callícó. La guerra civil..., op. cit., p. 245.


[116] Just as in all wars, the cost went far beyond the budget, not only because of the destruction wrought but even more importantly because the troops tended to live off the land: demands to the local authorities, thefts, etc.


[118] Anna Maria Adroer and Gaspar Felix. Història de la Taula..., op. cit., p. 36.

[119] Pere Verdès Piujan. “Per ço que la vila...”, op. cit., p. 188. The problem of the late pensions severely delayed the subsequent recovery.

[120] The obligation to be insured in order to operate as a banker was systematically recalled and rarely fulfilled: Abbot Payson Usher. The Early History..., op. cit., pp. 248-249.


[122] Miquel Cruasfont i Sabater. Barcelona i la moneda, op. cit., p. 163. This signalled the end of the florin because of the earnings entailed by minting it in pacífics, as well as a renewed export of croats because of the unfavourable ratio caused by the high valuation of the pacífic.

[123] Miquel Cruasfont i Sabater. Història de la moneda..., op. cit., pp. 101-105. After the war, for example, Vic received permits to issue copper coins in 1484 and 1493; Josep Maria Passola, Els orígens de la banca..., op. cit., pp. 157-159.

[124] First of all, sovereignty over the countships of Roussillon and the Cerdagne had been lost, as Joan II ceded them to the king of France as a fine for the debts owed to him. What is more, in theory a return to the previous pactism was in order, but in fact there was a clear predominance of the monarchy and a subsequent sterilisation of the institutions through ballot voting. Nor was it possible to ignore the issue of the serfs and their emancipation (remança), which would be a source of headaches and clashes until the 1486 Sentència Arbitral (Arbitration Judgment) of Guadalupe.


[128] For the specific solution in Cervera, which could serve as an example of municipal finances, see Pere Verdès Piujan. “Per ço que la vila...”, op. cit., p. 199-203. The creditors had to be content with letting the delays slide and for 15 years had to divide the revenues from indirect taxes proportional to each of their credit. Finally, in 1488 the pensions from censals were lowered to 1.6%.


[130] Lieutenant of his father, René of Anjou (1466-1472), the last king that the Catalans opposed to Joan II.

[131] Abbot Payson Usher. The Early History..., op. cit., p. 386. Joan II refused to confirm the privilege of Joan de Larena, but he did once again grant it to him word for word on his own behalf.


[133] This was an old ordinance from 1433, renewed and ignored time after time; Abbot Payson Usher. The Early History..., op. cit., p. 317.

[134] Manuel Riu. “La banca...”, op. cit., p. 217. Riu’s claim that the Taula de Canvi’s ordinances from September...
1499 banned private moneychangers from receiving capital on deposit should be understood as referring to forcible deposits; otherwise, it would have entailed the end of private banking, which obviously did not happen.

[138] Iván Armenteros Martínez. Catalunya en la era…, op. cit., pp. 172-176. The contracts were in the name of the large insurers (merchants doubling as insurers) who, as a general rule, lowered their risk by accepting the participation of third parties, sometimes for just a few pounds.
[141] In 1497, there was a similar reform in Castile: Miquel Crusafont i Sabater. Història de la moneda…, op. cit., p. 99.

Biographical note

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