

The Stock Exchange: an innovative commercial structure, the Republican system and the power of the Cities.

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The commercial cities of early-modern Europe contained buildings specifically devoted to housing gatherings of merchants active in international trade and finance. Often they were key sites for the acquisition of information and new forms of knowledge, for linguistic exchange, and for dealing in money, credit, and expensive consumer goods. Sometimes justice was administered there. They were focal points in the cities, contributing to their identity and to their political and social life. I would like to suggest here the hypothesis that they follow the realization of the first public banks (since the XV century) and that they correspond to the rise of the importance of the cities of their political role and of their relative autonomy from the national States.

During the sixteenth and seventeenth centuries, these buildings and institutions themselves embodied processes of cultural exchange, and served as models that were imitated in other countries. Their many different names -- bourse in France and the Low Countries, bourse and then "exchange" in England, lonja in Spain, and loggia or portico del cambio, or della mercanzia in Italy -- to varying degrees indicate their functions and architectural forms.

For centuries the Venetian banks, precarious enterprises in an economy characterized by instability, retained a simple physical form similar to that of the modest moneychanger's table depicted by Carpaccio at San Giorgio degli Schiavoni (1501) [**dia 1: Carpaccio**]. The essence of this arrangement was the openness of the transaction, demonstrated by the presence of ready money. These tables stood in the central square of the market island of Rialto and in 1587 were replaced on the same site by the public Banco-Giro [**dia 2, 3: Banco Giro 2 foto**] with an open gallery at ground level. By about 1600, when secular public banks began to be established in Rome, Milan, Genua [**dia 4: Loggia di Genova**], Rotterdam, Amsterdam, Hamburg, Delft, and Nuremberg, the siting of the Venetian bank within its square was probably a significant model, indicating a clear separation between large-scale financial transactions and the every-day business of the market place. Such a separation, however, was already apparent in a less formal manner during the thirteenth and fourteenth centuries in cities such as Paris and London, where money changers occupied distinctive sites close to, but separate from, the crowded streets where commodities were sold. Moreover, the architectural form with an open gallery or loggia at ground level and rooms above, the latter sometimes being used as court houses, had precedents in market halls of the same period.

Venice and Genua are two of the most important Republics of the Italian peninsula. If there is no doubt that we can find structures similar to those existing in Venice and in Genua even in the States

governed by sovereigns, it is evident that these institutions have mostly to deal with the government of the cities, than with the government of the State.

But we need to refer here even to the fairs, since centuries extraordinary occasion for encounters and exchange of money and contracts; often they were precarious from the viewpoint of the building, hosted in temporary wooden shops on empty plots at the boundary of the settlements.

The merchant-bankers attend to these international events; they quickly became the most dynamic economic class of the city, concentrating in its hands the most important affairs. Between the XIV and the XV century, they constitute societies or companies: the most famous is the Bank Medici (1397-1494), but in parallel also other florentine, genouese, merchants from Bologna organise themselves in similar way They are not satisfied anymore with a precarious shelter; they need specific and recognisable points of reference.

This is also the context for the development of the exchanges in the XV century, within the frame of the Hanseatic League, which took its profits from the circulation of merchandises between the Northern and the Baltic Sea, with an action of brokerage between Western and Eastern Regions **[dia 5, 6: traffico anseatico]**. The commercial network was based on the harbours and on the role of the most important European cities, and on the existence of such buildings in Novgorod, in Bergen **[dia 7: Bergen]**, in London, in Antwerp, in a sense similar to those existing in Venice **[dia 8: comparazione borse]**.

What is evident is that gradually, in the early modern Europe the commercial cities (and particularly those which, as Antwerp, were the sites of important fairs) realize specific buildings destined to host groups of foreigner merchants active in the international trade and in finance **[dia 9, 10, 11: Bruges, Oosterhuis pianta, facciata]**. They were places where the economical power of the cities was exhibited.

During the XV and the XVI century, some of these buildings and institutions incorporate also cultural exchanges; they become real ‘models’, imitated in other countries.

We have to do with a new frontier of the evolution of the financial activity, which announces the institution of credit, together with a specific and dedicated physical place, a building raised for this purpose.

The name bourse (borsa, beurse) has a well known Flemish origin. Ludovico Guicciardini, in his *Descrittione di tutti i Paesi Bassi*, first published in 1567, a work which did much to spread the fame of the Antwerp bourse, recounts this derivation of the name. The building in Bruges had an interior court, a large staircase and four big windows looking on to the central market place where international merchants customarily assembled. In the fourteenth century the house was acquired by the city of Bruges and came to be used as a covered extension to the square. **[dia 12: Bruges]** This

pattern was transferred to buildings and squares with loggias and galleries at Antwerp, Rouen, Toulouse and London, built or designated as places where merchants could assemble out of the way of passing traffic and other impediments.

At Antwerp, the bourse, later the Oude Bourse, resembled a general market rather than a loggia, and was created in 1515 behind the Great Market [**dia 13: colonne borsa in Hofstraat**]. It had four arcades (traces of which survive) around a central open court dominated by a tall clock tower with a bell. A chapel in the tower was accessible from the peristyle. An open corridor surrounded the patio where there was a garden (with oranges, fountains and palms) in front of a tribunal and prisons. Every day the bell rang the hours for mercantile assemblies, when “all the rest of the city seemed almost empty”. In some respects this ensemble resembled the Rialto square in Venice.

In 1531, the city of Antwerp built a new, more elaborate bourse, for the enormous sum of 300.000 golden crowns [**dia 14: Borsa, disegno**]. The old bourse was not demolished, but this new one, yet *in ipso fere civitatis umbelico*, was intended to provide a more sophisticated environment for business, incorporating Italian spatial principles and an architectural melding of Brabantine and Iberian Gothic styles. The main language on the Antwerp bourse was now Italian and its business was coming to be dominated by financial and credit transactions following Italian models. [**dia 15: borsa incisione**]. The architect, Dominikus van Wagemakere, kept the old distributive scheme. A spacious square courtyard, to which four large gates gave access, was surrounded by four vaulted loggias with an arcade supported by thirty-six columns in dark stone. [**dia 16: colonne**] Over the loggias were four galleries, lit from dormer windows and known as the *Pant des peintures*, where there were shops selling rich merchandise and pictures. Rent from the shops provided an income for maintaining the building. Two towers with clocks dominated the complex [**dia 17: Virgilius Bononiensis**].

Protected spaces of this type for trade proliferated. In 1556 King Henry IV of France issued an edict, published in 1563, for the institution of a “common square (place) in Rouen for all the merchants”, stating that it was to be “similar to the exchange of Lyon and to that of Toulouse, with the aim that there, as usual, merchants and their factors can meet twice a day and make their traffic, enterprises and commerce” and bring there “all the merchandise of foreign countries”. The merchants could hold their accustomed annual assembly in the gallery (as elsewhere) and elect members to give judgments, organize processes, and register insurance and other contracts. The freedom of mercantile affairs was to be guaranteed by the prohibition on “soldiers, sergeants and officials” entering the space. In this case a king decision was strongly demanded by the city’s government.

The Antwerp building, site of the most dynamic market in Europe, had a widespread influence, most directly on London and then on Amsterdam.

In London the new bourse, funded by Thomas Gresham [**dia 18: Gresham**] the leading English merchant and financier active in Antwerp, was a powerful ‘modern’ statement in the distinctive manner of Antwerp architecture [**dia 19: Exchange di Londra**]. The overall design is a spacious open courtyard surrounded by arcaded galleries where merchants could gather in bad weather, with shops or stalls on the floor above the galleries, and a tower where a bell sounded the hours of trading, closely resembled that of Antwerp’s New Bourse of 1531, even to the number of thirty-six great columns in the arcades. Moreover, the architect of the London bourse was an Antwerp mason, Hendryck van Paesschen, who had been involved in the building of Antwerp’s new Town Hall (largely complete by 1566) and perhaps in work on Gresham’s private house in Antwerp. Stones for the building and slates for the roof were brought to London from Antwerp. The former included the *pierebize* (a dark stone probably resembling “Tournai marble”) used for the thirty-six columns, the “jasper marble” used for columns at an upper level and for the most important columns at the two entries from the street, and the black and white marble slabs used for paving the galleries, all described admiringly by a French visitor in 1578. The English identity of the building was proclaimed by arms and inscriptions and by a scheme for bronze statues of English monarchs, from William the Conqueror onwards, which would look down on the courtyard. Otherwise the building’s most powerful message was that London belonged to the world of Antwerp, the market which more than any other united the commerce of Europe and provided links to Italy, Spain and new worlds across the Atlantic. [**dia 20: Antwerp and London**] There was another foreign allusion in the name that was soon applied to the vaults beneath the galleries, where linen was sold: it was ‘New Venice’, probably an allusion to the venetian market square.

The mentioned French visitor provides the fullest account of the first Royal Exchange. His description of trading practices there probably indicates habits that had been established long before in Lombard Street and in the Steelyard [**dia 21: Steelyard**]. He particularly noted the grouping of merchants by “nations”. The English occupied about half the courtyard. The French had their own place, the Flemings and Walloons another, and the Italians and Spaniards another. These groupings reflect communities of interest which were both linguistic and commercial. This feature of the geography of the trading area is even more apparent in an eighteenth-century plan of the Exchange identifying the “walks”, as the clusters of merchants were then known. French, Italians, Spaniards, Portuguese and Jews were close together, as were Dutch, Armenians and jewellers. Shipbrokers stood in the centre. Merchants trading with the West Indies and with the North American colonies were close together, while dealers in cloth, cloth finishers and the Turkey merchants who supplied English cloth to the Levant formed a coherent line. A journalist of the time, with a rhetorical flourish also employed in describing other Exchanges, noted how at the Royal Exchange a trader

from India might make a bargain with one from Muscovy and how an Englishman might employ an Egyptian merchant to transmit money to Cairo. Likewise, representations of the traders at the Exchange during the seventeenth and eighteenth centuries include small numbers of individuals who are denoted by their dress as foreign. These include Dutchmen, Muscovites, Poles, Hungarians, and Turks in turbans and robes. Some of these representations, however, may be simply iconic, denoting the presence of trading interests in those territories, an over-national network, but not necessarily that of individuals of those nations.

The Exchange was sometimes also an address where to receive mails. The retail trade in the shops at and around the Royal Exchange came to reflect the specialised interests of those who did business there and in particular to meet their demands for new information and knowledge. The area became a focus for bookselling and publication, especially for works on navigation, commerce and travel, for maps, for newspapers, and for bulletins of prices.

The London Exchange was destroyed by the great fire of 1666; but rebuilt in a similar pattern.

Also designed on the model of the Antwerps's bourse is the one of Amsterdam. By 1600, as a consequence of the disturbances of the southern Netherlands, the city was taking on many of the commercial functions of Antwerp, this kind of activity becomes very important. In 1607 the Amsterdam authorities decided to establish a new building for mercantile transactions, to be placed in the southern side of the Dam [**dia 22: Borsa di Amsterdam**]. They chose the simpler of two schemes presented, by the city architect Hendrik de Keyser. The new building accommodated its first assembly of merchants in August 1611 and was solemnly inaugurated in 1613, yet its monumental courtyard was soon too small to contain the multitude of curious visitors. The scheme followed that of the Antwerp exchange and the architect visited the recently-completed exchange in London, which was on the Antwerp model. The open rectangular courtyard was surrounded by a portico with twenty-three arcades, supported by forty-five granite columns with Doric capitals. In the two long sides of the exterior were vaults to accommodate shops at ground level. On the short sides, central arcades gave access to the court, crossing a bridge over the water. Above one of them was a tower with a carillon clock to regulate trading activity. Each of the columns in the interior was associated with trade in a different commodity. More than four hundred commodity prices were listed in the weekly-price bulletins, that Amsterdam had regularly sent to the other places in Europe since 1585. The floor over the portico houses luxury shops, together with dealing in money and shares. [**dia 23: quadro**] Rules governed the times of opening; prohibited access to beggars and those carrying arms; and forbade lamentation, outrages and children's games.

Well known the fact that if a child was discovered in the courtyard (they should not enter, but evidently they did it to hidden themselves among the legs of the merchants) he would be linked

with a chain to one of the columns until a parent will come to liberate him.

From its the origin the bourse was regarded as one of the city's most important monuments, mentioned by visitors and represented by painters and engravers. Gotfried Hegenitius described it in 1630. Francesco Belli noted it in 1632, as did the Venetian ambassador Antonio Donà in 1638. William Brereton thought it is less richly decorated with paintings and frames than the London Exchange. John Evelyn maintained in 1641 that aspects of London's exchange were more splendid, but admitted that the ability of great boats to float beside this building made it superior. Claude Joly in 1646 perceived it similar to the grande salle of the Palais de Paris, while Filips van Zesen described it as "a place of happiness, where you can hear sweet melodies". The Dutchman Jeremias de Decker stated that "here, from the Amstel rises to the sky a living room which at mid-day is full of people of various kind, a public garden where Moors make commerce with Norwegians; a temple where Jews, Turks and Christians are one near to the other; where all languages are taught; a fair rich with every product; a bourse which spurs on the whole universe". The Conte de Montesquieu was overwhelmed and frightened by the multitude, which almost prevented him walking. By 1668, the building was perceived as too small for its business and an extension was added.

Exchanges in other cities functioned in much the same way, and the rules and practices of their operation were often very similar. Architectural forms were also similar, and where exchanges were closely linked by trading connections, rivalry or aspiration -- as with Antwerp, London and Amsterdam -- the precise reproduction of built forms became an important episode of cultural transfer in itself. Collectively, the exchanges formed an over-national system for the communication of information, not unlike the nodes in a modern telecommunications network. To operate effectively that system had to be firmly rooted in place and in established patterns of trading and information flows, as the case of the London exchange demonstrates perhaps better than any other.

In conclusion, these buildings, destined *in primis* to the exchange of money play an important role in feeding a network of relationships and a strong circulation of ideas among the different European countries in the early modern period. They permit a series of passages as well formal as informal of knowledge dealing with commerce, with the everyday life, with the most exotic uses, with the consumption of luxury good, with the most innovative architectural and artistic styles of the Renaissance. They have in common a similar shape, which is an example of cultural exchange in itself, mainly between cities competitive each other, characterized by the common ambition toward a similar system of government, in a sense completely independent from the sovereigns as it was the case for Antwerp, London and Amsterdam. But the same system was in place elsewhere (Rouen,

Lille, Kopenhagen and even Seville are all good examples). **[dia 24, 25, 26, 27: Lyon 1948, Toulouse 1549, Rouen 1556, Hambourg 1558, Bordeaux 1571, Seville 1572, Lille 1651, Kopenhagen (1642),]**

An incident from 1632 strikingly demonstrates those flows in action for instance within the Roman Catholic world. The merchants of the Antwerp Exchange invited those of the place of Paris and of the Exchange of Lyon to be suspicious of the “heretical usurper as the king of Sweden”. They were astonished by the fact that in such a pious and religious country as France no attention was being paid to the disorders in train across Europe. In spite of the declaration by the king of Sweden to the cities he had seized from the emperor, that he will permit the free exercise of the Roman Catholic religion and that nobody of the clergy will be attacked, facts spoke otherwise:

“We, who know the wisdom of the merchants, who have experience of the world ... who speak our dialect and follow common sense and natural prudence ... desire a general peace for everybody, useful to your place as to our exchange; finally we desire what all the good Christians have to desire.” "For this reason, in the galleries of our Exchange a discourse has been read aloud, in a way that all the merchants and bankers who understand a little French could comment the content and the day after they came with some letters received from Köln, Magenta, Trues, Worms and other German cities about recent events". [...] "Events which besides happened also in Copenhagen, when the governor had to retire in Wurzburg”.

It was, after all, a way to claim the existence of a kind of ‘Republic of Merchants’ overlapped to the national system of government.