

Lawrin Armstrong

USURY AND PUBLIC DEBT IN EARLY RENAISSANCE FLORENCE:  
LORENZO RIDOLFI ON THE *MONTE COMUNE*

Money, politics and law were intimately linked in the merchant republics of medieval and Renaissance Italy. Nowhere was this more evident than in the realm of public finance. Beginning in the twelfth century, governments borrowed money from citizens to meet expenses that exceeded ordinary revenues; by 1350, most had converted their outstanding debts into permanent funds serviced by consumption taxes and levies on subject territories. Loans were usually compulsory, but ruling classes preferred them to taxes: not only did loans pay a return in the form of interest, but they could also be sold to recoup part of the lender's capital.

Despite the blessing of elites, deficit financing was highly controversial. In Florence, the creation of the funded debt was associated with social upheaval and remained a factor in political struggles for over a century. Debts in Florence and elsewhere also raised legal and moral questions that became the focus of growing controversy in the later Middle Ages. Lawyers and theologians rarely questioned the reliance of governments on debt, but many considered the payment of interest to government creditors a violation of the ban on usury, which law and theology defined as any charge for a loan.

The defence of public debt offered by the Florentine lay canonist Lorenzo Ridolfi (1362-1443) in his *Treatise on Usury* was the most influential contribution to the debate and quickly became the standard canonical authority on the problem. *Usury and Public Debt in Early Renaissance Florence* presents an edition of the relevant portions of Ridolfi's treatise based on the autograph manuscript in the Biblioteca Nazionale di Firenze and a running commentary on the text. The introduction examines Ridolfi's text in the light of earlier writers on the debt problem and situates it in the broader sociopolitical and cultural context of early *Quattrocento* Florence. This study will be of interest to legal historians, to historians of medieval political economy and economic thought, and to students of early Renaissance Florence.

Frontispiece. Masaccio, The Tribute Money  
Detail, Brancacci Chapel, S. Maria del Carmine, Florence.  
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Renaissance Florence:  
Lorenzo Ridolfi on the *Monte Comune*

by

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Pontifical Institute of Mediaeval Studies

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*For Johanna*

*Advocati dicuntur in legibus militare, sicut milites armis, et magis sunt necessarii reipublicae, quam milites.*

Bartolus of Sassoferrato on Code 2.7.14

*Der öffentliche Kredit wird zum Credo des Kapitals. Und mit dem Entstehen der Staatsverschuldung tritt an die Stelle der Sünde gegen den heiligen Geist, für die keine Verzeihung ist, der Treubruch an der Staatsschuld.*

Karl Marx, *Das Kapital*, vol. 1, ch. 24.6

*Si può trovare un criterio unitario per caratterizzare ugualmente tutte le diverse e disparate attività intellettuali? . . . L'errore metodico più diffuso mi pare quello di aver cercato questo criterio di distinzione nell'intrinseco delle attività intellettuali e non invece nell'insieme del sistema di rapporti in cui esse (e quindi i gruppi che le impersonano) vengono a trovarsi nel complesso generale dei rapporti sociali.*

Antonio Gramsci, *Quaderni del Carcere*, 12.1



## Illustrations

- Masaccio, *The Tribute Money*. Detail, Brancacci Chapel,  
S. Maria del Carmine, Florence *frontispiece*
- BNF, Fondo principale II, III, 366 (Lorenzo Ridolfi,  
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## Preface and Acknowledgements

Money, politics and law were intimately linked in the merchant republics of medieval and Renaissance Italy. Nowhere was this more evident than in the realm of public finance. From the twelfth century onward, the governments of Florence, Venice, Genoa, Lucca, Pisa and Siena borrowed money from citizens to cover costs, especially the costs of defence or territorial expansion, that could not be met out of ordinary revenues. By 1350, most cities had converted their outstanding debts into permanent funds serviced by taxes on subject territories and tariffs on food, services and imports called *gabelles*. Although loans usually took the form of compulsory levies, the merchant-oligarchs who dominated the city-states considered them preferable to taxes on private property, which they were largely successful in resisting throughout the later Middle Ages. As they observed, money they paid in taxes was lost forever, whereas loans secured by consumption taxes and rural imposts not only paid a steady return in the form of interest but in cities such as Florence and Venice could be sold on government-certified markets to recover at least part of their capital.

Despite its benefits to economic elites, who, as in any regime of regressive taxation, profited from a system that siphoned wealth upward, deficit financing was highly controversial. In Florence, whose public debt is at the centre of this study, the creation of the *monte comune*, the communal “debt mountain,” between 1343 and 1345 was associated with challenges to the traditional balance of domestic political power and remained a factor in class and factional struggles for well over a century. The establishment of public debts in Florence and elsewhere also raised legal and moral questions that became the focus of growing controversy during the fourteenth and early fifteenth centuries. Theologians and lawyers rarely questioned the reliance of governments on debt, but many considered the payment of interest to government creditors and to those who bought credits on the market a violation of the ban on usury, which theology and law defined as any increment on the principal of a loan.

Debate over the usurious dimensions of public debt erupted in Florence within a few years of the *monte comune*'s creation and occupied several generations of lawyers and theologians. The defence of the debt offered by the lay canonist and politician Lorenzo Ridolfi (1362-1443) in his *Tractatus de usuris* (*Treatise on Usury*) was the most influential contribution to the debate. Ridolfi wrote between 1402 and 1404, at a time of military and political crisis, when the fiscal policies of the Florentine political elite were

under attack, but over the longer term his treatise was enshrined as the standard canonical authority for defenders of public debts and speculative markets in government debt not only in Florence but elsewhere in Italy.

The text presented below is not a complete edition of the *Tractatus de usuris*, but is confined to the sections (about a third of the treatise) that reflect the dispute over the *monte comune*, a choice dictated by the constraints of academic publishing and by the attention historians have devoted to the public debt and to the debt controversy over the past forty years. The edition includes Part 1 of the treatise, the beginning of Part 2 and Part 3, Question 5, the *Questio montis* (Question of the Debt) itself. Part 1 outlines the underlying assumptions of the usury prohibition and introduces the canonical distinction between lenders' primary and secondary intentions. The opening sections of Part 2 elaborate on creditors' moral intentions with reference to the decretal *Consuluit* (X 5.19.10), and Questions 11-18 deal with annuities based on productive property, to which theorists often assimilated government loans. The *Questio montis*, subdivided by Ridolfi into eight *dubia* or sub-questions, is virtually a treatise in itself. I have excluded the remaining questions of Parts 2 and 3 because they have no direct bearing on the *monte* debate. I have also omitted an appendix to the *Questio montis* in which Ridolfi reports and glosses the opinions of earlier writers on the debt problem. Julius Kirshner has already edited part of this section from the manuscript on which the present edition is based, and I have recently published a critical edition of the *Questio de monte* of Francesco da Empoli, of which Ridolfi provides a synopsis. Where pertinent to Ridolfi's own argument this material is summarized in the introduction or commentary and noted in the *apparatus fontium*.

The introduction reflects the modern scholarship on usury and public debt and draws upon the rich historiography of early Renaissance Florence to develop a sociopolitical reading of Ridolfi's defence of the *monte*. My analytical perspective is Marxist, and for this I offer no apologies: with Eric Hobsbawm I can say that "historical understanding is what I am after, not agreement, approval or sympathy." However unfashionable it has become, historical materialism has lost none of its power to elucidate the reciprocal relationship between class and economic factors on the one hand and ideological phenomena such as law and theology on the other, and is therefore ideally suited to an inquiry of the kind undertaken here.

The remaining components of the book explain technical aspects of the treatise that might present barriers to the reader. Like lawyers in all eras, Ridolfi employed technical and mystifying jargon. Moreover, like all medieval lawyers, he used scholastic modes of reasoning and supported his analysis by abbreviated references to legal, theological and biblical authorities. As a guide through this semantic, methodological and intertextual jungle,

I have provided a commentary that summarizes Ridolfi's sources and analyzes his reasoning, a glossary of specialized terms and an appendix describing Ridolfi's principal medieval authorities.

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It is a pleasure to acknowledge the many professional and personal debts I incurred preparing this book. It originated as a doctoral thesis at the Centre for Medieval Studies, University of Toronto, where I profited from the scholarship and supervision of John H. Munro of the Department of Economics and Centre for Medieval Studies. I first encountered the usury problem in Professor Munro's economic history seminar and the book owes its completion in great measure to his unfailing interest and encouragement. The members of my advisory committee, A. George Rigg, Joseph Goering and Giulio Silano of the Centre for Medieval Studies and Joseph Shatzmiller now of Duke University, generously gave me the benefit of their expertise in Latin, text editing and canon law.

No one can study the public debt controversy without reference to the work of Julius Kirshner of the University of Chicago, and my debt in this regard is clear in the footnotes. But I am also grateful to Professor Kirshner both for his warm encouragement of this project and for his generosity in providing access to his unpublished research on the controversy. Kenneth Pennington of the Catholic University of America kindly allowed me to consult his unpublished bio-bibliography of medieval canonists and supplied references to several rare canonical sources. I am especially indebted to Luca Boschetto, who first introduced me to the Archivio di Stato di Firenze and provided me with many important references. The anonymous referees for the Canadian Federation for the Humanities and Social Sciences, John Najemy of Cornell University, Mark Leier, Tina Loo, Paige Raibmon and Paul Dutton, friends and colleagues in the Department of History of Simon Fraser University, suggested many revisions that improved the final version of the manuscript. I also wish to thank Ron B. Thomson of the Pontifical Institute of Mediaeval Studies for his patient production of this book. The many flaws that remain are entirely my own responsibility.

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