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Burgundian/Habsburg Mint Policies and World Bullion Flows:

A Monetary Interpretation of the Rise and Fall of Antwerp, 1400-1600

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During the first half of the sixteenth century, the city of Antwerp (located in present-day Belgium about thirty miles north of Brussels) was one of the most significant entrepôts of the nascent modern world economy. A transcontinental clearinghouse, Antwerp served as a center for the redistribution of commodities from the Baltic and Mediterranean regions of Europe as well as from Africa, Asia, and the New World, and, as such, was the nexus of a trade network that encompassed the entire globe. Yet Antwerp's position at the heart of the world economy was ephemeral; its economic power lasted scarcely more than fifty years, and by the beginning of the seventeenth century global economic primacy had shifted northward to Amsterdam.

While a number of diverse elements influenced Antwerp's history, macroeconomic factors played a substantial role. The rise and fall of Antwerp as a commercial center from 1400 to 1600 was punctuated by the monetary policies of its rulers as well as by prevailing trends in international bullion markets. This paper will trace the development and decline of Antwerp's economic influence, specifically analyzing three phases in the city's history shaped by monetary factors. First, it will examine how Antwerp was able to displace Bruges as the primary economic hub of northern Europe during the late fifteenth century by embracing changes in English and Burgundian monetary policies. Second, it will show how the abundant supply of silver and copper in Antwerp allowed it to become the distribution center for Portuguese spices and, subsequently, a major center of the world economy during the first half of the sixteenth century. Finally, it will examine how the introduction of New World silver into the European economy, coupled with Habsburg monetary and financial policy, brought about the city's decline as a global metropolis in the middle of the sixteenth century.

The Development of a European Metropolis, 1300-1500

Compared to the flourishing medieval cloth towns in the neighboring county of Flanders (Ypres, Ghent, Bruges), Antwerp, lying just across the Scheldt River in the duchy of Brabant, was a late bloomer. Long after the Flemish cities had established themselves as dynamic manufacturing and trading centers, Antwerp remained, by and large, a quiet backwater, its tranquility punctuated only by two annual regional fairs, one at Pentecost and the other around the feast of St. Bavo (October 1st), during which wine, food products, and raw materials were the primary traded goods. These two Antwerp fairs, however, corresponded with similar fairs held in nearby Bergen-op-Zoom during Easter and St. Martin's (November 11th).¹ The complementary nature of these Brabant fairs soon attracted an increasing number

¹ J. A. van Houtte, "La genèse du grand marché international d'Anvers a la fin du Moyen Age," *Revue belge de philologie et d'histoire/Belgisch tijdschrift voor philologie en geschiedenis* 19 (1940): 103. It should be noted that

of merchants, and by the mid-fourteenth century the volume of Antwerp's trade was significant enough to attract the attention of the Count of Flanders, Louis of Male. During a successional crisis in Brabant in 1356, Louis annexed the city, making Antwerp a part of the county of Flanders. Whether the motive behind this seizure was to prevent Antwerp from competing commercially with Bruges and Ghent or to profit from its growing economic power is uncertain. Nevertheless, for the next half-century Antwerp would remain politically dominated by Flanders, and economically subordinate to its most powerful city, Bruges.

The Belgian economic historian Herman van der Wee has argued that the Flemish annexation of Antwerp was, paradoxically, a great boon for the city, since it connected Antwerp to the dominant economy of medieval northern Europe and brought greater numbers of merchants to its fairs.² It should also be noted that the annexation placed the citizens of Antwerp in an exceptional position to observe how the Flemish cloth towns operated. Indeed, it may be useful to apply the great Harvard economic historian Alexander Gerschenkron's theory of the advantages of economic backwardness to the city's development.³ Antwerp's relative backwardness (compared to the Flemish towns) encouraged its citizens to examine the contributing factors of Flemish success, emulate them, and adapt them to Antwerp's own circumstances. Doubtless, Antwerp's citizens benefited enormously from the knowledge of financial techniques and the mercantile savvy they borrowed from the Flemish towns. Little wonder, then, that Antwerp, when it blossomed, did so in such a dynamic fashion: it had imported the fundamentals of economic success from Flanders.

When Antwerp formally returned to the duchy of Brabant in 1405, it was liberated from the many limitations that Bruges had imposed upon its trade. Its fairs grew steadily longer in duration until they were virtually open year-round. Still, Bruges continued to eclipse the city economically, and was able to exercise its political power to influence commerce in Antwerp until the mid-fifteenth century. Only in the last quarter of the century would Antwerp surpass Bruges as the economic powerhouse of the Low Countries.

The re-centering of economic hegemony in northwestern Europe from Bruges to Antwerp in the late fifteenth century, like subsequent shifts from Antwerp to Amsterdam and Amsterdam to London, has been the subject of a great deal of historical debate. Many historians have attempted to explain the transition from Bruges to Antwerp in terms of long-term exogenous trends. Herman van der Wee has noted, for example, that, throughout the fifteenth century, skippers from Holland and Zeeland, who preferred conducting business at Antwerp, slowly undermined the monopoly of the Baltic held for so long by the Hansa merchants, who preferred Bruges.⁴ Both van der Wee and John H. Munro have also pointed

Antwerp gained precedence over Bergen-op-Zoom largely due to hydrographic changes from 1400-1550 that improved the navigation of the Western Scheldt, on which Antwerp was situated, and hindered the navigation of the Eastern Scheldt, upon which Bergen-op-Zoom's harbor sat. Also, overland traffic favored Antwerp. For this, see J. A. van Houtte, "The Rise and Decline of the Market of Bruges," *Economic History Review*, New Series, 19, no. 1 (1966): 42.

² Herman van der Wee, *The Growth of the Antwerp Market and the European Economy (Fourteenth-Sixteenth Centuries)*, vol. 2, *Interpretation* (The Hague: Martinus Nijhoff, 1963), 23.

³ Alexander Gerschenkron, "Economic Backwardness in Historical Perspective," in *The Progress of Underdeveloped Areas*, ed. Bert F. Hoselitz (Chicago: University of Chicago Press, 1952), 3-29.

⁴ Herman van der Wee, "Trade in the Southern Netherlands, 1493-1587," in *The Low Countries and the Early Modern World* (Aldershot, Great Britain: Variorum, 1993), 92.

to the reemergence of overland trade during the fifteenth century, which favored Antwerp.⁵ As captivating as these hypotheses may be, they divert attention from two very obvious, and much more influential, endogenous factors: 1) a silver-favoring Burgundian monetary policy, which propelled Central European silver into the Low Countries, and 2) Flemish protectionism, which pushed English cloth exports away from Bruges and into the open arms of Antwerp.

The Anglo-Burgundian coinage revaluations of the 1460s were significant events in the history of Antwerp's development as a center of the European economy. Between 1464 and 1465, Edward IV of England debased English silver coinage by 20% and gold coinage by 25%. These debasements weakened English currency, lowering the price of English exports to the Continent. Since one of the primary English exports was woolen cloth, which competed with cloth made in Flanders, Edward's debasements posed a threat to the Flemish cloth industry. In response, Philip the Good, Duke of Burgundy and sovereign of a semi-centralized confederation of provinces in the Low Countries (including both Flanders and Brabant), debased Burgundian silver coinage by 12.7% and gold coinage by 3.3%.⁶ Although this debasement was too small to neutralize England's currency manipulation and increase the competitiveness of Flemish cloth, it had momentous consequences. Since Philip had debased silver coinage by nearly 10% more than he did gold coinage, his debasements changed the official bi-metallic ratio (the ratio of the value of silver to that of gold) in the Low Countries. Silver, therefore, had a higher value and more purchasing power in the Burgundian territories than it did elsewhere in Europe, and this disparity propelled merchants who had silver to spend toward the Low Countries. Fortuitously, concurrent advances in mining technology in Central Europe, especially the discovery of the lead amalgamation process in 1451 (which facilitated the separation of silver from copper ore), greatly increased the amount of silver mined from the region. In fact, Central European silver production increased fivefold between 1450 and 1530.⁷ The Burgundian overvaluation of silver drew this newly mined silver into the Low Countries. Furthermore, since England's debasements had made purchases of exported English cloth inexpensive, merchants found that purchasing English cloth with silver in the Low Countries and reselling it elsewhere was extremely profitable. Thus, the high value of silver in the Burgundian Netherlands acted like a magnet, drawing English cloth sellers and Continental buyers together.

The overvaluation of silver was an important factor in the increase in the volume of trade in the Low Countries at the end of the fifteenth century. It does not by itself, however, explain why Antwerp was able to displace Bruges as the center of the northern European economy. To do so, we must examine the response by Bruges and the other Flemish cloth towns to the influx of English woolens after 1466.

Gazing at the elaborate facades of the surviving cloth halls in Flemish cities today, one soon realizes the importance of cloth production for the medieval Flemish economy. Indeed, cloth, especially woolen cloth, was the mainstay of the region's commercial power. This economic might was soon translated into political influence, as the immense wealth of the urban cloth-producing guilds enabled them to

⁵ Ibid.; John H. Munro, "The Low Countries' Export Trade in Textiles with the Mediterranean Basin, 1200-1600: A Cost-Benefit Analysis of Comparative Advantages in Overland and Maritime Trade Routes," *International Journal of Maritime History* 11, no. 2 (December 1999): 15-30.

⁶ John H. Munro, "Monetary Contraction and Industrial Change in the Late-Medieval Low Countries, 1335-1500," in *Coinage in the Low Countries (800-1500): The Third Oxford Symposium on Coinage and Monetary History*, ed. N.J. Mayhew (London: B.A.R., 1979), 118.

⁷ John U. Nef, "Industrial Europe at the Time of the Reformation (ca. 1515—ca. 1540)," *Journal of Political Economy* 49, no. 1 (February 1941): 7.

manipulate civic and ducal authorities. This is illustrated by the events of the 1300s, when the guilds, in order to limit competition, were able to enforce a virtual ban on rural cloth production.⁸ From the mid-fourteenth century onward, such rent-seeking practices became increasingly common, as the guilds sought to protect their vested commercial interests.

Thus, the threat of a massive increase in English woolen imports after 1466 quickly drew a protectionist response from the Flemish cloth-producing guilds, especially from those of Bruges. A variety of protectionist measures were enacted to keep English wool cloth out of Flanders, including tariffs, embargoes, and, ultimately, ordinances that prevented Flemish citizens from wearing English cloth on penalty of confiscation of the clothing, a severe fine, or both.⁹ The English, for their part, would probably have preferred to remain at Bruges, the dominant market of northwestern Europe. But, faced with such restrictions, they sought another market in the Low Countries, and Antwerp presented itself as the obvious choice. Lacking a thriving cloth industry of its own, the city on the Scheldt lacked the incentive to imitate Flemish protectionist measures. Furthermore, its proximity to Bruges was likely to draw at least some members of Bruges's wealthy foreign merchant community to Antwerp.

Thus, just at the moment in which Burgundian monetary policy was driving the volume of trade in the Low Countries ever higher, Bruges's protectionism in effect cut it off from the intra-continental economy. English woolens and Central European silver bypassed Bruges for Antwerp. Bruges, for its part, did not take this loss of trade sitting down. In 1485, for example, during one of the many Flemish revolts against the centralizing efforts of Maximilian of Habsburg, its civic militia, aided by the militia of Ghent, actually constructed a fort along the Scheldt to intercept English woolens heading to Antwerp. Antwerp's own militia, however, destroyed the fort shortly after its construction.

The enmity between the burghers of Bruges and Maximilian of Habsburg certainly added to Bruges's economic decline. In 1488, the citizens of Bruges, seeking a renewal of their ancient privileges and limitations on English wool imports into the Low Countries, imprisoned Maximilian until he agreed to their demands. Upon his release, Maximilian rejected the concessions and took revenge on Bruges by ordering all of its foreign merchants to transfer their businesses and residences to Antwerp. Most of these merchants would never return. Three years later, Maximilian transferred the staple in alum, a substance necessary for affixing dye on cloth, to Antwerp.¹⁰ By 1492, Antwerp had clearly displaced Bruges as the economic dynamo of the Low Countries. Although Bruges was awarded the staple of Spanish wool in 1493, which allowed it to limp into the sixteenth century, most of its foreign merchant community had by then already made the move to Antwerp.

The shift of economic power from Bruges to Antwerp, therefore, was not the result of an active pursuit of trade on the part of Antwerp as much as it was the consequence of Bruges's stubborn protectionism. Had Bruges allowed English cloth imports, it perhaps may have retained economic hegemony in northern Europe for another fifty years. The oft-repeated theory that the silting of the Zwin River condemned Bruges to its fate is untenable; the silting of the Zwin was already serious during Bruges's golden age, and, had Bruges maintained its economic hegemony, it could also have maintained

⁸ For a detailed account of fourteenth-century Flemish urban protectionism, see David Nicholas, *Town and Countryside: Social, Economic, and Political Tensions in Fourteenth-Century Flanders* (Bruges: De Tempel, 1971).

⁹ John H. Munro, "Bruges and the Abortive Staple in English Wool," *Revue belge de philologie et d'histoire/Belgisch tijdschrift voor philologie en geschiedenis* 44 (1966): 1158.

¹⁰ *Ibid.*, 1148-49.

the Zwin.¹¹ Bruges's worst enemy, it seems, was neither silt, nor Maximilian, nor English cloth, but Bruges itself.

Bruges's loss in trade was, of course, to Antwerp's gain. Antwerp received almost all of the benefits of Philip the Good's overvaluation of silver simply by filling the gaping void created by the refusal of Bruges and other Flemish cities to allow trade in English woolens. It became the nodal point for the traffic in English cloth and Central European silver, and other commodities quickly followed: Baltic grain, French bay salt, Italian silks, Spanish leather, etc. It also established cloth finishing and herring salting and smoking industries, the latter being of considerable importance during the sixteenth century.¹² It may even have been, as John H. Munro writes, "the decisive propelling force of the European commercial economy."¹³ Yet despite its growing economic power, Antwerp remained merely a European entrepôt, not a global one. The turn of the sixteenth century, however, would change that.

Global Metropolis, 1501-1557

Antwerp's transition from an axis of European, intra-continental trade to a center of global, inter-continental trade was inextricably linked to the expansion of European overseas empires and the intensification of international trade in precious metals that took place during the beginning of the sixteenth century. In particular, Antwerp's relationship to both the Portuguese and Spanish empires and its command of the European silver and copper markets enabled it to profit from the first era of globalization and become a truly global metropolis.

In 1498, Vasco da Gama rounded the Cape of Good Hope and extended Portugal's already extensive trading network along the west coast of Africa to its eastern coast and on to India. Portuguese trading colonies on the Atlantic islands and along Africa's coast already supplied Lisbon with gold, ivory, slaves, sugar, and malaguette (a.k.a. "Guinea pepper"—a pepper substitute). Her new trade route to the Orient provided her with direct access to the highly coveted spices of the East: pepper, cinnamon, cloves, and mace.

Lisbon, however, was far too remote from the heart of Europe to be a successful distribution center for these commodities. In order for their spices to be truly competitive with the Venetian spice trade, the Portuguese could not wait for merchants to make the costly trek to Lisbon; they needed a base with pre-established commercial networks. For a number of reasons, Antwerp was the logical choice. First, Antwerp had well-developed trading networks, both overland and seaborne, that could connect Portuguese spices with markets throughout Europe. Second, the number of foreign merchants residing there made Antwerp a seller's market for spices. Pepper in Antwerp, for example, could fetch prices approximately 13% higher than in Lisbon.¹⁴ Finally, and most importantly, Antwerp was already a clearinghouse for the two commodities essential for Portuguese trade with Africa and Asia: copper and silver.

The lead amalgamation process that had so increased the German supply of silver after 1451, and was a major factor in Antwerp's triumph over Bruges, worked by separating silver from copper ore. As such,

¹¹ *Ibid.*, 1137.

¹² van Houtte, "La genèse du grand marché," 102.

¹³ John H. Munro, *Wool, Cloth, and Gold: The Struggle for Bullion in Anglo-Burgundian Trade, 1340-1478* (Brussels: Éditions de l'Université de Bruxelles, 1973), 183.

¹⁴ Jean Denuce, "Privilèges commerciaux accordés par les rois de Portugal aux Flamands et aux Allemands," *Arquivo Histórico Português* 7 (1909): 313-15.

it not only increased the supply of silver, but also that of copper. Although it was essentially a side-product of the process, copper, being valuable in its own right, followed silver to Antwerp. Thus, Antwerp became a reservoir for both silver and copper.

As chance would have it, these two metals were more valuable than gold in Portuguese exchanges with Africa and Asia. In Africa, where gold was relatively abundant, Portuguese transactions in gold were far less profitable than those conducted in silver. Even more lucrative, however, was copper, which could be obtained cheaply in Europe but was highly prized in Africa. Finished copper goods, like bracelets or pots, proved to be some of the most valuable barter objects in the African trade.¹⁵ In Asia, copper was of little use, but silver was also more useful in exchanges than gold. The effects of the mid-fifteenth-century collapse of the Ming paper money system pushed China, and, subsequently all of Asia, onto a silver base.¹⁶ Silver prices were much higher in Asia than in Europe, while the opposite was true for gold. Thus, the Portuguese preferred to transact their African trade in copper and their Asian trade in silver. Both metals were readily available at Antwerp.

Antwerp, then, was the perfect port for the Portuguese. It offered a high supply of the metals needed to conduct profitable overseas exchanges, and a high demand for the products obtained. Thus, in 1499, King Manuel of Portugal granted Antwerp the staple monopoly on all Portuguese spices. The first Portuguese boat loaded with pepper and cinnamon arrived in 1501.¹⁷ Seven years later, in 1508, Manuel negotiated with a syndicate of Antwerp-based Italian merchants that agreed to buy all pepper sent from Lisbon to Antwerp at a fixed price and not sell it below a price determined by the crown. This not only supplied Manuel with a significant annual income, but also ensured that pepper prices would remain high.¹⁸ Thus, the sixteenth-century Italian chronicler of the Low Countries, Lodovico Guicciardini, was close to the mark when he explained Antwerp's prosperity:

In the year 1503 the Portugales began to bring spices out of their Indias, and from *Calicut* into *Portugale*, & frō thence to *Andwerp*, which before that time were wont to be brought by the red sea . . . to *Alexandria*, & so to *Venice*, which (before the Portugales voiage into the Indias) furnished all Christendome of spices. But the king of Portugale, having . . . drawne all the spices in *Calicut* and the Iles adiacent thervnto into his own hands, and having brought them to *Lisbonne*, sent his factor with spice to *Andwerp*, by which meanes it drewe all Nations thither.¹⁹

Draw all nations thither it did. The English merchant community grew, since the Portuguese purchased English cloth as a barter item for the African trade. More German merchants came to Antwerp as well, both to purchase spices and to sate the voracious Portuguese appetite for silver and copper. The Fuggers' trade in Hungarian silver provides an example of the unquenchable Portuguese demand for the metal. From 1497 to 1504, the Fuggers sent 25,599 marks of silver to Venice, while 28, 473 marks were divided between Frankfurt and Antwerp. After 1504, shipments to Venice disappeared, and almost all

¹⁵ van Houtte, "Rise and Decline," 43.

¹⁶ Dennis O. Flynn and Arturo Giráldez, "Cycles of Silver: Globalization as Historical Process," *World Economics* 3, no. 2 (April-June 2002): 11.

¹⁷ van der Wee, *Growth of the Antwerp Market*, vol. 2, 127.

¹⁸ Bailey W. Diffie and George D. Winius, *Foundations of the Portuguese Empire, 1415-1580*, Europe and the World in the Age of Expansion Series, ed. Boyd C. Shafer (Minneapolis: University of Minnesota Press, 1977), 411.

¹⁹ Lodovico Guicciardini, *The Description of the Low countreys and of the Prouinces thereof, gathered into an Epitome out of the Historie of Lodouico Guiccardini*, trans. Thomas Danett (London: By Peter Short for Thomas Chard, 1593), 27.

Fugger silver was sent to Antwerp.²⁰ Italians also poured into Antwerp, both to compete with the Portuguese spice trade and to offer their financial services as bankers and moneylenders. The Venetian Senate, which had clung faithfully to Bruges as it slowly declined, finally decided to abandon that city and send its galleys directly to Antwerp in 1501.²¹ Dutch, French, Scandinavian, Livonian—nearly every European nationality—could be found on the market squares of Antwerp. In 1560, already after the beginning of Antwerp's decline, Antwerp was inhabited by 300 Spanish merchants, 150 Portuguese, 200 Italians, around 100 each of French and English merchants, and 250 Germans.²² Based on its foreign merchant community alone, Antwerp was perhaps the most cosmopolitan city in Europe.

Antwerp could also boast of the most cosmopolitan and diverse commodity market in all of Europe. Besides goods from across Europe, exotic products from Africa and Asia could also be purchased there. When the artist Albrecht Dürer visited Antwerp in 1520 and 1521, he was given a variety of products made from Atlantic sugar, colored feathers and porcelain from India, Calcutta cloth and silk, coconuts, and myrobalans (an East Indian fruit) as gifts.²³ Almost anything, it appears, could be purchased in Antwerp.

Just prior to Dürer's visit to the city, political developments in Europe had further extended the realm of Antwerp's trade. In 1515, Charles, the Ghent-born grandson of Maximilian of Habsburg, was recognized as lord over the Low Countries. The next year, after the death of his other grandfather, Ferdinand, he was proclaimed King of Spain. Enormous loans taken up at the Antwerp market from German lenders (predominantly the Fuggers) also enabled Charles's election as the new Holy Roman Emperor, Charles V, in 1519. Charles's success would have two important consequences for Antwerp. First, the dynastic link between the Low Countries and the up-and-coming Spanish world empire would add Spain's New World possessions to Antwerp's already vast trading network. Second, Charles's dealings with the Antwerp money market would establish a crucial, and ultimately fateful, financial relationship between the Habsburg prince and Antwerp lenders.

Exotic woods and dyestuffs from the New World soon became available at Antwerp. The first recorded cochineal imports to Antwerp were in 1552, although, given the importance of Antwerp's cloth finishing industries, it is safe to presume that a portion of the first cochineal shipment sent to Spain in 1526 reached the city.²⁴ The main New World import to Antwerp, however, would be bullion. The first significant cargoes of New World metal arrived in Spain in the 1520s. Although the first shipments were predominantly in gold, silver prevailed after 1530.²⁵ As king, Charles was entitled to 20% of all treasure that arrived in Seville. However, in order to make payments on his continuously growing Antwerp loans

²⁰ van der Wee, *Growth of the Antwerp Market*, vol. 2, 125.

²¹ Munro, "Bruges and the Abortive Staple," 1155.

²² Roland Baetens, "Le rôle d'Anvers dans la transmission de valeurs culturelles au temps de son apogée (1500-1650)," in *La ville et la transmission des valeurs culturelles au bas Moyen Âge et aux temps modernes*, by Crédit Communal de Belgique (Brussels: Crédit Communal, 1996), 39.

²³ Albrecht Dürer, *The Writings of Albrecht Dürer*, trans. William Martin Conway (New York: Philosophical Library, 1958), 100, 103, 113.

²⁴ Raymond L. Lee, "American Cochineal in European Commerce, 1526-1625," *Journal of Modern History* 23, no. 3 (September 1951): 209; Raymond L. Lee, "Cochineal Production and Trade in New Spain to 1600," *The Americas* 4, no. 4 (April 1948): 454.

²⁵ Earl J. Hamilton, *American Treasure and the Price Revolution in Spain, 1501-1650* (New York: Octagon Books, 1970 [1934]), 40.

(taken largely to finance a series of wars against Francis I of France), Charles was forced to send a significant portion of this “royal fifth” to Antwerp.²⁶

The security of Charles’s supposedly inexhaustible supply of New World bullion made it easier for him to draw large loans at Antwerp. Increasingly, the Habsburg Empire was being run, in Karl Brandi’s words, “not on the revenues which had already been collected, but on the perpetual mortgaging of future income.”²⁷ Others borrowed on the Antwerp market as well: Henry VIII, Manuel of Portugal, even Cosimo dei Medici.²⁸ Given that the interest rate for most government loans drawn at Antwerp was around 12% per annum (and sometimes exceeded 20%), money lending became a popular side-business among Antwerp’s merchant class.²⁹ Indeed, an increasing number of Antwerp merchants were abandoning trade in commodities and devoting themselves completely to financial pursuits.³⁰

It should be noted here that this shift to the financial sector engendered important innovations in Antwerp that would have a profound effect on the subsequent history of finance. One such innovation was the practice of endorsing bills of exchange. By signing the back of a bill of exchange, a third party was able to become the collector. This made transferring credit among merchants extraordinarily easy in Antwerp. The discounting of bills of exchange was also significant. If bills of exchange drawn for payment on a stated date were paid early, the interest would be deducted by a certain percentage. This was later influential in the development of discount banking.³¹ John J. McCusker has also recently argued that Antwerp was influential in regard to another financial innovation, the development of printed price lists. Printed issues of both foreign exchange rate currents and commodity price currents were available to Antwerp’s merchants as early as the 1530s, making Antwerp, in McCusker’s words, “the birthplace of the business press.”³² Although seemingly a minor development, the fact that this price data was made available to the public was revolutionary. It provided Antwerp’s community of merchants with access to vital business information, previously kept secret by individual merchants and firms, and made transactions on the Antwerp market more efficient.

The availability of silver and copper, and the resulting lending capabilities that resulted from it, had, therefore, united Antwerp with the two great world-empires of the sixteenth century. The city became the hub of a vast trade network that, for the first time in history, encircled the entire globe. Commodities from

²⁶ Fernand Braudel, *The Mediterranean and the Mediterranean World in the Age of Philip II*, trans. Siân Reynolds (New York: Harper & Row, 1972), vol. 1, 480.

²⁷ Karl Brandi, *The Emperor Charles V: The Growth and Destiny of a Man and of a World-Empire*, trans. C.V. Wedgwood (London: J. Cape, 1963), 119.

²⁸ van der Wee, *Growth of the Antwerp Market*, vol. 2, 202.

²⁹ Pierre Jeannin, *Merchants of the Sixteenth Century*, trans. Paul Fittingoff (New York: Harper & Row, 1972), 63.

³⁰ S.T. Bindoff, “The Greatness of Antwerp,” in *The New Cambridge Modern History*, vol. 2, *The Reformation*, ed. G.R. Elton (Cambridge: Cambridge University Press, 1962), 64.

³¹ Jürgen Schneider, “The Significance of Large Fairs, Money Markets and Precious Metals in the Evolution of a World Market from the Middle Ages to the First Half of the Nineteenth Century,” in *The Emergence of a World Economy, 1500-1914: Papers of the IX. International Congress of Economic History*, ed. Wolfram Fischer, R. Marvin McNinn, and Jürgen Schneider, by Franz Steiner Verlag Wiesbaden GmbH (Stuttgart: Franz Steiner Verlag Wiesbaden GmbH, 1986), 19.

³² John J. McCusker, “The Role of Antwerp in the Emergence of Commercial and Financial Newspapers in Early Modern Europe,” in *La ville et la transmission des valeurs culturelles au bas Moyen Âge et aux temps modernes*, by Crédit Communal de Belgique (Brussels: Crédit Communal, 1996), 309-310; See also John J. McCusker, “The Demise of Distance: The Business Press and the Origins of the Information Revolution in the Early Modern Atlantic World,” *American Historical Review* 110, no. 2 (April 2005): 295-321.

around the globe were unloaded at its harbor, and its money market financed the governments of Europe and the business ventures of merchants. Its industrial sector grew as well. By 1550, no less than 19 sugar refineries were operating in Antwerp, making it the commanding European sugar supplier.³³

The city had entered its golden age, resulting in a rapid increase in population. At the beginning of the sixteenth century, the population of Antwerp had been around 40,000. A half-century later that number had grown to nearly 100,000, making Antwerp one of the largest cities in Europe. The dynamic growth of the city is also evidenced by the massive construction projects undertaken by civic authorities. Between 1496 and 1585, 92 new streets and 4 new market squares were built.³⁴

The momentum of the city was evinced in the attitudes of its citizens, who boasted of their city's cosmopolitan character and its commercial and civic freedoms. A stone over the city's principal gate proclaimed the city to be "for the merchants of all nations."³⁵ Commenting on the increasing notions of autonomy held by Antwerp's citizenry in a letter to Cardinal Granvelle, the Vicar-General of Mechelen wrote, "It would be a very good thing to make them erase the S.P.Q.A. which they inscribe everywhere on their buildings and edifices, pretending to be a free republic, and that the prince cannot command them without their consent."³⁶ [The reference is to the habit of Antwerp's magistrates to stamp documents and engrave civic buildings with S.P.Q.A., an abbreviation for *Senatus Populusque Antverpius* (The Senate and the People of Antwerp), an allusion to the S.P.Q.R. abbreviation (The Senate and the People of Rome) proudly used by the ancient Romans.]

The great French historian Fernand Braudel wrote that, during the first half of the sixteenth century, Antwerp was "a city as much (if not more) the true capital of the Atlantic as Seville or Lisbon."³⁷ Given that, already by the 1530s, it united the markets of Europe with Africa, Asia, and the Americas, Antwerp was much more than the capital of the Atlantic; it was the economic capital of the world.

The Decline of Antwerp as a Global Metropolis

Between 1501 and 1557, Antwerp was the dominant hub of the sixteenth-century world economy. Despite temporary recessions and financial crises caused by the Habsburg-Valois wars, Antwerp retained this distinction. Even during this golden age, however, a number of forces were beginning to undermine the stability of the city's position.

The deleterious Habsburg monetary policy that plagued Antwerp throughout much of sixteenth-century was one of these forces. Throughout his reign, Charles V fought a losing battle to keep the official bi-metallic ratio stable despite the fact that massive imports of New World silver into Europe were causing silver's value to fall in comparison to gold. Through his regents in the Netherlands (his aunt, Margaret of Austria, until 1530; afterwards his sister, Mary of Hungary), he attempted to fix the value of gold to silver by mandate. Such decrees were issued in 1521, 1527, and twice in 1539. But since the market value of gold in terms of silver was constantly higher than the decreed price, gold was either hoarded or used for purchases in France (where the value of gold and silver were closer to the market

³³ Fernand Braudel, *Civilization and Capitalism, 15th-18th Century*, vol. 2, *The Wheels of Commerce*, trans. Siân Reynolds (New York: Harper & Row, 1982), 193.

³⁴ Baetaens, "Le role d'Anvers," 38, 45.

³⁵ Diffie and Winius, *Portuguese Empire*, 412.

³⁶ Quoted in Guido Marnef, *Antwerp in the Age of Reformation: Underground Protestantism in a Commercial Metropolis, 1550-1577*, trans. J.C. Grayson (Baltimore: Johns Hopkins University Press, 1996), 14.

³⁷ Braudel, *The Mediterranean*, vol. 1, 480.

price). In an attempt to stop the flow of gold bullion into France, Charles issued an ordinance in December 1541 forcing all bills of exchange in the Low Countries to be paid two-thirds in gold coin. This briefly crippled commerce, since merchants simply refused to do business in Antwerp. It soon became obvious that this provision could not be enforced, and business returned to normal (although the edict was not officially altered until 1548 and not revoked until 1551).³⁸ Gold continued to pour into France, as did merchants who preferred payment in gold, which continued to become more valuable as Europe was inundated by New World silver. It is no coincidence that the economic law that explains this phenomenon, that, in the face of “bad” money, good money will be driven out, was named “Gresham’s Law” after Sir Thomas Gresham, an Antwerp-based English merchant. Indeed, Gresham wrote on December 20, 1553, “Here is no kind of gold stirring which is the strangest matter that ever was seen upon the Bourse of Antwerp having no other payment but silver Spanish reals.”³⁹

The Habsburg undervaluation of gold (or, depending on one’s point of view, its overvaluation of silver) would not have been extremely damaging to Antwerp’s economy by itself. After all, Antwerp’s growth had mainly been the result of similar policy. The difference was that the supply of Central European silver, which had previously buoyed the Antwerp economy, declined rapidly after 1535.⁴⁰ This may not have been a problem either, had shipments of silver from Spain continued. However, since the influx of New World silver into Seville had created a large class of money-lending merchants in Spain, Charles V’s loans on the Antwerp money market diminished. Between 1551 and 1555, for example, Charles V borrowed four times more in Castille than he did in Antwerp.⁴¹ Thus, not only was the amount of gold in circulation in Antwerp diminishing, but the amount of silver was as well.

This decrease in silver made the city much less essential for the Portuguese spice trade. Furthermore, after the 1530s, the Portuguese could acquire the silver needed for their trade with Asia from neighboring Spain. Antwerp remained an important distribution center for spices, but the Portuguese spice trade was already on the wane. The anti-Habsburg treaty of 1536 between Francis I of France and the Ottoman sultan had allowed French ships to call at Turkish ports. By 1540, these ships were returning to Marseilles with loads of cinnamon, ginger, and other spices, which cut into the Portuguese trade through Antwerp.⁴² Renewed competition from the Italians hurt the Portuguese as well. In general, French and Italian spices purchased from the Levant were of higher quality than the Portuguese product, due both to the amount of time the Portuguese spices had to spend in the damp holds of oceanic vessels and to Portuguese price-fixing practices in India, which tended to result in an inferior product. According to one contemporary, such price-fixing was the main explanation for inferior Portuguese spices:

³⁸ Florence Edler, “The Effects of the Financial Measures of Charles V on the Commerce of Antwerp, 1539-42,” *Revue belge de philologie et d’histoire/Belgish tijdschrift voor philologie en geschiedenis* 16 (1937): 665-673; Florence Edler, “The Van der Molen, Commission Merchants of Antwerp: Trade with Italy, 1538-44,” in *Medieval and Historiographical Essays in Honor of James Westfall Thompson*, ed. James Lea Cate and Eugene N. Anderson (Chicago: University of Chicago Press, 1938), 119-124.

³⁹ Quoted in Frank C. Spooner, *The International Economy and Monetary Movements in France, 1493-1725* (Cambridge: Harvard University Press, 1972), 23.

⁴⁰ van der Wee, *Growth of the Antwerp Market*, vol. 2, 159.

⁴¹ Fernand Braudel, “Les emprunts de Charles-Quint sur la place d’Anvers,” in *Charles-Quint et son temps*, by Colloques Internationaux du Centre National de la Recherche Scientifique (Paris: Editions du Centre National de la Recherche Scientifique, 1959), 195.

⁴² Florence Edler, “The Market for Spices in Antwerp, 1538-1544,” *Revue belge de philologie et d’histoire/Belgish tijdschrift voor philologie en geschiedenis* 17 (1938): 215-216.

The Pepper that goeth for Portugale is not so good as that which goeth for Mecca, because that in times past the officers of the king of Portugale made a contract with the king of Cochin . . . for the price of Pepper, and by reason of that agreement . . . the price can neither rise nor fall, which is a very lowe and base price, and for this cause the villaines bring it to the Portugales, greene and full of filthe.⁴³

Furthermore, the Portuguese crown had fallen into debt to its Antwerp-based syndicate by asking for continuous advancements on future spice deliveries. In 1549, King João III decided to cut his losses and end the relationship with the syndicate and the city of Antwerp. Portuguese spices would continue to be traded in Antwerp, but the Portuguese spice trade would henceforth be headquartered in Lisbon. The elimination of one of the main pillars of Antwerp's economy was damaging enough, but João also announced that he would be reducing his payments on Portugal's Antwerp debts. This severely affected Antwerp's financial sector.

By the beginning of the 1550s, the decrease in Central European and Spanish silver shipments and the end of the Portuguese spice staple were beginning to severely hinder Antwerp's commodity market. The beginning of the end of Antwerp's reign as global metropolis, however, would not come until 1557. In that year, Philip II of Spain, Charles V's son, converted all Habsburg loans to 5% annuities in the first of several Spanish state bankruptcies.⁴⁴ For the lenders of Antwerp, many of whom were still being paid interest on loans taken decades earlier, this was nothing less than a catastrophe. The state bankruptcy was soon followed by bankruptcies of local governments, and, ultimately, of firms and individuals. The huge bubble in the Habsburg lending market had finally burst, and the financial resources of hundreds of Antwerp merchants had disappeared.

Another calamity would soon follow. In 1560 Elizabeth I revalued English silver, putting an end to the favorable trade conditions that English cloth merchants had so long enjoyed at Antwerp. Three years later, after the outbreak of the Anglo-French war, Margaret of Parma proclaimed an embargo of English cloth, echoing Bruges's destructive protectionism. As they had left Bruges years before, English merchants soon left Antwerp for Emden. Although some would briefly return to Antwerp, the English cloth trade would never be the same.⁴⁵ The final leg of what John H. Munro has referred to as the "tripod of English broadcloths, South German metals and fustians, and Portuguese spices" upon which Antwerp's greatness rested had disappeared.⁴⁶

The international transit trade on which Antwerp's economic power was based had ended. Some growth would still occur in the industrial sector, but Antwerp would no longer be the global entrepôt it once was. The next century of the city's history reads like a tragedy. Except for brief periods of resurgence, Antwerp continued its decline. The famine of 1565-66 set up the social conditions for the beginnings of the Dutch Revolt. The "Spanish Fury" of 1576, in which unpaid Spanish troops ran rampant in the city, induced its citizens to join the rebellion against Habsburg rule. Yet Alexander Farnese's recapture of the city in 1585 ensured that it would remain under Spanish authority. All Protestants within the city were forced to leave, and many Catholic merchants, seeing more opportunity in the independent Dutch provinces to the north, left as well. By 1589 the city's population, which had been

⁴³ Quoted in Malyn Newitt, *A History of Portuguese Overseas Expansion, 1400-1688* (London: Routledge, 2005), 164.

⁴⁴ Bindoff, "The Greatness of Antwerp," 68.

⁴⁵ van der Wee, *Growth of the Antwerp Market*, vol. 2, 228-230.

⁴⁶ Munro, "Bruges and the Abortive Staple," 1144.

around 100,000 in 1560, dropped to 42,000.⁴⁷ A large percentage of these emigrants fled to the northern Netherlands, many to Amsterdam. Indeed, the influx of so many former Antwerp merchants and skilled craftsmen into Amsterdam was certainly significant in the re-centering of economic power northwards. Despite its Counter-Reformation cultural post-bloom in the beginning of the seventeenth-century, characterized by the ostentatious paintings of Rubens and Van Dyke, Antwerp diminished as an economic center. The Treaty of Muenster in 1648, which in effect closed the Scheldt to commercial traffic, was the final nail in the coffin. Antwerp would not re-emerge as a vibrant commercial port until the nineteenth century.

IV. Conclusion

Antwerp's history was punctuated by monetary factors: the Anglo-Burgundian debasements, the Central European mining boom of the late fifteenth century, the increased demand for silver in Asia following the collapse of the Ming paper currency system, the discovery of silver mines in the New World—all of these influenced the city's economic rise and fall. Antwerp was first a beneficiary and later a victim of monetary policies and global bullion structures. For roughly half a century, the city of Antwerp was a nexus for a global market in various commodities: cloth, precious metals (gold, silver, copper), spices, cochineal, sugar, etc. It connected four continents, Europe, Africa, Asia, and America, and its trade network covered a remarkable portion of the globe. Indeed, in many respects, Antwerp could rightfully be called the first truly global city. Yet despite the confident boastings of its citizens, the city of Antwerp was largely a puppet of both regional and global economic trends; it was always more acted upon than acting. Its ultimate fate resided not with the actions of individual merchants or the whims of rulers, but with the collective, insatiable, and universal hunger that we now call the market.

⁴⁷ van der Wee, *Growth of the Antwerp Market*, vol. 2, 261.

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