

Edwin S. Hunt. *The Medieval Super-Companies. A Study of the Peruzzi Company of Florence*. 1994. Cambridge: Cambridge UP, 1997. Pp. x, 291. Illus. with tables, charts and map.

First published in 1994 and reprinted in 1997, this study is a detailed, revisionist history of medieval Florentine international business that focuses specifically on the activities of the Peruzzi Company. Although there were a handful of other huge “multinationals” including the Bardi and Acciaiuoli with the Buonaccorsi a close fourth, the large quantity of surviving documentation for the Peruzzi Company facilitated this detailed study. The decline and collapse of this company are a shocking dénouement to its earlier successes: the specter of its fall looms throughout the book, and Hunt identifies reasons for this disgrace in various chapters.

The book is divided into two parts: “Anatomy of the medieval super-company” and “History of the Peruzzi Company from its reorganization in 1300.” The first part is static in nature: its four chapters describe the company and family (a distinction to be maintained), the nature of the business including a brief historical overview of the political landscapes of its major markets, the internal organization of the company, and the role and nature of medieval bookkeeping systems. The author inserts comparisons to other super-companies, especially the Bardi, throughout the book. Having carefully laid out these elements, Part Two offers a dynamic representation of how the company operated in various phases of its existence from 1300 on through to its collapse in 1343.

This is a lucid economic history perhaps more of interest to business historians than to literary scholars. Nonetheless, it furnishes a wealth of details that illuminate the complexity of medieval business as conducted by Italians throughout Europe and the Mediterranean. As such, this knowledge will enrich the literary specialist’s understanding of Dante’s and Boccaccio’s milieu. Politics and diplomacy went hand-in-hand with international business. Since the early great companies were mostly concentrated in Florence, information about them provides a fine non-literary context for the *Tre Corone*. For the art historian, there is also information about the commissioning and construction of famous chapels in Santa Croce.

The contents of the individual chapters may be summed up as follows: Chapter One offers a brief history of the Peruzzi family from its earliest attested appearance in 1150 through several generations to the company’s bankruptcy in 1347. Their coat-of-arms (“corporate logo” in Hunt’s view) consisted of golden pears on a blue field. This chapter focuses on the powerful individuals who chaired the company and headed the family — not always the same person — and how these men influenced the futures of the company. Overall, the family seems to have had a gift for surviving political conflicts and even emerged from the Plague relatively unscathed. Their early successes were due to a combination of business acumen, good management skills, wealth, political connections, and diplomacy. Interestingly, not all family members were businessmen: some were in the clergy or in the military. This served to buffer the family and furnish outside sources of cash in difficult times.

Chapter Two is a general discussion of the largest Italian companies. Although these receive the lion's share of scholarly attention, it is important to realize that there were hundreds of small companies existing in their shadow. Hunt offers a definition of "super-company" and cautions the reader that hard and fast numerical data are not always extant for studying its particular features. He then outlines how the Peruzzi Company dealt with individual markets and the particular problems of each: Naples under the Angevins, the Papacy, England and France often at war with each other, and local Florentines political agendas.

Chapter Three details the structure of the Peruzzi Company. Skillful, loyal, and well-trained managers were needed at all levels to ensure permanency. Since a super-company's cash was often tied up for long periods of time, it depended on shareholders or partners to make investments: those two terms are virtually synonymous. Often these partners served as managers of the more important branches; lower-status factors would manage the less sensitive branches. A useful map at the front locates the branches and identifies staffing. Due to the distances involved and the difficulty of communication, foreign managers required a higher degree of decision-making power. A courier system developed to speed business communications; this also proved useful to heads of state for intelligence gathering. Employees in remote locations were not immune to bribes and corruption; therefore factors were frequently rotated to avoid becoming too deeply involved in local politics.

Chapter Four is a technically complex discussion of medieval accounting systems. Hunt summarizes conflicting theories about the invention of double-entry bookkeeping and the role of the Peruzzi in this Italian development. Although the sophisticated system they used is not identical to the modern method, it did incorporate similar procedures. The surviving Peruzzi account books — hundreds of pages long — "reveal an enormous accounting undertaking" (105). This chapter makes clear the need for literate workers trained in complex calculations; it includes a brief discussion of the abacus schools and education needed for these mathematical enterprises. The chapter describes the contents of the various Peruzzi account books which were identified by the color of their bindings. As part of the overview, it also defines the various monetary values in use in medieval Florence.

Chapters Five through Nine ("Part Two") now focus on various phases of the Peruzzi Company's history. Similar to modern corporate reports, each chapter lays out in detail the achievements of the company for given periods, except these cover several years, not quarters or single years. The company's individual decisions and actions are enmeshed with local and international events. These are described in more depth than in the earlier historical overview. Thus the book offers a good historical summary from the Jubilee Year of 1300 on through to the 1340s and the Plague, all from the perspective of Florentine merchants and bankers. Again, this provides a nice historical context for the literature with which *Heliotropia's* readers will be familiar.

In "the prosperous years" of 1300 to 1324, the Peruzzi reorganized. From here on, each new company was identified by an ordinal number in the extant records: The First Company, the Second Company, and so on. The 1300 restructuring featured "a large number of outside shareholders" who brought with them "significant amounts of fresh capital" to what had been essentially "a small family business" (128). Newcomers also brought their own talent and prestige; this helped cushion the Peruzzi Company against the Black-White strife in Florence during those years. Their political connections would

help them to acquire control of mints in France, to gain access to the Neapolitan grain market (due to Florence's ties to the Duke of Calabria), and to secure an important new trading base in Rhodes (due to loans made to the Knights Hospitalers).

The Second Company lasted only two years (four shareholders died), but the Third Company (1312–24) had a solid record of achievement. After Florence granted Robert of Calabria rule over the commune, her merchants that were dealing with Naples had a stronger trading position and also became, in effect, ambassadors. The international companies with already established foreign branches were thus able to profit from various countries' needs and products. Top-grade English wool was exported to Bruges where it was finished in luxury cloth production cities of Flanders and Brabant. The courts of Naples, Paris, Avignon and London craved luxury goods, and the Peruzzi complied by importing cloth from Bruges and other luxury items from the East via Rhodes. Eventually, the Peruzzi Company got involved directly in the English wool trade, cultivating the good will of and even signing land leases with bishops who controlled wool production manors. The company's "financial services" arm served highly placed Britons and the papal curia as well. For the literary scholar, this gold mine of commercial information offers new insights into the channels by which intellectual exchange would have taken place. Europe and the Mediterranean were crisscrossed with potential lines of cultural transmission that paralleled the movement of foodstuffs, raw materials, and finished goods.

The Peruzzi Company's loss of profitability occurred gradually over ten years (1325–35) under the direction of the Fourth and Fifth Companies. Hunt cites earlier historians' opinions and corrects or updates these views as necessary in Chapter Six. This chapter is less dense with financial and corporate details, but it recounts an intricate web of local and international events — beyond the Peruzzis' control — that helped bring about their bankruptcy. The war with Castruccio Castracane, heavily subsidized by the commune of Florence using mercenary troops and paying huge sums from the hoped-for protection of the duke of Calabria, was ruinous to the economy. Super-companies absorbed war-related losses. Next, France and England fought over Aquitaine, creating unstable conditions for trade. A revolt of free peasants in Flanders put the Bruges branch in jeopardy for five years; here, the astute Donato di Pacino Peruzzi arranged a loan to Count Louis that helped him ultimately to crush the revolt. Thus wealthy merchants could actually help turn the tide of history. The Peruzzis' ties to Hugh Despenser in England hurt their fortunes when the Despensers came under attack. Furthermore, attempts to expand into new territories like Christian Spain failed. As a result of famines, new government controls on grain pricing cut profits and the florin weakened against most currencies. Finally, the brilliant though conservative chairman Tommaso Peruzzi died; his successor, Giotto di Arnolfo, lacked managerial skills and innovative ideas. Prefiguring certain greedy CEOs of our own day, Giotto had a history of borrowing from company capital to finance his own family's luxurious lifestyle, a practice he did not eliminate when times grew difficult.

The Sixth Company headed by Giotto experienced "downsizing" in its personnel. The unfavorable settlement of an old lawsuit in Paris and changes in English trade policies influenced the company to expand operations in England. Chapters Seven, Eight and Nine discuss these final years, but due to gaps in documentation, much here is essentially intelligent guesswork about what caused their bankruptcy. Since "not all branches of the family were owners of the company" and "losses were ... shared by the many nonfamily partners," the family itself was not ruined financially (240). These final chapters include de-

tailed historical background on events in Florence and Tuscany as well as descriptions of the international scene. Hunt concludes with an explanation of the economic, social, and political circumstances that permitted the emergence of super-companies in the first half of the fourteenth century. When those circumstances no longer prevailed, that particular business model was no longer appropriate and the firms failed with no similar successors appearing.

Appendices include useful genealogical charts of the family, company balances in 1335, shareholder data, exchange rate trends, and an interesting discussion entitled “Giovanni Villani: his background and reliability.” This contemporary source is often cited, but there are conflicting opinions about his accuracy. Hunt summarizes the debate, concluding that, whereas some of Villani’s data are biased, many have been proven by modern analysis. Therefore, Villani is a source that “deserve[s] to be treated with respect, albeit with caution” (271). A Bibliography and Index conclude the volume. Although the volume has been reprinted, typographical errors or missed spaces on pages 17, 19, 26, and 195 were not corrected.

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