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## **Discourse and practice of trust in business correspondence during the early modern period**

...a Factor is created by Merchant Letters<sup>1</sup>

In his influential *The Structural Transformation of the Public Sphere*, Jürgen Habermas contrasted medieval business correspondence with the public dissemination of economic news that began in the late seventeenth century, and defined the latter as more central to the development of western capitalism.<sup>2</sup> Several economic historians, as we'll see, have endorsed and substantiated this account. Such a clear cut and hierarchical opposition between 'private' and 'public' economic information and its means of dissemination, however, is fundamentally inadequate to understand commercial practices in early modern Europe. The content and sources of news relevant to merchants often overlapped with those used by diplomats, missionaries, travellers and others –and merchants themselves could simultaneously be missionaries, diplomats, adventurers, pilgrims and other figures of various sorts. In Counter Reformation Italy, for example, "Lutheran" books were often smuggled by merchants, and business letters contributed to the spread of heterodox ideas.<sup>3</sup> But even if we restrict our analysis to an economic perspective, we have to dismiss any simplistic and evolutionary depictions of the relation between business correspondence and economic

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<sup>1</sup> Gerard Malynes, *Consuetudo, vel, Lex Mercatoria, or, The Ancient Law-Merchant...* (London: Printed by Adam Islip, 1622), p. 111.

<sup>2</sup> Jürgen Habermas, *The Structural Transformation of the Public Sphere: An Inquiry into a Category of Bourgeois Society* (Cambridge, MA: The MIT Press, 1989), pp. 16-21.

<sup>3</sup> Rita Mazzei, *Itinera mercatorum: Circolazione di uomini e di merci nell'Europa centro-orientale, 1550-1650* (Pisa: Maria Pacini Farri Editore, 1999), pp. 189-190.

newspapers. By illuminating the principal functions of letters exchanged among merchants involved in long-distance trade, this essay contends that ‘private’ correspondence continued to play a fundamental role long after the appearance and diffusion of printed periodicals containing economic information. In so doing, it also throws light on the mercantile culture of early modern Europe even beyond the chronological period examined in this volume. More specifically, I will insist on the uniqueness of merchant letters when it came to circulating information about the aptitude and trustworthiness of distant agents. This argument has important empirical and theoretical implications because as European commerce expanded geographically, business organization became more complex. New formal institutions such as the chartered companies and the stock market emerged. But while individual family firms and ethnic-religious trading diasporas remained essential protagonists in many branches of commerce, they were also forced to establish durable economic relations with outsiders. Business correspondence, as I will demonstrate, was a crucial instrument in the forging and maintenance of these informal cross-cultural networks, and thus also constitutes a precious historical source we may use to study a neglected phenomenon.

### I. Business correspondence in late medieval and early modern Europe

In the fourteenth century, offering advice on how to succeed in business, an Italian merchant recommended, ‘You should not postpone tending to your correspondence. Paper is cheap, and often it brings in good profit.’ And he added, ‘One must know how to keep books and records; to write and answer letters, which is not a small thing, particularly that of knowing how to dictate letters.’<sup>4</sup> A champion of such recommendations was Francesco son of Marco Datini (ca. 1335-1410), a textile merchant-producer and banker of Prato (a town near

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<sup>4</sup> Anthony Molho, (ed.), *Social and Economic Foundations of the Italian Renaissance* (New York: John Wiley & Sons, Inc., 1969), pp. 55, 57.

Florence) whose suppliers and customers extended from Barcelona to Bruges, Lisbon, Sicily and even further. Thanks to good fortune and his own efforts we have over 126,000 original commercial letters sent to Datini from 285 different localities, and some 11,000 private letters exchanged by him and his wife, which also contain economic information.<sup>5</sup> To date, this is the largest collection of business correspondence available to historians of Europe and the Mediterranean. One, two, even three centuries later, merchants continued to devote a lot of time and care to letter writing, although not all were as zealous or as fortunate as Datini in their record-keeping efforts. Simon Ruiz of Medina del Campo received more than 50,000 letters between 1558 and 1598;<sup>6</sup> and nearly 80,000 letters were sent to the Roux of Marseilles from 1728 to 1843.<sup>7</sup> For the most part, when studying business correspondence, economic historians have privileged the medieval over the early modern period in spite of the large collections of letters that exist for the later period. This preference reflects the importance of merchant letters in the panorama of sources available to historical investigations about medieval trade. New economic institutions indeed produced voluminous new types of records starting from the sixteenth century, but these documents should not obscure the continued centrality of merchant letters in commercial practices of the time.

Practical and legal reasons account for the persistent importance of business correspondence in European trade. While merchants became more sedentary and new legal

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<sup>5</sup> Federigo Melis, *Aspetti della vita economica medievale (Studi nell'Archivio Datini di Prato)*, 2 vols (Siena: Leo S. Olschki, 1962), vol. I, pp. 13-17; Bruno Dini, 'L'archivio Datini', in Simonetta Cavaciocchi, (ed.), *L'impresa, industria, commercio, banca secc. XIII-XVIII (Atti della "Ventiduesima Settimana di Studi" dell'Istituto Internazionale di Storia economica «F. Datini», Prato, 30 aprile – 4 maggio 1990)* (Firenze: Le Monnier, 1991), pp. 45-58; Elena Cecchi, *Le lettere di Francesco Datini alla moglie Margherita (1385-1410)* (Prato: Società Pratese di Storia Patria, 1992).

<sup>6</sup> Henri Lapeyre, *Une famille de marchands: les Ruiz* (Paris: Librairie Armand Colin, 1955); Valentin Vázquez de Prada, *Lettres marchandes d'Anvers*, 4 vols (Paris: S.E.V.P.E.N., 1960).

<sup>7</sup> Ferréol Rebuffat, *Répertoire numérique des Archives*, tome II, *Fonds annexes de la Chambre* (Marseille: Imprimerie Robert, 1965), pp. 89-149. The Roux's correspondence is widely used in Charles Carrière, *Négociants marseillais au XVIIIe siècle: Contribution à l'étude des économies maritimes* (Marseilles: Institut Historique de Provence, 1973), and Charles Carrière, Michel Gutschatz, Marcel Courdurié, and René Squarzoni, *Banque et capitalisme commercial: La lettre de change au XVIIIe siècle* (Marseille: Institut Historique de Provence, 1976).

contracts (such as the *commenda*) that ensured a more efficient division of labour, risk, and profit developed in medieval Italy, letters remained the main instruments through which a merchant could exert control over his agents overseas.<sup>8</sup> As European commerce expanded, commission agency became more and more essential to the conduct of long-distance trade, and business correspondence attained greater rather than lesser significance. In his *Le parfait négociant* (first published in 1675), Jacques Savary warned against the risks of commission trade. As he put it boldly, ‘qui fait ses affaires par commission va à l’Hôpital en personne’ [those who do business via commission agency go straight to the hospital].<sup>9</sup> But the age of European travelling merchants had progressively faded, and letters became the primary tool through which webs of commercial relations were woven across space and social groups. In addition, beginning in the fourteenth century and becoming consistent after the sixteenth, merchants no longer needed to certify their papers with notaries.<sup>10</sup> Letters drafted by merchants and their employees acquired autonomous legal validity, and this recognition made merchants’ job simpler and cheaper. Meanwhile, as letters became accepted proof in court, their language necessarily became more and more formulaic: expressions of gratitude and friendship, for example, acquired contractual meanings.<sup>11</sup>

The literature known as *ars mercatoria* mirrors this process of change in both the legal and practical functions of business correspondence. Merchant manuals of the fourteenth and fifteenth centuries rarely mention letter writing, while they list different local units of

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<sup>8</sup> Frederic C. Lane, *Andrea Barbarigo, Merchant of Venice (1418-1449)* (Baltimore: The Johns Hopkins Press, 1944), pp. 97-99.

<sup>9</sup> Jacques Savary, *Le parfait négociant ou Instructon générale pour ce qui regarde le commerce des marchandises de France et des pays étrangers* 6<sup>th</sup> ed. (Lyon: Chez Jacques Lyons, 1712), Seconde Partie, Livre I, Chapitre VIII, p. 88; also quoted in Henri Hauser, ‘Le «parfait négociant» de Jacques Savary’, *Revue d’histoire économique et sociale* XIII (1925), 16.

<sup>10</sup> Maura Fortunati, *Scrittura e prova: I libri di commercio nel diritto medievale e moderno* (Roma: Fondazione Sergio Mochi Onory per la storia del diritto italiano, 1996).

<sup>11</sup> Fortunati, *Scrittura e prova*, p. 22; Carlos Petit, ‘*Mercatura y ius mercatorum*: materiales para una antropología del comerciante premoderno’, in Carlos Petit, (ed.), *Del ius mercatorum al derecho mercantil: III Seminario de Historia del Derecho Privado (Sitges, 28-30 de mayo de 1992)* (Madrid: Marcial Pons, Ediciones Jurídicas y Sociales, S.A., 1997), p. 64.

measurement, currency values and trading customs more generally.<sup>12</sup> From the late sixteenth century on, specialized letter-writing models appeared in print and commercial treaties began to devote greater attention to correspondence. The *Formulaire de missives, obligations, quittances, letters de change, d'assurances...* by Gabriel Meurier was published in Antwerp in 1558, followed in 1576 by Gérard de Vivre's *Lettres missives* and Jean Bourlier's *Lettres communes*.<sup>13</sup> A century later, such compilations had multiplied and come to include both booklets addressed to tradesmen, shopkeepers and the educated public, such as John Hill's popular *The Young Secretary's Guide: or, A Speedy Help to Learning* (first printed in London in 1680 and issued in its 26<sup>th</sup> edition in 1754), and more specialized bilingual models of business letters, such as the Italian-German edition of Matthias Kramer's *Il segretario di banco* (Nuremberg 1693). *Il negoziante* by Giovanni Domenico Peri, the principal Italian merchant manual of the seventeenth century, included sketchy instructions on how to write letters, and referred to the legal standing of business correspondence in the chapter devoted to 'contracts'.<sup>14</sup> In the most famous and widely imitated European commercial manual of the period, Savary urged all merchants to keep copies of the letters they sent so that they could submit them as evidence in court or could review what they had previously written their

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<sup>12</sup> Francesco Balducci Pegolotti, *La pratica della mercatura*, ed. by Allan Evans (Cambridge, Ma: The Mediaeval Academy of America, 1936); Franco Borlandi, *El libro di mercantie et usanze de' paesi* (Torino: S.Lattes & C. Editori, 1936); Antonia Borlandi, *Il manuale di mercatura di Saminiato de' Ricci* (Genova: Di Stefano, 1963).

<sup>13</sup> Roger Chartier, 'Secrétaires for the people? Model letters of the ancient régime: between court literature and popular chapbooks', in Roger Chartier, Alain Boureau and Cécile Dauphin, (eds.), *Correspondence: Models of Letter-Writing from the Middle Ages to the Nineteenth Century* (Princeton: Princeton University Press, 1997), p. 68. See also Jochen Hoock, Pierre Jeannin and Wolfgang Kaiser, (eds.), *Ars Mercatoria: Eine analytische Bibliographie*, 3 vols (Paderborn: Ferdinand Schöningh, 1991-2001), vol. 1.

<sup>14</sup> Giovanni Domenico Peri, *Il negoziante...* (Venetia: Appresso Gio. Giacomo Hertz, 1662 [1638]), pp. 11-14, 41.

correspondents. That way, they would be sure to keep their orders and their answers to their correspondents straight.<sup>15</sup>

While merchant manuals took notice of the importance of business letters, after the late sixteenth and more intensively after the mid seventeenth century, new periodical publications of economic information became available: first single-sheet currents (containing lists of local prices and exchanges rates), and later more voluminous almanacs and gazettes.<sup>16</sup> These printed materials have provided economic historians with invaluable information. Michel Morineau, for example, challenged accepted theses concerning the arrival of American bullion to Europe on the basis of the figures extrapolated from the Amsterdam gazettes.<sup>17</sup> It would, however, be wrong to conclude that economic periodicals supplanted business letters in the seventeenth and eighteenth centuries as the chief source of economic information. In spite of progress in postal services as well as in overland and sea shipping, before railroads, steamship and the telegraph were invented, no significant remedy existed for slow communication. In the early modern Mediterranean and Atlantic, couriers became faster and more regular, and freight costs as a norm decreased, but no revolution occurred in maritime or terrestrial transportation.<sup>18</sup> Economic newspapers thus had no

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<sup>15</sup> Savary, *Le parfait negociant*, Seconde Partie, Livre I, Chapitre IV, pp. 64-65. Similar prescriptions in Samuel Ricard, *Traité général du commerce...*, 5th ed. (Amsterdam: Aux depens de la Compagnie, 1732), pp. 531-532.

<sup>16</sup> John J. McCusker and Cora Gravesteijn, *The Beginning of Commercial and Financial Journalism: the Commodity Price Currents, Exchange Rate Currents, and Money Currents of Early Modern Europe* (Amsterdam: NEHA, 1991); John J. McCusker, 'The Italian business press in early modern europe', in Simonetta Cavaciocchi, (ed.), *Produzione e commercio della carta e del libro, secc. XIII-XVIII (Atti della "Ventitreesima Settimana di Studi" dell'Istituto Internazionale di Storia economica «F. Datini», Prato, 15-20 aprile 1991)* (Firenze: Le Monnier, 1992), pp. 797-841.

<sup>17</sup> Michel Morineau, *Incroyables gazettes et fabuleux métaux: les retours des trésors américains d'après les gazettes hollandaises (XVIe-XVIIIe siècles)* (London-New York and Paris: Cambridge University Press and Maison des Sciences de l'Homme, 1985).

<sup>18</sup> Fernand Braudel, *The Mediterranean and the Mediterranean World in the Age of Philip II*, 2 vols (New York: Harper & Row, 1972-1973), vol. I, pp. 355-274, and Id. *Civilization and Capitalism, 15th-18th Century*, 3 vols (New York: Harper & Row, 1981-1984), vol. I, pp. 415-430; Russell R. Menard, 'Transport costs and long-range trade, 1300-1800: Was there a European "transport revolution" in the early modern era?', in James D. Tracy, (ed.), *The political economy of merchant empires*, Cambridge: Cambridge University Press, 1991, pp. 228-275.

significant advantage over business letters in terms of the rapidity with which they disseminated information. The public nature of periodicals is usually supposed to have had a strong impact on market expansion and integration. In practice, though, the publication of prices, exchange, interest and stock rates had only limited effects. While a variety of small and medium investors purchased shares in the Dutch and later English East India Companies, for example, the asymmetry of information between the boards of trustees of these companies and the general public remained wide –and this asymmetry of information contributed to keep public debt the favourite speculation of most European investors.<sup>19</sup> Gazettes and other periodical publications brought remarkable innovation in marketing and both retail and whole sales. David Hancock has shown how London-based merchants took advantage of the proliferation of newspapers in the first half of the eighteenth century in order to advertise the arrival of their cargo, the auctioning of their goods, the availability of their ships, and promote their affairs more generally.<sup>20</sup> He has also documented how newspapers were perhaps more crucial than correspondence in the creation of a wide consumer market for Madeira wine in North America during the eighteenth century.<sup>21</sup>

These periodicals, however, were less than efficient when it came to informing agents about the objective as well as intangible qualities of their distant correspondents, especially when the latter were neither relatives nor coreligionists. This goal was best fulfilled by business correspondence. In addition to allowing merchants to deliver orders (purchases, sales, subscriptions of insurance policies, extensions of credit lines, and so forth) and serve as proof that such transactions had taken place, letters transferred information among

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<sup>19</sup> Jonathan Barron Baskin, ‘The development of corporate financial markets in Britain and the United States, 1600-1914: Overcoming asymmetric information’, *Business History Review* LXII/2 (1988), 199-237.

<sup>20</sup> David Hancock, *Citizens of the World: London Merchants and the Integration of the British Atlantic Community, 1735-1785* (Cambridge: Cambridge University Press, 1995), pp. 32-33.

<sup>21</sup> David Hancock, ‘“A revolution in the trade”: wine distribution and the development of the infrastructure of the Atlantic market economy, 1703-1807’, in John J. McCusker and Kenneth Morgan, (eds.), *The early modern Atlantic economy* (Cambridge: Cambridge University Press, 2000), pp. 134-142.

correspondents on a large variety of topics. Indeed, most letters simply reported facts and opinions without ordering the completion of any specific transactions.<sup>22</sup> The information transmitted via private business correspondence can be schematically grouped under three headings. Commodity prices, local units of weight and measures, insurance premia, exchange rates, descriptions of the quantity and quality of products available in specific towns or regions, and similar matters are paramount. News concerning political, military and diplomatic events also abound. Both types of information helped the letters' recipients to assess short- and medium-term market fluctuations, and thus facilitated their decision-making process. But merchant letters also contained a third type of information: about merchants themselves. This knowledge could be either direct (when, for example, the success or failure of a certain agent was communicated to correspondents) or indirect (in the sense that letter exchange was itself a form of recognition of reciprocal trust and esteem or at least tested the possibility of future collaboration). References to personal and familiar matters in business correspondence, while sporadic, nevertheless contributed to nourishing social and business ties. Any ambitious merchant considered expressing his condolences and greetings to business associates to be part of his duties, and many took up their pens in order to negotiate things as crucial for their firms as good marriages for their daughters. In addition, bills of exchange, or references to their standing, were sometimes included in ordinary business letters. This overlap was due as much to the organization of private credit at the time as to the inextricable link between individuals' economic and social credit.<sup>23</sup>

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<sup>22</sup> Pierre Jeannin, 'La diffusion de l'information', in Simonetta Cavaciocchi, (ed.), *Fiere e mercati nella integrazione delle economie europee, secc. XIII-XVIII (Atti della "Trentaduesima Settimana di Studi" dell'Istituto Internazionale di Storia economica «F. Datini», Prato, 9-12 maggio 2000)* (Firenze: Le Monnier, 2001), p. 245; Giovanni Levi, 'I commerci della Casa Daniele Bonfil e figlio con Marsiglia e Costantinopoli (1773-1794)', in Stefano Gasparri, Giovanni Levi and Pierandrea Moro, (eds.), *Venezia: Itinerari per la storia della città* (Bologna: Il Mulino, 1997), p. 225.

<sup>23</sup> This issue is explored, though less in connection to long-distance trade than in relation to local and regional economies, in Craig Muldrew, *The Economy of Obligation: The Culture of Credit and Social Relations in Early Modern England* (New York: St. Martin's Press, 1999).

Writing a friend in 1717, an English trader noted, ‘To support and maintain a man’s private credit, ‘tis absolutely necessary that the world have a fixed opinion of the honesty and integrity, as well as the ability of the person...’<sup>24</sup> To this aim, private business correspondence was definitely more adequate than public sources. Not only did it ensure the secrecy that was helpful to cope with competition and necessary in certain dealings, but more importantly, it incorporated facts and opinions about fellow businessmen that rarely found expression in printed materials. If by the early eighteenth century the bankruptcy of large merchant houses regularly appeared in a special section of most London gazettes, this information was fairly selective and standardized, and restricted to a local readership. Private correspondence was the only way that merchants could nuance, diffuse, and update information regarding the standing of smaller and distant actors. Rich in candid comments about his competitors and filled with a variety of gossip, the letters that Joshua Johnson sent from London to his associates in Maryland in the 1770s, at a time when English trade in North America was the most thriving sector of international commerce, testify to this crucial function.<sup>25</sup> Letters of introduction were thus a common and indispensable tool for a merchant willing to enter a new market or enlarge his network. Conversely, letters could point to the failures of correspondents who did not deliver their promises or performed below expectations. Moreover, the often lamented formulaic prose and repetitive content of business letters were precisely what account for their effectiveness. More than on the legal implications of merchant letters, trust built on constant reinforcement that buttered one’s reputation and the multiple cross-references that correspondence networks were able to create. A trader often repeated the same information in letters addressed to different agents as

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<sup>24</sup> A.A. Sykes, *A Letter to a friend...* (London, 1717), quoted in Peter Mathias, ‘Risk, credit and kinship in early modern enterprise’, in McCuker and Morgan, (eds.), *The Early Modern Atlantic Economy*, p. 29.

<sup>25</sup> Jacob M. Price, (ed.), *Joshua Johnson's Letterbook 1771-1774: Letters from a Merchant in London to his Partners in Maryland* (London: London Record Society, 1979).

a way of stimulating competition and generating vigilance among them. Despite the individual character of each letter, business correspondence should actually be read as a polyphonic conversation rather than a dialogue. In sum, primarily because they conveyed reputation better than any public information sources, private business letters remained a vital element in the organization of early modern long-distance trade.

## II. Economic historians and merchant letters

Merchant letters have long been a classic source for the study of European economic history. Scholars have traditionally used them to document the speed of diffusion of economic information as well as advances in business techniques, including the appearance of new forms of partnerships or financial and insurance systems.<sup>26</sup> Others have relied on business correspondence to outline what was once called ‘the merchants’ psychology’, that is, the more or less idealized and typified sociological traits of a social group. In the words of Robert Lopez and Irving Raymond, there exists ‘no better key to the psychology of the merchant’ than business correspondence.<sup>27</sup> A master of this approach, S.D. Goiten drew from merchant letters to illustrate the ‘sociological’ rather than ‘economic aspects’ of the overseas trade conducted by North African Jews in the eleventh and twelfth centuries.<sup>28</sup> And

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<sup>26</sup> Pierre Sardella, *Nouvelle et spéculations à Venise au début du XVIe siècle* (Paris: Librairie Armand Colin, 1948), pp. 56-75; Yves Renouard, ‘Information et transmission des nouvelles’, in Charles Samaran, (ed.), *L’histoire et ses methods* (Paris: Editions Gallimard, 1961), pp. 95-142; Melis, *Aspetti*, vol. I, pp. 13-17; Id., *Documenti per la storia economica dei secoli XIII-XVI* (Firenze: Leo S. Olschki, 1972), pp. 14-27, 136-229; Id., ‘Intensità e regolarità nella diffusione dell’informazione economica generale nel Mediterraneo e in Occidente alla fine del Medioevo’, in *Histoire économique du monde méditerranéen 1450-1650. Mélanges en l’honneur de Fernard Braudel* (Toulouse: Éditions Privat, 1973), pp. 389-424.

<sup>27</sup> Robert S. Lopez, Irving W. Raymond, *Medieval Trade in the Mediterranean World: Illustrative Documents Translated with Introductions and Notes* (New York: Columbia University, 1955), p. 378. See also Armando Saponi, *Le marchand italien au Moyen Age* (Paris: Librairie Armand Colin, 1952). Melis, *Aspetti*, p. 4n1, criticized Saponi’s use of Datini’s letters and account books for not addressing more skilfully their technical dimension.

<sup>28</sup> S.D. Goiten, *Letters of Medieval Jewish Traders Translated from the Arabic with Introductions and Notes* (Princeton: Princeton University Press, 1973), p. 11; Id., *A Mediterranean Society: The Jewish Communities of the Arab World as Portrayed in the Documents of the Cairo Geniza*, 6 vols (Berkeley and Los Angeles: University of California Press, 1967-1993).

particularly in the 1950s and 1960s, under the sponsorship of Fernand Braudel, various collections of merchant letters were published with little or no commentary, as if these apparently transparent primary sources would serve the purpose of a *histoire totale* of the merchants' world.<sup>29</sup>

More recently, economists and economic historians have returned to study merchant letters, this time with a focus on the role of information in pre-modern markets. They are now less preoccupied with the technicalities of its transmission than with its function in creating solidarities, enforcing contracts and minimizing opportunist behaviours. Merchant letters are thus examined first of all as the means through which an agent's ability and honesty was circulated among his correspondents. The most innovative and influential insights in this regard have come from economist Avner Greif, who in the last fifteen years has engaged in theoretical and comparative analysis of the commercial organization of medieval North African Jews. Informed by game theory, rational choice modelling and the new institutional economic history, his work examines the ways in which the exchange of information about an actor's past conduct creates mechanisms of reputation control among self-interested individuals. Departing from previous interpretations, Greif concludes that trust among the group of North African Jews that he considers arose from fear of economic loss rather than social or ethical sanctions.<sup>30</sup> Because his model emphasizes the self-enforcing devices

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<sup>29</sup> Fernand Braudel, 'Avant-propos', in Micheline Baulant-Duchaillut, (ed.), *Lettres de négociants marseillais: les frères Hermite (1570-1612)* (Paris: Librairie Armand Colin, 1953); Ugo Tucci, *Lettres d'un marchand vénitien: Andrea Berengo (1553-1556)* (Paris: S.E.V.P.E.N., 1957); José Gentil da Silva, *Marchandises et finances: Lettres de Lisbonne 1563-1578*, 3 vols (Paris: S.E.V.P.E.N., 1959); Valentín Vázquez de Prada, *Lettres marchandes*; Felipe Ruíz Martín, *Lettres marchandes échangées entre Florence et Medina del Campo* (Paris: S.E.V.P.E.N, 1965). More recent editions include Luís Lisanti, (ed.), *Negócios coloniais; uma correspondência comercial do século XVIII*, 5 vols ([Brasília]: Ministério da Fazenda, 1973); Price, *Joshua Johnson's Letterbook*; Henry Roseveare, (ed.), *Markets and Merchants of the Late Seventeenth Century: the Marescoe-David Letters, 1668-1680* (Oxford: Oxford University Press and The British Academy, 1987); David Hancock, (ed.), *The Letters of William Freeman, London merchant, 1678-1685* ([S.l.]: London Record Society, 2000).

<sup>30</sup> Avner Greif, 'Reputation and coalition in medieval trade: Evidence on the Maghribi traders', *Journal of Economic History* IL/4 (1989), 857-882; Id., 'Contract enforceability and economic institutions in early trade: the Maghribi traders' coalition', *American Economic Review* CXXXIII/3 (1992), 525-548.

enacted by the market and takes the individual as the unit of analysis, it could ideally apply to relations between merchants of different ethnic and religious origin as well. But Greif argues that these mechanisms of reciprocal monitoring and information transmission did not extend to members of other communities (something that obviously makes even a sympathetic reader suspicious of the sharp distinction Greif makes between economic and cultural sources of trust, given that business associates were also coreligionists if not relatives and shared much more than the pursuit of profit alone). In keeping with this view, business correspondence appears a traditional tool of commercial operations that limits market expansion.

Historians who have called attention to the role of information in the business organization of the past are generally more inclined than economists to acknowledge the social and collective dimensions of reputation mechanisms. But they too by and large focus on pre-established groups, whether family clans or religious and ethnic minorities. A notable case is that of the Genoese merchant-bankers who dominated Iberian finances from the early sixteenth to the mid seventeenth century.<sup>31</sup> A finer example of the potential of business correspondence as a historical source is Leos Müller's study of two family firms of wholesale traders in Stockholm, which demonstrates how intense communication of economic news and social relations had a greater impact than legal enforcement on the stability of commission trade. The activities of these Swedish merchants, however, were confined in terms of geography, commodity and actors; hence the remarkable stability in their networks, which revolved around a core of relatives in Amsterdam and a few occasional correspondents.<sup>32</sup> The exchange of economic information was also essential to the operation of numerous trading

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<sup>31</sup> Giorgio Doria, 'Conoscenza del mercato e sistema informativo: il know-how dei mercanti-finanzieri genovesi nei secoli XVI e XVII', in Aldo De Maddalena and Hermann Kellenbenz, (eds.), *La repubblica internazionale del denaro* (Bologna: Il Mulino, 1986), pp. 57-122.

<sup>32</sup> Leos Müller, *The Merchant Houses of Stockholm, c. 1640-1800: A Comparative Study of Early-Modern Entrepreneurial Behaviour* (Uppsala: Uppsala University Library, 1998).

diasporas that played an important role in disseminating skills and integrating distant markets in various regions of the globe during the early modern period, such as the Sephardic Jews in western Europe, the Mediterranean and the Americas, the Huguenots and Quakers in northern Europe and the northern Atlantic, the Armenians in Persia, parts of Europe, the Levant, India and Russia, the Indians in Central Asia, and later the Greeks in the Black Sea.

The geographical expansion of European commerce increased the need for information to travel not only across vast geographical distances, but also across ethnic, religious, cultural and political boundaries. In many of these instances, specialized groups of brokers and trading diasporas became influential because of their ability to facilitate cross-cultural trade.<sup>33</sup> Their strength derived from their internal cohesion and geographical dispersion, which gave them a competitive advantage over individual family firms. Received traditions in the social sciences and the character of most historical records have induced most scholars (whether proponents of a purely economic explanation of trust or inclined to recognize its cultural components) to look primarily at how information circulated within the boundaries of closed communities, situated either locally or globally. But precisely because of their role as cross-cultural agents, trading diasporas had to engage in sustained economic relations with outsiders. Business letters offer us a unique lens through which we can observe the workings of these economic relations.

### III. Business letters across ethnic and religious boundaries

Sephardic Jews were the most global and the most successful trading diaspora of the early modern period and exerted particular influence on international commerce between

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<sup>33</sup> Philip D. Curtin, *Cross-Cultural Trade in World History* (Cambridge: Cambridge University Press, 1984).

1650 and 1750.<sup>34</sup> Their efficacy, especially in the Dutch Atlantic economy, was such that on more than one occasion they learned of political or military news before diplomats did, and with this news were able to influence the fluctuations of the Amsterdam stock exchange.<sup>35</sup> They also continued to be dynamic actors in Mediterranean trade throughout the eighteenth century. Information among Sephardim circulated orally and via private letters. Few collections of such letters exist, perhaps none matching that of the 13,659 letters written between 16 December 1704 and 4 February 1746 by the Ergas & Silvera partnership of Leghorn (Tuscany) to both coreligionists and non-Jews in numerous ports of the Mediterranean and Europe as well as Goa, the capital of Portuguese India.<sup>36</sup> If smaller than the largest existing sets of merchant letters, this corpus is an unusual, if not unique source documenting the world of Sephardic merchants.

Leghorn was then the most thriving Mediterranean port after Marseille and the largest Sephardic settlement in Europe along with Amsterdam. Ergas & Silvera was a prominent merchant house, with a branch in Tuscany and one in Aleppo (Syria). Like many of their coreligionists in Leghorn, Ergas & Silvera's bulk of trade was with the Ottoman Empire, and specifically the import of raw cotton from the Levant. They also re-exported raw silk from southern Italy, funnelled fine silk textiles from Italy to central and northern Europe, and traded in a large variety of Mediterranean goods. Unlike the Dutch and English Sephardim who made their fortunes in the West Indies, those based in Leghorn were not directly involved in commerce with the Americas, but controlled a large share of the imports to the Italian peninsula of American goods, especially tobacco, sugar, indigo, coffee and Brazilian

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<sup>34</sup> Jonathan Israel, *Diasporas within a Diaspora: Jews, Crypto-Jews and the World Maritime Empires, 1540-1740* (Leiden-Boston-Köln: Brill, 2002).

<sup>35</sup> Israel, *Diasporas within a Diaspora*, pp. 453-454.

<sup>36</sup> Archivio di Stato, Florence (hereafter ASF), *Libri di commercio e famiglia* (hereafter LCF), 1931, 1935-1939, 1941, 1945, 1953, 1957, 1960. The classification of these records was recently updated. Here the new one is provided. For more on what follows, see also Francesca Trivellato, 'Juifs de Livourne, Italiens de Lisbonne et hindous de Goa: réseaux marchands et échanges interculturels à l'époque moderne', *Annales H,SS* LVIII/3 (2003), 581-603.

wood. The additional specialty of the Sephardim of Leghorn was the exchange of Mediterranean coral and Indian diamonds. From the 1660s, this lucrative and risky barter came increasingly under the aegis of the English East India Company, and London became the world market for rough diamonds.<sup>37</sup> The readmission of the Jews to England in 1656 spurred this trade, which in turn stimulated new waves of Sephardic migration to London. However, throughout the eighteenth century, and especially until the 1730s (when the English lifted all restrictions on diamond trade and achieved supremacy in the Indian Ocean, and when Brazilian diamond mines began to be exploited), the Sephardim of Leghorn continued to carry out the exchange of coral and diamonds relying on a Portuguese connection centred on Lisbon and Goa. Indeed, the latter remained the centre of diamond trade until 1730.<sup>38</sup>

Of the 13,659 surviving letters of Ergas & Silvera, 242 were addressed to Christian (mostly Italian) merchants in Lisbon, and 86 to Hindu merchants in Goa. They all concern the coral and diamond trade. In light of the diversity of these intermediaries and the lack of an overarching legal authority to which any parties could bring their complaints (aggravated by the ban of Jews from all Portuguese dominions), it is natural to wonder how it was possible for trust to be built across such geographical and cultural distances. The answer, I believe, lies primarily in the intense and widespread circulation of business letters among these merchants, which created and nourished mechanisms of mutual obligations and reciprocal control that worked even in the absence of formal enforcing institutions. Moreover, each merchant was not a monad but a member of a larger community (which in the case of the Sephardim had a diasporic dimension). Driven by the search for profit, individual merchants

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<sup>37</sup> Holden Furber, *Rival Empires of Trade in the Orient 1600-1800* (Minneapolis: University of Minnesota Press, 1976), pp. 133-134, 260-262; Gedalia Yogeve, *Diamonds and Coral: Anglo-Dutch Jews and Eighteenth-Century Trade* (Leicester: Leicester University Press, 1978); Søren Mentz, 'English private trade on the Coromandel coast, 1660-1690: Diamonds and country trade', *Indian Economic and Social History Review* XXXIII/2 (1996), 155-173.

<sup>38</sup> Charles R. Boxer, *The Portuguese Seaborn Empire 1415-1825* (London: Hutchinson, 1969), pp. 148-149.

also abided by collective social and normative codes of behaviour determined by their communitarian organizations. The result was not a series of occasional transactions, but the development of durable cross-cultural relations of mutual dependence in the context of complex inter-group dynamics made possible by the circulation of information about individuals' and groups' reputation. Ergas & Silvera invested in the Portuguese branch of the exchange of coral and diamonds for a period of over thirty years, between 1710 (when their first shipment of coral to Goa is recorded) and 1741 (when they regularly preferred London and Madras to their previous destinations). They opted for the Portuguese connection because they could count on merchant letters to help them create a niche in a pre-existing network of correspondents in Lisbon and Goa, who also served other Sephardim of Leghorn and their coreligionists in Amsterdam and London.

In Lisbon, Ergas & Silvera primarily relied on Genoese and Florentine merchants, who were resident there and active in the trade with the Italian peninsula. The most reliable among these correspondents were the Florentine Enea Beroardi (in partnership with Girolamo Paolo Medici, also from Florence, until 1738) and the Ravara and Cambiaso families of Genoa. In the early eighteenth century, these Italians in Lisbon no longer held the dominant position that they had occupied during the early phase of Portuguese exploration and conquest, but they were still influential, especially in the import of food staples and luxury items from the Mediterranean and the re-export of Portuguese colonial goods to various Italian states. Around 1730, an anonymous traveller to Lisbon noted that the English and the Dutch were the most privileged foreign communities in town, but that the Italians had the biggest commercial houses next to the English, and some of them alone handled a larger volume of transactions than the entire French 'nation'.<sup>39</sup>

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<sup>39</sup> *Description de la ville de Lisbonne...* (Amsterdam: chez Pierre Humbert, 1730), pp. 249-250.

Most of Ergas & Silvera's letters sent to Goa were addressed to the Camotim family (Portuguese for Kamat) who, like all their other agents, belonged to the Saraswat caste, which was the leading native elite throughout the four and a half centuries when the city was under Portuguese rule.<sup>40</sup> In the 1730s, the Camotins were probably the richest family in Goa.<sup>41</sup> And from Ergas & Silvera's correspondence we learn that they operated as a united clan, concerned for the good standing of their members and the continued delivery of new orders from Leghorn. Writing to Gopala and Fondu Camotim in January 1727, Ergas & Silvera complained to them about the lack of return cargos and letters from their relative Nillea Camotim. At the same time, they wrote Lazzaro Maria Cambiaso in Lisbon inquiring about the opinion that his 'friends', recently returned from Goa, held of this Nillea.<sup>42</sup> Ergas & Silvera's correspondence indicates that cross-checks worked to threaten negligent agents. It does not mention cases of active expulsion from the network by reputation mechanisms, although it allows us to examine the circumstances under which some names appeared and disappeared from the pool of Ergas & Silvera's agents. In his analysis of the documents concerning the medieval 'coalition' of North African Jews, Greif finds very little evidence of

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<sup>40</sup> N.K. Wagle, 'The history and social organization of the Gauda Sāraswata Brāhmanas of the west coast of India', *Journal of Indian History* XLVIII (1970), 7-25, 295-333; Frank F. Conlon, *A Caste in a Changing World: The Chitrapur Saraswat Brahmins, 1700-1935* (Berkeley-Los Angeles-London: University of California Press, 1977); M.N. Pearson, 'Banyas and Brahmins: their role in the Portuguese Indian economy', in M.N. Pearson, *Coastal Western India: Studies from the Portuguese Records* (New Delhi: Concept Publishing Company, 1981), pp. 93-115. Pearson notes that Conlon's 'Saraswat Brahmins' are a small sub-group of the Gaud Saraswat Brahmin caste-cluster; *ibid.*, pp. 111-112n5.

<sup>41</sup> Panduronga S.S. Pissurlencar, *The Portuguese and the Marathas* (Bombay: State Board for Literature and Culture, 1975), pp. 277-281. On the Kamat/Camotim family and its trading activities, see Teotonio R. de Souza, 'Mhamai house records: Indigenous sources for Indo-Portuguese historiography', in *II Seminário Internacional de História Indo-Portuguesa: Actas* (Lisboa: Instituto de Investigação Científica Tropical, 1985), pp. 933-941; *Id.*, 'French Slave-Trading in Portuguese Goa (1773-1791)', in *Id.*, (ed.), *Essays in Goan History* (New Delhi: Concept Publishing Company, 1989), pp. 119-131; Celsa Pinto, *Trade and Finance in Portuguese India. A Study of the Portuguese Country Trade, 1770-1840* (New Delhi: Concept Publishing Company, 1994), pp. 53-56; Charles J. Borges, S.J., 'Native Goan participation in the Estado da India and the inter-Asiatic Trade', in Artur Teodoro de Matos and Luís Filipe F. Reis Thomaz, (eds.), *A Carreira da Índia e as rotas dos estreitos: Actas do VIII seminário internacional de história indo-portuguesa*, Braga (Portugal): Angra do Heroísmo, 1998, pp. 672-683.

<sup>42</sup> ASF, LCF, 1939.

misconduct.<sup>43</sup> Similarly, the heterogeneous network of Sephardic, Catholic and Hindu traders in which Ergas & Silvera participated showed a remarkable level of conformity, which may testify to the success of the pressure exerted by letter-writing.

Considering the nature of the coral and diamond trade, business correspondence proved much more efficient than public sources of economic information. Leghorn was then a centre of production and dissemination of economic information. A commodity price current was first printed there in 1627 and exchange rate currents in 1663 (the latter became a regular biweekly publication by the mid-eighteenth century).<sup>44</sup> Moreover, every Monday, Wednesday and Friday, the postal service delivered local and foreign mail, from which it was possible to ascertain price variations elsewhere.<sup>45</sup> Finally, numerous manuscript *avvisi*, which included information concerning commercial activities, were sent to the Medici Grand Dukes in Florence and widely circulated.<sup>46</sup> We can presume that Ergas & Silvera made use of some of these *avvisi*, and from their papers we gather that they subscribed to various gazettes, some of which they sent to their partners in Aleppo, who eagerly awaited these publications in order to catch up on world news.<sup>47</sup> But private business correspondence was definitely their primary source of information, especially concerning the organization of their long-distance trade.

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<sup>43</sup> Greif, 'Contract enforceability', p. 528n8; Id., 'Cultural beliefs and the organization of society: A historical and theoretical reflection on collectivist and individualist societies', *Journal of Political Economy* CII/5 (1994), 924n13.

<sup>44</sup> McCusker and Gravesteijn, *The Beginning*, pp. 253-263; Elena Gremigni, *Periodici e almanacchi livornesi secoli XVII-XVIII* (Livorno: Tipografia San Benedetto, 1996).

<sup>45</sup> ASF, *Mediceo del principato* (hereafter *MP*), 2275 (letter of Giacinto del Vigna to marquis Rinuccini, 18 January 1723).

<sup>46</sup> ASF, *MP*, 2328A ('Avvisi d Livorno', 1686-1704); ASF, *MP*, 1540-1561 and 1612-1628 ('Avvisi di mare', 1664-1715); ASF, *MP*, 4277-4278 ('Avvisi da Costantinopoli e da altre località del Levante', 1543-1625); ASF, *MP*, 1605-1606 ('Avvisi di Levante, India et Barbaria', 1665-1693).

<sup>47</sup> In 1731 Ergas & Silvera purchased the gazette of Mantua for 1 piece of eight and 10 soldi; ASF, *LCF*, 1942, fols 28, 32.

Despite the continued, though sporadic practice of face-to-face forms of silent trade, including in the acquisition of diamonds in Persia,<sup>48</sup> commission agency was the dominant form of business association, and correspondence was the cement that enabled distant agents to create solid webs across distant localities and wide cultural gulfs. Linguistic comprehension was the prerequisite for communication. Most merchants were polyglot; numerous specialized dictionaries were printed in Europe as aids to mercantile activities; and commercial courts everywhere employed official translators with specific language proficiencies. In the case under examination, the Sephardim of Leghorn wrote in Italian to their agents in Lisbon and in Portuguese to their correspondents in Goa –in both cases language was corrupted in its terminology, grammar and syntax, and most personal names were translated and adapted. Language itself thus bears witness of the process of cultural negotiations and translation in which these actors were involved.

The difficulty of bringing a lawsuit to court in a port that took months to reach and the unpredictability that derived from the coexistence of various statutory and customary laws conferred even greater importance on merchant letters, which were the only effective tools to monitor the good standing of distant agents. As seen, this information travelled across local or transnational merchant communities, and thus contributed vigorously to the formation of cross-cultural trading networks. Nevertheless, the role of each community in implementing conformity among its members should not be disregarded. For a minority group such as the Sephardim, constantly susceptible to stereotypical anti-Semitic accusations of illicit speculation, for example, collective credibility was an indispensable asset. In all merchant communities more generally, peer pressure and normative sanctions concurred with rational calculation in minimizing misconduct. In other words, self-policing mechanisms enacted by

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<sup>48</sup> Jean Chardin, *Voyage de Paris à Ispahan*, 2 vols (Paris: La Découverte / Maspero, 1983), vol. II, p. 208.

each merchant family, community and diasporas were not distinct from the rational pursuit of profit. Cross-cultural networks such as the one in which Ergas & Silvera participated should thus be regarded as networks of communities, rather than as networks of individuals. Each merchant involved in the exchange of coral and diamonds via Leghorn, Lisbon and Goa was related to other members of the network by “multiplex relationships,” which were the source of potential conflict as well as additional strength.<sup>49</sup>

The interconnectedness of the Sephardic diaspora across Europe was an essential component in the stability of the cross-cultural network that included Italians and Hindus. Notarial records both in Leghorn and Amsterdam reveal that the same correspondents who served Ergas & Silvera in Lisbon and Goa also acted on behalf of several other Sephardim of Europe.<sup>50</sup> The interdependence of this diaspora was such that in 1722, upon hearing the news of the seizure of the Portuguese ship *Nossa Senhora do Cabo* off the Mascarene Islands, Ergas & Silvera initially feared that the diamonds that it carried would never be recovered and lamented to a coreligionist in Genoa the suffering this loss would cause the Sephardim both “here”, meaning in Leghorn, and in Amsterdam (‘que el Dio tenga piedad y restaure a los perdientes que bastantes ai de nostra nacion aqui y Amsterdam’).<sup>51</sup>

The reliability of this inter-continental, informal network of Sephardic, Catholic and Hindu merchants was so recognized and noteworthy that the Portuguese government entrusted it with the transfer of public funds. After it lost the Northern Provinces of its Indian territories to the Marathas (1736-1740), the crown appealed to Sephardic bankers for a loan

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<sup>49</sup> Max Gluckman, *The Judicial Process among the Barotse of Northern Rhodesia (Zambia)* (Manchester: Manchester University Press, 1955), p. 19.

<sup>50</sup> For Livorno, see ASF, *Notarile Moderno. Protocolli* (hereafter *NMP*), Agostino Frugoni, 24732, fols 15v-16r, 90v-91r, 141v-143r; 24733, fols 43v-46v; 24736, fols 4r-5r; 24737, fols 151r-152r, 162v-163v; ASF, *NMP*, Giovanni Battista Gamerra, 25265, fols 77v-78r, 46r-v; ASF, *NMP*, Filippo Gonnella, 27193, fols 1v-2r. For Amsterdam, see Gemeentelijke Archiefdienst, Amsterdam, *Not. Arch.*, 11291, fol. 34; 2943, fol. 34; 6036, fol. 58; 2943, fol. 13. In 1728, the Italians of Lisbon also served the Jews of London; Stephen H. E. Fisher, *The Portugal Trade: A Study of Anglo-Portuguese Commerce 1700-1770* (London, Methuen, 1971), pp. 55n, 57.

<sup>51</sup> ASF, *LCF*, 1938, letter to Abraham Lusena, Genoa (22 April 1722).

of about 90 million *reis* (the equivalent of 450,000 *livres tournois*) to finance its military counter-offensive. The state bonds that were issued refer to ‘the money that is borrowed from the merchants of the Portuguese Kingdom, Leghorn and Amsterdam’ (‘o dinheiro que se toma por empréstimo aos mercadores do Reyno, Leorne e Amstardão’) –an expression that clearly alludes to Portuguese New Christians and Jews. But the identity of these bankers had to be protected from the Inquisition, and the money had to be made available in Goa. Once more, it was the Italians of Lisbon and the Camotins of Goa who supplied the link to the Sephardic diaspora. In 1742 Italian merchants like Enea Beroardi, Giovanni Battista Ravara, Lazzaro and Gianandrea Cambiaso –all prominent members of the Italian community of Lisbon and among Ergas & Silvera’s correspondents– bought these state bonds and thus served as intermediaries in the repayment of sums in Lisbon.<sup>52</sup>

#### IV. Conclusion

On the basis of the records left by North African Jewish traders in the eleventh and twelfth centuries, Avrom Udovitch maintained that, “Business letters were more than just a means of communication; they served as sinews holding together the entire organic structure of medieval Islamic long-distance trade...”<sup>53</sup> The same conclusion applies to European commerce, and not just during the Middle Ages. Despite the emergence of new economic institutions (such as the chartered companies and the stock market) and the birth of so-called economic journalism, letters remained the single most important source of information for merchants involved in long-distance trade in the early modern period. This fact was intuited even by Max Weber, who never failed to stress the precocious evolution of western

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<sup>52</sup> Arquivos Nacionais / Torre do Tombo, Lisbon, *Chancelaria D. João V*, livro 18, fols 269r-270r; livro 22, fols 123r-125r; livro 22, fols 143r-144v.

<sup>53</sup> Avrom L. Udovitch, ‘Formalism and informalism in the social and economic institutions of the medieval Islamic world’, in Amin Banani and Speros Vryonis Jr., (eds.), *Individualism and Conformity in Classical Islam* (Wiesbaden: Otto Harrassowitz, 1977), p. 63.

capitalistic institutions. Evaluating the importance of public information for the development of a speculative market in Europe, Weber admitted that newspapers only began to play an important role in the diffusion of economic information in the nineteenth century, when the publication of stock prices became a rule, and concluded that “in the eighteenth century, business depended on the organized exchange of letters”.<sup>54</sup>

The centrality of business letters persisted for several reasons. The relative weakness of credit institutions, the minimal progress in transportation systems and the intrinsic limitations of printed economic newspapers made the circulation of information among private merchants a decisive tool to minimize the risks involved in agency relations (that is, the relations between a ‘principal’ and his ‘factors’ and ‘agents’). Moreover, the improvements in the legal validity of merchants’ records and the development of a customary, internationally recognized commercial law did not eliminate the perils of commission trade, especially when it was conducted outside familial circles. Correspondence was simply more efficient than printed periodicals when it came to circulating information about the aptitude and trustworthiness of private traders: and the circulation of this information was what made commission agency viable. ‘One must take good account of the types of people one deals with, or to whom one entrusts one’s good, for no man is trustworthy with money’ – proclaimed the same anonymous Italian merchant of the fourteenth century who had urged his fellows to tend with care to their correspondence.<sup>55</sup> The ability to provide and obtain information about the ability and past conduct of an agent was the best way in which merchants could take action to reduce hazards in a world where uncertainties loomed large and the means to tame uncertainties were restricted. In their letters, merchants conveyed agreements of reciprocal assistance, promises of future profits,

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<sup>54</sup> Max Weber, *General Economic History* (New Brunswick–London: Transaction Books, 1981), p. 295.

<sup>55</sup> Molho, *Social and Economic Foundations*, p. 55.

and outrage about fraud. In so doing, they wove a net of legal and practical enforcing mechanisms that could not otherwise have emerged.

If reputation was a merchant's social capital, business letters were the most viable channel through which to reinforce and spread it. Business correspondence thus served as an instrument to control flows of information that were both a strategic economic advantage and a form of social control. Both features were not necessarily confined to the limited world of family firms or even trading diasporas, and merchant letters could become the connective links between trading networks that transcended cultural barriers which are generally presumed to jeopardize 'natural' mechanisms of reciprocity and trust. As evidenced in the exchange of Mediterranean coral and Indian diamonds conducted by the Sephardim of Leghorn via Lisbon and Goa, business correspondence was the glue that kept together a network of communities who lived in distant regions and were separated by dramatic ethnic and religious divides. While the prospect of future profitable transactions helped to contain short-sighted opportunism and dishonesty, institutional coercion in many cases was feeble or altogether absent. It was the regular and wide circulation of information, enhanced by the global nature of the Sephardic diaspora, which created a set of durable and effective informal mechanisms of reputation control that allowed cooperation to develop across geographical and cultural borders.