

This paper presents the perspective of economic operators to help understanding the functioning of the credit market --on the assumption that the study of economic development cannot dispense with the analysis of the stakeholders who run the market. Based on the archives of one of Lyon's most prominent firms, the Salviati, it analyses a credit instrument that has raised little interest among historians of the early modern period: the fair deposit.

Even though deposit banking is frequently evoked to explain the reserves of great Italian and German banks active on the international fair locations of the 16<sup>th</sup> century, and probably because it appears to be an obvious and well known procedure, the fair deposit has never been the object of any advanced study. This lack of interest appears to be related to the distinction established by the historiography between local banking and international trade. Many scholars have indeed emphasized that the origins of deposit banking lie in manual exchange, i.e., the conversion of species materially present at a single location. In medieval Italian and Flemish cities, this operation was the specialty of local banks, which were not, at least never directly, involved in international trade. The historiography of deposit banks thus tends to merge with that of public credit institutions and local private banks, while the studies devoted to international firms almost never dwell on deposit banking, which is considered to be of secondary importance at the great marketplaces and among international trading networks.

Recourse to the Salviati archives renders it possible to go beyond the traditional approach of deposit banking, and to show its evolution during the course of the 16<sup>th</sup> century, in the context of the development of important exchange fairs. It shows, first of all, that the Salviati and their homologues on the Lyons marketplace do not use deposit banking to increase their own liquidity reserves but to lend and borrow money for others, playing the role of credit intermediaries. In their account books, deposits appear to be mostly bank money used to transfer credit and grant charged overdrafts. The plasticity of this credit instrument is manifest by the variations of the term and the interest rate of each operation according to the economic context and the decisions and capacities of the bankers. From the perspective of the banks that practice it, deposit banking assumes a double function: the creation of wealth, but also the maintaining and development of social capital.

Far from being restricted to the local or regional space, the credit mobilized through deposit comes mostly from international trade and finance, where it is also re-injected. The main creditors of the Salviati bank are important bankers and financiers of Jewish origin (especially the Mendes), who seek to shield their capital from the avarice of the authorities. The majority of deposits are lent to Lyons banks, which use them to buy credit on foreign marketplaces through the bill of exchange. Overdrafts granted to the Lyons banks is a primary element in the streamlined functioning of international clearance, since it ensures the final balancing of all debts among the fair banks. The second most important group of borrowers is composed of merchandise exporters located abroad. Monies advanced to them allow them to purchase new products before encashment of revenues from sales made for them in Lyons. The fair deposit thus appears to be a credit instrument at the service of international trade and banking. The advantageous position of Lyons in international trade and the secrecy of Italian firms, illustrated by the use of cover-names, encourage investments — 16<sup>th</sup> century Lyons thus being the equivalent of our modern financial havens.

An analysis of the fair deposit in Lyons through the Salviati archives thus exhibits the primary importance of this banking practice in the financing of international trade in the 16<sup>th</sup> century. Far from evidencing a preliminary stage of banking organization, study of the fair deposit documents a crucial moment in the financial history of Europe, showing the emergence of specialized bodies for rendering financial services. This evolution is the consequence of as well as the response to the growth of international trade and the stock price in the early modern age.