

The Impact of Financial Crises on the Management of Urban Fiscal Systems and Public Debt. The Case of the Duchy of Guelders, 1350-1550

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The study of public finances has received considerable attention during the last decades because of its pivotal role in European state formation. Public finances were an important instrument to extract the capital needed for the realization of political goals from the economic systems which could be effectively controlled by both local and regional power holders.¹ In this way, both taxation and public debt have been at the centre of many studies into the functioning of urban public finances in the late medieval and early modern Low Countries.² The socio-political and economic aspects of urban finances and the management of urban fiscal systems and public debt are relatively well studied, but this only holds true for the highly urbanized and economically most dominant regions within the Low Countries, *i.e.* Flanders, Brabant, and from the fourteenth century onwards the county of Holland.³ Much less is known about the socio-political backgrounds of and the interplay between the political elites, urban officials, and tax-farmers which had a role in the management of the urban fiscal systems and public debt in the smaller towns in the more ‘peripheral’ and relatively less urbanized regions in the Eastern Netherlands and the adjacent German territories.

With his recent publication *States of credit* David Stasavage has made a valuable contribution to the debate on the emergence of public credit as a decisive element in the state formation processes that took place in late medieval and early-modern Europe. In his work Stasavage emphasises the importance of geographic scale of political units and the form of political representation within polities for the access to capital markets and thus the possibility to create funded public debt in order to finance the consolidation or expansion of their relative position within political networks and regions. The foundation of this public debt was

¹ On European state formation see Charles TILLY & Gabriel ARDANT (ed.), *The formation of national states in Western Europe*, Princeton, 1975, and Charles TILLY, *Coercion, capital and European states*, Cambridge (MA)-Oxford, 1990. The study of the development of fiscal systems in the light of European state formation and the relations to the economic systems see Richard BONNEY (ed.), *Economic systems and state finance* (The Origins of the Modern State, 13th to 18th Centuries, 1), Oxford, 1995; Richard BONNEY (ed.), *The rise of the fiscal state in Europe, ca. 1200-1815*, Oxford, 1999; Simonetta CAVACIocchi (ed.), *La fiscalità nell'economia Europea secc. XIII-XVIII* (= *Fiscal systems in the European economy from the 13th to the 18th centuries*) (Fondazione Istituto Internazionale di storia economica “F. Datini”, Prato, Serie II - Atti delle “Settimane di studi” e altri convegni, 39), Florence, 2008. On the relations between public finances and public debt in the cities of pre-modern Europe see José Ignacio ANDRÉS UCENDO & Michael LIMBERGER (ed.), *Taxation and Debt in the Early Modern City*, London, 2012.

² For a recent historiographic overview see Marjolein 'T HART & Manon VAN DER HEIJDEN, “Het geld van de stad. Recente historiografische trends in het onderzoek naar stedelijke financiën in de Nederlanden”, in *Tijdschrift voor sociale en economische geschiedenis*, 3, 2006, p. 3-35. On urban public debt see Marc BOONE, Karel DAVIDS & Paul JANSSENS (ed.), *Urban government and the market for annuities in Western Europe (14th-18th centuries)* (Studies in European Urban History, 3), Turnhout, 2003; Manon VAN DER HEIJDEN, *Geldschieters van de stad. Financiële relaties tussen stad, burgers en overheden 1550-1650*, Amsterdam, 2006, and Jaco ZUIJDERDUIJN, *Medieval capital markets. Markets for renten, state formation and private investment in Holland (1300-1550)* (Global Economic History Series, 2), Leiden-Boston, 2009.

³ See for instance Marc BOONE, *Gent en de Bourgondische hertogen, ca. 1384-ca. 1453. Een sociaal-politieke studie van een staatsvormingsproces* (Verhandelingen van de Koninklijke Academie voor wetenschappen, letteren en schone kunsten van België, klasse der Letteren, 133), Brussel, 1990, and Jelle HAEMERS, *For the common good. State power and urban revolts in the reign of Mary of Burgundy (1477-1482)* (Studies in European Urban History, 17), Turnhout, 2009.

provided by the fiscal revenues originating from direct or indirect taxation. Stasavage argues that city-states with strong merchant oligarchies had the best access to credit, as opposed to more 'democratic' forms of political representation.⁴ In an earlier contribution to this debate, Wim Blockmans already pointed out the importance of scale and timing with respect to local political representative structures. In the larger Flemish cities such as Ghent or Bruges, the participation of craft guilds in town governments and thus control over public finances developed in the early stages of the fourteenth century, whereas these developments in regions with smaller urban populations such as Holland and Guelders (and in fact in the whole Holy Roman Empire) did not occur until the fifteenth century. In this way, the hypothesis can be stated tentatively that relative urban scale was a decisive element in the way socio-political structures, *i.e.* the position of urban elites, influenced the management of urban finances at large, and urban fiscal systems in particular.⁵

The degree to which urban elites were able to monopolize urban government was also determining the space left for other intermediaries to have a say in the financial policies of a town and to function in the management of the fiscal systems that were the basis of most urban finances. The concept of control rights for separate social groups within urban society over public finances, taxation, and debt management, which is directly linked to the question of representation and the organization of public finances, is an important element in this contribution. The socio-political backgrounds of and the interplay between the political elites, urban officials, tax-farmers, and various other social groups which had a role in, and specific interests relating to the management of the urban fiscal systems are thus an important topic for our knowledge of these intricate mechanisms, which are at the crossing point of the economic, social, political, and financial developments in the late-medieval urban society.⁶

This contribution aims to shed more light on this topic by addressing the question in which way and to what degree the economic and financial crises and social conflicts at the end of the fifteenth century and the early sixteenth century influenced the management of urban fiscal systems (and the closely-linked systems of public debt) of two towns in the duchy of Guelders, namely Zutphen and Arnhem. Both towns numbered between 3000 and 4000 inhabitants at the end of the fifteenth century: in comparison to the larger urban centres in the more urbanised regions in the Southern and Western Low Countries, these towns can be classified as medium-sized towns with important regional functions towards their respective hinterlands.⁷ As capitals of their quarters (Quarter of Zutphen and the Veluwe Quarter, see

⁴ David STASAVAGE, *States of credit. Size, power and the development of European polities*, Princeton, 2011.

⁵ Wim BLOCKMANS, "The impact of cities on state formation: three contrasting territories in the Low Countries, 1300-1500", in *Resistance, representation and community*, ed. Peter BLICKLE (The Origins of the Modern State, 13th to 18th Centuries, 2), Oxford, 1997, 256-271; Wim BLOCKMANS, "Representation (Since the Thirteenth Century)", in *The New Cambridge Medieval History*, vol. 7, ed. Christopher ALLMAND, Cambridge, 1997, p. 29-64.

⁶ On the theme of elite conflict and political participation of other urban social groups see Richard LACHMANN, *Capitalists in spite of themselves. Elite conflict and economic transitions in early modern Europe*, Oxford, 2000. For an up-to-date overview of the communal political culture and the idea of the 'common good' as starting point for socio-political interaction in the towns of the Low Countries: Jan DUMOLYN & Peter STABEL, "Stedelijkheid in harmonie en conflict. Gemeenschap, spanningsvelden en sociale controlemechanismen in de stad", in Ed TAVERNE et al. (ed.), *Nederland stedenland. Continuïteit en vernieuwing*, Rotterdam, 2012, p. 56-72.

⁷ On the urban network in the duchy of Guelders: Klaus FLINK & Bert THISSEN, "De Gelderse steden in de Middeleeuwen. Data en feiten, aspecten en suggesties", in *Het hertogdom Gelre. Geschiedenis, kunst en cultuur tussen Maas, Rijn en IJssel*, ed. Johannes STINNER & Karl-Heinz TEKATH, Utrecht, 2003, p. 246-263. Demographic data based on Remi VAN SCHAÏK, *Belasting, bevolking en bezit in Gelre en Zutphen (1350-1550)*, Hilversum, 1987, p. 149; for the socio-economic backgrounds and adjusted demographic data of Arnhem: Jeroen F. BENDERS & Rudolf A.A. BOSCH, "Samenleving en economie circa 1300-1550", in *Arnhem tot 1700*, ed. Frank KEVERLING BUISMAN, Utrecht, 2008, p. 156-187. For demographic data of the urban network in the Low

map 1) they had an important role in the Estates of the duchy of Guelders and the political processes, which in turn had a marked effect on their urban finances.⁸ The political and economic difficulties which troubled the duchy from the 1460's onwards did not only influence the fiscal systems of the towns itself, mainly by the creation of new taxes and the increase of the tax burden to cover the growing urban public debt. The financial crises, bankruptcies and financial reforms which occurred during the last quarter of the fifteenth and the early sixteenth century in both Arnhem and Zutphen also had an impact on the official involvement of the burghers and guilds in the management of the urban fiscal systems, following their relatively late political emancipation in the fifteenth century.⁹ As will be demonstrated below, the local elites formed closed merchant oligarchies in these smaller towns, monopolizing town government, defending its own particularistic interests through privileged autonomy and controlling the urban finances. However, the institutional changes and the responses of town governments to the financial challenges posed by the political, economic and financial realities of that crucial period differed significantly.

From the fifteenth century onwards we do not only see a growing importance of urban middle classes as tax-farmers. Burghers also increasingly gained influence on the financial and fiscal regime, both through political emancipation in guilds as well as by serving as financial officials. They also demanded more insight in the financial management, both of indirect taxation and the management of urban debt. They were given a central role in the financial reforms necessary to face the growing tension between economic stagnation and the financial demands caused by continuous warfare in the early sixteenth century. By analysing these developments the impact of these socio-political changes on the management of the urban fiscal systems can be displayed and local variations to the general processes of institutional change explained.

Urban public debt and the financial crisis of the late fifteenth century

*...hoe overmids die vede ende orlogen die over langen tijde alhier in den lande geregneert hebben gehad, zij vele groete sommen van penningen hebben moeten betalen ende verleggen, ter cause van der welken die selve stadt in vele ende diverssche schulden ende lasten gevallen es...*¹⁰

[...because of the feuds and wars that have reigned these lands for a long time, they had to pay and advance large sums of money, because of which this same town has become burdened with many debts and troubles... (translation RB)]

The concept of a financial crisis has recently been addressed by what is now known as the *New fiscal history*. The emergence of public finance, fiscal systems and the creation of public debt are at the heart of these discussions. The essential notion derived from these discussions for our analysis is that a financial crisis occurs when expenditure structurally outweighs the normal revenues from taxation and the ability to borrow money in order to meet current

Countries: W.P. BLOCKMANS et al., "Tussen crisis en welvaart: sociale veranderingen 1300-1500", in *Algemene geschiedenis der Nederlanden*, ed. D.P. BLOK et al., vol. 4, Haarlem, 1980, p. 42-86.

⁸ Aart NOORDZIJ, *Gelre. Dynastie, land en identiteit in de late middeleeuwen* (Werken Gelre, 59), Hilversum, 2009.

⁹ For Zutphen: Remi VAN SCHAÏK, "Zutphens geschiedenis: van de elfde tot het einde van de zestiende eeuw", in *Geschiedenis van Zutphen*, ed. W.Th.M. FRIJHOFF et al., Zutphen, 1989, p. 48-83. For Arnhem: BENDERS & BOSCH, "Samenleving", p. 169-170, and C.L. VERKERK, "Bestuur, rechtspraak en onderwijs in de middeleeuwen", in *Arnhem tot 1700*, p. 43-91.

¹⁰ Gelders Archief (GldA), Old Municipal Archives Arnhem (OAA) inv. n° 1142.

financial obligations.¹¹ The last quarter of the fifteenth century is generally seen as a period of structural political and economic crisis in the Low Countries.¹² This crisis also had consequences for the public finances and its management. At the end of the fifteenth century, the centralizing policies of the Burgundian-Habsburg rulers had a marked impact on the economic, financial, and fiscal position of towns and the internal urban socio-political structures throughout the Low Countries. Because within the Burgundian Low Countries each town had to pay a fixed percentage of the total tax sum of central direct taxation through a system of repartition, the increased tax burden under Charles the Bold (1467-1477) and Maximilian of Austria (1482-1515) had forced several towns to sell annuities on an unprecedented scale, because these sums were paid directly through the urban finances.¹³ Thus, central direct taxation indirectly tapped into the financial resources of the towns, which in turn lead to an ever growing pressure on the urban finances causing an increase of urban indirect taxation to cover the funded debt caused by these annuity sales. This lead to a ‘fiscal spiral’ that eventually lead to new forms of taxation and public debt on a regional level from the early sixteenth century onwards, which has been labelled by James Tracy as a ‘financial revolution’.¹⁴ By the end of the fifteenth century, several Holland, Brabantine and Flemish towns faced huge debts or even went bankrupt because of the heavy tax burden they were faced with.¹⁵

At the beginning of the sixteenth century, many towns in Guelders were also burdened with heavy debts, which could only be paid by raising the revenues from indirect taxation, financial reforms and in some cases the grant of a *moratorium* on its current debts. These debts were not directly caused by the increase of ducal direct taxation, although the growing financial needs of duke Charles of Guelders (1492-1538) in the wars to secure the independence of the duchy did indeed lead to a more frequent direct taxation in this period.¹⁶ After the conquest of Arnhem by the troops of Philips the Fair in 1505 the town government of Arnhem requested and received a moratorium of five years on the debts it had accumulated during the last quarter of the fifteenth century.¹⁷ There were several factors which contributed to the financial problems with which the Guelders towns were faced in the second half of the

¹¹ Richard BONNEY, “Introduction”, in *Economic systems* (see note 1), p. 1-18; Richard BONNEY & William Marc ORMROD, “Introduction”, in *Crises revolutions and self-sustained growth. Essays in European fiscal history, 1130-1830*, ed. William Marc ORMROD, Margaret BONNEY & Richard BONNEY, Stamford, 1999, p. 1-9.

¹² Raymond VAN UYTVEN. “Politiek en economie: de crisis der late XVe eeuw in de Nederlanden”, in *Revue Belge de Philologie et d’Histoire*, 53, 1975, p. 1097-1149.

¹³ BLOCKMANS, “The impact of cities”, p. 256-271, 287 and 297-304; for taxation systems in the Burgundian Low Countries: Wim BLOCKMANS, “Finances publiques et inégalité sociale dans les Pays-Bas aux XIVe-XVIe siècle”, in *Génèse de l’Etat moderne. Prélèvement et redistribution. Actes du colloque de Fontefraud 1984*, ed. Jean-Philippe GENET & Michel LE MENÉ, Paris, 1987, p. 77-90 and Marc BOONE, “Systèmes fiscaux dans les principautés à forte urbanisation des Pays-Bas méridionaux (Flandre, Brabant, Hainaut, Pays de Liège) au bas moyen âge (XIVe-XVIe siècle)”, in *La fiscalità*, ed. CAVACIOCCHI, p. 657-683.

¹⁴ James D. TRACY, *A financial revolution in the Habsburg Netherlands: renten and renteniers in the county of Holland* (Berkeley & London 1985).

¹⁵ For these developments in Holland: ZUIJDERDIJN, *Capital markets*, p. 161-175, and Jaco ZUIJDERDIJN, “De laatmiddeleeuwse crisis van de overheidsfinanciën en de financiële revolutie in Holland”, in *Bijdragen betreffende de Geschiedenis der Nederlanden*, 125, 2010, p. 3-24. For Brabant towns: Jord HANUS, *Tussen stad en eigen gewin. Stadsfinanciën, renteniers en kredietmarkten in ’s-Hertogenbosch (begin zestiende eeuw)* (Studies stadsgeschiedenis, 1), Amsterdam, 2007. For Flanders: Marc BOONE, *Geld en macht. De Gentse stadsfinanciën en de Bourgondische staatsvorming (1384-1453)* (Verhandelingen der Maatschappij voor geschiedenis en oudheidkunde te Gent, 15), Gent, 1990, Wouter RYCKBOSCH, *Tussen Gavere en Cadzand. De Gentse stadsfinanciën op het einde van de middeleeuwen (1460-1495)* (Verhandelingen der Maatschappij voor geschiedenis en oudheidkunde te Gent, 31), Gent, 2007, and the contribution of Jelle HAEMERS to this volume.

¹⁶ Remi VAN SCHAÏK, “Taxation, public finances and the state making process in the late middle ages: the case of the duchy of Guelders”, in *Journal of medieval history*, 19, 1993, p. 251-271; also see VAN SCHAÏK, *Belasting*, p. 246-247.

¹⁷ GldA, OAA inv. n° 1142.

fifteenth and the beginning of the sixteenth century. As the town government of Arnhem rightly noted in the quotation above, the causes for these financial problems were the increasing political problems and the continuous state of warfare that from the 1460's onwards had time and again disrupted trade, damaging the local economies and thus decimating tax revenues, while these wars in the same time caused a massive increase of public spending on military campaigns.

First, the internal political strife between duke Arnold of Egmond and his son Adolf culminated in a full-out civil war, in which both parties sought to gain control over the duchy. The internal strife between duke Arnold and his son Adolf between 1465 and 1468 was the first moment of crisis, only to be followed by three Burgundian-Habsburg (partial) occupations of the duchy of Guelders in the periods 1473-1477, 1480-1492, and 1505-1514 in the course of the struggle for independence from the Burgundian-Habsburg state complex until the final incorporation in this political union with the conquest of Guelders by emperor Charles V in 1543.¹⁸

In order to meet their military and financial obligations towards the duke, to secure their own particularistic interests and their privileged autonomy by defending the independence of the duchy at all costs, town governments in Guelders had to find ways to increase their revenues, either by increasing the tax burden or by taking refuge to lending or the creation of public funded debt and thus tapping into local and regional capital markets.¹⁹ The growing financial obligations resulting from urban public debt, which in turn was a consequence mainly of the ever increasing military expenditure during the struggle for independence from Burgundian-Habsburg rule between 1473 and 1543, forced town governments in Guelders to find ways to increase their revenues.

In Zutphen the financial policies of the town government in this period mainly rested on the continuous and by times unprecedented sale of annuities, which led to the total collapse of the urban finances in 1493. The increasing financial problems of Zutphen lay in the fact that by the end of the fifteenth century the fiscal revenues and the revenues from the urban domain could hardly cover the growing expenditure that resulted from the ever increasing public debt. As we shall see below, the economic stagnation in the second half of the fifteenth century seriously affected the profitability of the urban fiscal systems, and fiscal policies in Zutphen were more restricted. As a consequence, by 1491 the public debt of Zutphen reached its zenith, amounting to more than 12.000 lb. or more than 80 % of the yearly urban revenues.²⁰ The active involvement of the burghers in the redemption of these debts was pivotal, but this process was slow, which can be deduced from the fact that interest payments remained an important share of the total urban expenditure until well into the sixteenth century, although the sale of new annuities to cover the regular expenditure of the town treasurer was halted from 1497 onwards.²¹ Debt registers and active controlling of the town

¹⁸ A comprehensive overview by Wilhelm JANSSEN, "De geschiedenis van Gelre tot het Tractaat van Venlo in 1543 - een overzicht", in *Hertogdom Gelre* (see note 7), p. 18-32; also see W. Jappe ALBERTS, *Geschiedenis van Gelderland tot 1492. Van heerlijkheid tot landsheerlijkheid. Overzicht van de geschiedenis van Midden- en Noord-Limburg en Gelderland in de middeleeuwen*, Zutphen, 1978, p. 127-139, P.J. MEIJ, "Gelderland van 1492-1543", in *Geschiedenis van Gelderland, 1492-1795*, ed. J.J. POELHEKKE et al., Zutphen, 1975, p. 13-78, and Aart NOORDZIJ, "Against Burgundy. The appeal of Germany in the duchy of Guelders", in *Networks, regions and nations. Shaping identities in the Low Countries 1300-1650*, ed. Robert STEIN & Judith POLLMANN (Studies in Medieval and Reformation Traditions, 149), Leiden-Boston, 2010, p. 111-129.

¹⁹ For the development of the relations between the dukes, nobility and towns, the growing role of the representative institutions and the emergence of political networks of (urban) interest groups in Guelders: NOORDZIJ, *Gelre*, p. 164-232.

²⁰ For the development of this public debt: Remi VAN SCHAÏK, "The sale of annuities and financial politics in a town in the eastern Netherlands: Zutphen 1400-1600", in *Urban public debts*, p. 109-126.

²¹ VAN SCHAÏK, "Annuities", p. 121-125 rightfully states that from 1497 onwards, no revenue from annuity sales appear in the main town accounts. It has to be noted though, that several annuities were still sold during the

accounts were the main accounting methods that could be used by the burghers to sort the financial chaos, but these processes took time: some accounts from the beginning of the sixteenth century were not closed until 1526, and an overview from the accumulation of public debt over the years 1402-1502 was not drawn up until 1535.²²

This financial policy of annuity sales in Zutphen had a long tradition: already in 1330 the town sold its first annuity, and throughout the fourteenth and fifteenth century the use of funded public debt remained the dominant source of additional revenue to cover extraordinary expenses.²³ It may be argued that in the case of Zutphen the economic position of the town in long-distance trade and its function as regional market centre in the fourteenth and fifteenth century created the creditworthiness for the merchant oligarchy to gain access to the capital market. While its local economy provided a solid base for fiscal revenue collection to fund this public debt, the security of a relatively stable income from short-term leasing of the extensive urban landed property in the surrounding countryside formed another important factor for the relatively strong creditworthiness of the town until the end of the fifteenth century. In this respect the case of Zutphen seems to underline the findings of Stasavage that closed urban merchant oligarchies had better access to credit and capital markets.²⁴

Initially, this public debt was funded by the revenues of the *gruit* (a herb mixture essential for the production of beer until the beginning of the fifteenth century, when hops were introduced to add more flavour to and increase the durability of the beer). These revenues were managed by a town official (the *gruitmeester*) who was always a member from the town government and hence a member of the ruling urban elites. But from 1381 onwards the revenues from the large urban domains and the greater part of the fiscal revenues had to be added to the sources of income for the newly installed treasurer who was responsible for the payment of the *renten*, the *onderrentmeester*, in order to fulfil its financial obligations towards its debtors. He received the revenues of the urban excise taxes on wine, beer and bread and large parts of the urban domain to pay the annual *renten*. Already by the end of the fourteenth century the burden of urban funded debt amounted between 40 and 50 % of the total urban revenues.²⁵ In Zutphen, the intensification of the use of funded public debt created a specialization in the management of the urban finances already at the end of the fourteenth century by splitting the office of treasurer in two separate offices, each separate treasure responsible for a specific part of the total urban financial management.

The creditworthiness derived from this system seems to have survived until the end of the fifteenth century, despite the economic stagnation which can be discerned from the overall decline of fiscal revenues from the 1460's onwards.²⁶ In this sense a strong path-dependency of the financial policy can be observed here, despite the growing tension between fiscal revenues (needed for the repayment of debts) and the urban public debt. Also, the town government in Zutphen used the sale of new annuities as an instrument to redeem its current debts, as was the case between 1416 and 1421.²⁷ When these policies caused the final collapse

sixteenth century, as can be deduced from the numerous *rentebrieven* in the town archives of Zutphen. Revenues from these sales were most likely used to pay off debts that had accumulated in earlier years. These sums were probably paid directly to the creditors, thus leaving no trace in the main financial accounts.

²² VAN SCHAÏK, "Annuities", p. 123; for the debt register see Regional Archives Zutphen (RAZ), Old Municipal Archives Zutphen (OAZ), inv. n° 1332.

²³ VAN SCHAÏK, "Annuities", p. 114, 116-121.

²⁴ STASAVAGE, *States of credit*, p. 25-38.

²⁵ VAN SCHAÏK, "Annuities", p. 116, and Jeroen F. BENDERS, "Het ontstaan van een stedelijk boekhoudkundig systeem te Zutphen in de veertiende eeuw", in *Bijdragen en Mededelingen Gelre*, 96, 2005, p. 71-112.

²⁶ For the economic development in Zutphen: Willem KUPPERS & Remi VAN SCHAÏK, "Levensstandaard en stedelijke economie te Zutphen in de vijftiende en zestiende eeuw", in *Bijdragen en Mededelingen Gelre*, 72, 1981, p. 1-45.

²⁷ R. WARTENA (ed.), *De stadsrekeningen van Zutphen 1364-1445/46*, Zutphen, 1977, p. 243, 302-306; cf. VAN SCHAÏK, "Annuities", p. 116.

of the urban finances in the 1490's, it is not surprising that the anger of the middle classes in Zutphen was mainly directed towards the ruinous annuity sales which had characterized the policy of the old patriciate. The griefs and demands that were formulated by the burghers in 1493 were mainly directed towards the financial policies of the oligarchic town magistrate. By claiming direct involvement in the decision-making process regarding some aspects of the urban finances the burghers of Zutphen tried to voice their opinion on how the financial position of the town could best be improved.²⁸ This was also in their own interest: continuous defaults on debts by the town government caused serious problems for trade, because foreign debtors had the right to seize the property of all Zutphen citizens as a compensation for their losses.

In Arnhem the creation of public funded debt occurred later than in Zutphen. The first annuity sale dates back to 1378, when the town government needed money to repay the debts which had accumulated during the internal strife between duke Willem of Jülich and Mechteld of Guelders between 1372 and 1377.²⁹ But also after this date the town government of Arnhem used the financial instrument of annuity sales with restraint. Instead, a more hybrid system of annuity sales, the creation of floating debt (short-term loans with wealthy burghers or town treasurers) and until the beginning of the fifteenth century also direct taxation were used in order to create additional resources to cover extraordinary expenses.³⁰ Only from the 1450's onwards the government of Arnhem used the instrument of annuity sales more often in times of acute liquidity problems, but never on the same scale as Zutphen did in the same period. Annuity sales of Arnhem were concentrated mainly on the capital markets in the German Lower Rhine region: private investors, mainly from Cologne, and several institutions in Cologne, Neuss and even as far afield as Bonn bought several Arnhem annuities.³¹ When Arnhem encountered a series of financial problems after 1478, the default on debt payments resulted in reprisals and confiscation of trade goods, causing further economic decline. But because in Zutphen the sale of annuities had a longer tradition and was used more often, the relative impact of urban funded debt on the financial crisis in Arnhem, although considerable, was much less severe and structural than in Zutphen, as will be shown below. In Arnhem, floating debts with its treasurers remained more important, and the magistrate made more active use of its fiscal system in order to increase its revenues than the town government of Zutphen did. By doing so, the town government of Arnhem could minimize the paralyzing effects of funded debt on urban finances, which made recovery from the fiscal crisis in the early sixteenth century easier than in Zutphen, where debt payments and financial deficits remained a major concern throughout the first half sixteenth century.

If we were to cast these differences into the abstract models that are formulated in the modern historiography concerning public debt, which help to describe the nature and structure of urban public debt throughout Western Europe, the town government of Zutphen applied the 'Northern European model' of public debt, in which the sale of annuities backed by indirect taxes was used from an early date. In contrast, Arnhem mainly relied on fiscal policies and a

²⁸ J. GIMBERG, "Eene overeenkomst van 1493 tusschen den raad en de burgers van Zutphen", in *Bijdragen en Mededelingen Gelre*, 5, 1902, p. 370-371.

²⁹ These annuity sales amounted to 1200 lb., more than 100 % of the urban revenues in the previous accounting year; W. Jappe ALBERTS (ed.), *De stadsrekeningen van Arnhem (1353-1432)* (StRA), vol. 5, Arnhem, 1985, p. 3 and 13.

³⁰ Rudolf A.A. BOSCH, "De zaak Hendrik Haeck. Een case-study naar de politieke, sociale en financieel-economische aspecten van kredietrelaties tussen het hertogdom Gelre en het Duitse Nederrijnggebied, 1450-1550", in *Stedelijk verleden in veelvoud. Opstellen over laatmiddeleeuwse stadsgeschiedenis in de Nederlanden voor Dick de Boer*, ed. Hanno BRAND, Jeroen F. BENDERS & Renée NIP, Hilversum, 2011, p. 89-104. This system is also documented for the small town of Geldern; see Willem KUPPERS, *Die Stadtrechnungen von Geldern 1386-1423. Einführung, Textausgabe, Register* (Geldrisches Archiv, 2), Geldern, 1993, p. 101-105.

³¹ BOSCH, "De zaak", p. 95.

hybrid form of (forced) loans, floating debt and the sale of annuities, which would be more in line with the ‘Southern European model’ of urban debt.³² With this in mind, we can already question the use of such bipolar geographic models: the proximity of these towns, with quite different systems of public finance and public debt, shows that economic scale and even more so local traditions and institutional path-dependency were more important than geography.³³ Town governments had a limited number of options to solve financial difficulties and, given the circumstances, chose for those solutions that best fitted the prevailing political and economic preconditions. This is further confirmed by the fact that Nijmegen, the largest trading centre in the duchy situated on the river Waal not far from Arnhem, also spent around 50 % of its annual revenues on debt payments in the beginning of the fifteenth century. In contrast with Zutphen we can point at Deventer (near Zutphen), the largest market centre in the IJssel region, which did not create public funded debt at all during the early fifteenth century, but instead relied on (forced) loans and direct taxation in order to finance extraordinary expenses.

The Urban Fiscal Systems in the Duchy of Guelders

The development of urban economic centres in the duchy of Guelders occurred from the twelfth century onwards, and was mainly based on the economic spin-off from river trade, making this region a transit zone between the Lower Rhine area and its most important metropolis Cologne and other important economic regions like Flanders, Brabant, Holland, England and the Baltic. But in contrast with the urban networks in Flanders and Brabant, the towns that developed along the rivers Rhine, Waal, Meuse and IJssel were smaller in both demographic terms as well as the relative scale of their local economies.³⁴ In this way, the fiscal systems in Guelders had a much smaller economic base in comparison to the urban centres in Flanders, Brabant and Holland. This aspect will be discussed below.

In their recent publication on early-modern urban finances in Europe Ucendo and Limberger presuppose the existence of a uniform fiscal model in most European towns, which was mainly based on the indirect taxation. These taxes were predominantly levied on the production, consumption and sometimes also the transportation of basic commodities such as beer, wine, wheat, bread and meat. By using this regressive system of taxation, town governments were able to transfer a relatively large share of the fiscal burden onto the shoulders of the lower and middle classes of the urban populations, thus avoiding the use of direct taxation, which was mainly based on wealth rather than basic consumer goods.³⁵

³² For these different forms of public credit see STASAVAGE, *States of credit*, p. 29-38. This duality is also observed in James D. TRACY, “On the dual origins of long-term urban debt in medieval Europe”, in *Urban public debts*, p. 13-24, and BOONE, DAVIDS & JANSSENS, “Urban public debts”, *Ibidem*, p. 4-5.

³³ The growing role of the concept of institutional path-dependency in modern historiography concerning financial and economic history is mainly based on Avner GREIF, *Institutions and the path to the modern economy. Lessons from medieval trade*, Cambridge, 2006. For this aspect of path-dependency in urban public finances in the Low Countries see Marjolein 'T HART & Michael LIMBERGER, “Staatsmacht en stedelijke autonomie. Het geld van Antwerpen en Amsterdam (1500-1700)”, in *Tijdschrift voor sociale en economische geschiedenis*, 3, 2006, p. 36-72.

³⁴ On the role of river trade for the economic position of towns in the duchy of Guelders: Job WESTSTRATE, *In het kielzog van moderne markten. Handel en scheepvaart op de Rijn, Waal en IJssel, ca. 1360-1560*, Hilversum, 2008. For an overview of urban development in the Netherlands: Reinoud RUTTE & Hildo VAN ENGEN (ed.), *Stadswording in de Nederlanden. Op zoek naar overzicht*, Hilversum, 2005; Bas VAN BAVEL, *Manors and markets. Economy and society in the Low Countries, 500-1600*, Oxford, 2010, p. 278-291.

³⁵ UCENDO & LIMBERGER, *Taxation*, p. 2; for the impact of these fiscal policies on social inequality: BLOCKMANS, “Finances publiques”, p. 77-79 and 89.

As in most towns in the late medieval Low Countries the urban finances of most towns in the duchy of Guelders were dominated by the levying of indirect taxes or excise taxes, the so-called *assizen*.³⁶ It must be noted, however, that on a more regional or supra-local level there was no uniformity in these fiscal systems: there was a clear differentiation in both size and structure of these systems, mainly caused by differences in the local economies (and thus different financial bases), institutional arrangements and traditions, socio-political structures and the relative degree of privileged political and financial autonomy. In this way local financial policies were also strongly related to local traditions and were *eo ipso* strongly determined by institutional path-dependency.

In Arnhem the development of the fiscal system can be traced back to 1315, when count Reginald (in Dutch Reinoud or Reinald) I (1271-1326) granted the town government the right to levy excise taxes in the following ten years, in return for the financial aid the town had given to the count in paying of his debts.³⁷ In 1325 and 1328 this right was prolonged, and at least from 1345 onwards the documents concerning these privileges show that these excise taxes were at least levied on the two most commonly taxed commodities, namely wine and beer.³⁸ In 1355 the town government received even further fiscal privileges when it was given the right to levy indirect taxes to its own discretion, in the manner and to the extent which in the eyes of the town government seemed most profitable for the urban revenues. In the following year no less than eight new taxes were introduced, taxing a wide array of commodities including meat, fish, butter, leather and cloth and raising the fiscal burden in the first year by 117%! Under pressure of social unrest these new taxes were abolished the next year, but from 1362 onwards they were once and for all added to the fiscal system.³⁹

It must be noted however that throughout the fifteenth and sixteenth centuries these so-called 'small excises' produced much lower yields than those excises which taxed the production, sale, and consumption of both wine and beer. By the end of the fifteenth century, in the town of Arnhem the fiscal system was constituted by no less than fifteen excise taxes, providing between 65 and 80% of the total urban financial resources. Of these taxes, those on wine and beer were the most prominent, providing 31 and 57% respectively on average during the period 1400-1550, rendering the other taxes less important.⁴⁰ In this respect, the fiscal systems of other smaller towns such as Grave and Geldern are equally extensive, although its revenues were proportionally lower because of the smaller economic base in these towns. This contrasts highly with the much less extensive fiscal systems of most towns in the Quarter of Zutphen, like in Zutphen itself but also in Doesburg and Doetinchem. In these towns, large urban domains consisting of lands, mills and tolls were much more important, thereby lowering the share of indirect taxation in total urban revenues to 40%. In Zutphen and Doesburg at the end of the fifteenth century no more than five separate excise taxes were levied. This does not mean, however, that in Zutphen the real revenues from indirect taxation based on this lower number of separate taxes were lower than in Arnhem. On

³⁶ For the importance of indirect taxation for urban finances in the Low Countries: Marc BOONE, "Systèmes fiscaux" (see note 1), p. 664; T HART & LIMBERGER, "Stedelijke autonomie"; BLOCKMANS, "Finances publiques".

³⁷ For the development of these financial ties between counts and towns in Guelders: BOSCH, "Politieke, sociale en financieel-economische aspecten", p. 90-93; the same processes can be observed in Holland; cf. ZUIJDERDIJN, *Capital markets*, p. 80-100.

³⁸ For this development: Rudolf A.A. BOSCH, "'Van den assisen van den biere'. Brouwnijverheid, bierconsumptie en de stedelijke financiën in Arnhem, 1300-1550", in *Bijdragen en Mededelingen Gelre*, 100, 2009, p. 87-128 and W. Jappe ALBERTS, "Bijdrage tot de geschiedenis der accijnzen te Arnhem in de middeleeuwen", in *Tijdschrift voor Geschiedenis*, 64, 1951, p. 333-348.

³⁹ Leontien DE LEEUW, "De vroegste stadsrekeningen van Arnhem (1353-1417). Een bronnenkritische beschouwing, op basis van de stedelijke inkomsten", in *Bijdragen en Mededelingen Gelre*, 74, 1983, p. 50-72.

⁴⁰ For the development of the revenues of the beer excises: BOSCH, "Brouwnijverheid".

the contrary: due to a larger economic base the few excise taxes on wine, beer and bread levied in this town actually generated more fiscal income than the more extensive fiscal system in Arnhem.

In general it can be stated that many town governments were very reluctant to increase the fiscal burden of indirect taxation, either by increasing the tariffs or by adding new taxes to the fiscal spectrum, because of the fear for social unrest.⁴¹ Nonetheless the town government of Arnhem used its fiscal system more actively to increase its revenues than their colleagues in Zutphen, especially since the second half of the fifteenth century. This can also be deduced from the relative tax burden per capita, which was already quite high in Arnhem at the end of the fifteenth century (0,86 golden *écus*) as compared to the fiscal burden in Zutphen (0,44 golden *écus*), which clearly indicates the reluctance of the town government in Zutphen to increase the fiscal burden during this turbulent period.⁴² Given the severe economic, political and financial problems in the duchy in the final years of the fifteenth century it can clearly be shown that Arnhem opted for heavier taxation as the main solution, whereas Zutphen chose to cover their growing expenditure by selling annuities, thus trying to avoid the necessity of increasing the tax burden. The fiscal policy of Arnhem was largely aimed at the taxation of wine and beer, mainly because alterations in fiscal policy in these economic spheres yielded the highest returns and thus formed the easiest way to raise fiscal revenues. After 1450 the tariffs of the small excises seem to be left unchanged, and revenue patterns of these excise taxes followed the general cyclical movement of the local economy.

The relatively active use of fiscal policy and the importance of financial autonomy of the town government in Arnhem can be seen in 1431 for instance, when the magistrate decided to raise the tariff of the wine excise in order to pay for the debts which were caused by the annuity sales and the accumulated floating debts the town owed the town treasurer. These funds in turn had financed the town's involvement in the military conflict between Guelders and Utrecht during the 1420's, which had raged in the border region of the Veluwe Quarter, which was Arnhem's direct political and economic hinterland.⁴³ This conflict did not only have a negative influence on the profitability of urban excise taxes, but also increased the expenses. In order to defend the town and its surrounding countryside from marauding mercenaries, the town government of Arnhem had to sell life annuities in order to pay for its military expenses, particularly in 1428 and 1429. By 1431 it had also created a floating debt of over 1400 Rhenish guilders with its town clerks, who by then already had acquired an important role in the management of urban finances, as will be discussed below. In this particular case, the magistrate explicitly stated that it had the right to alter these excise tariffs

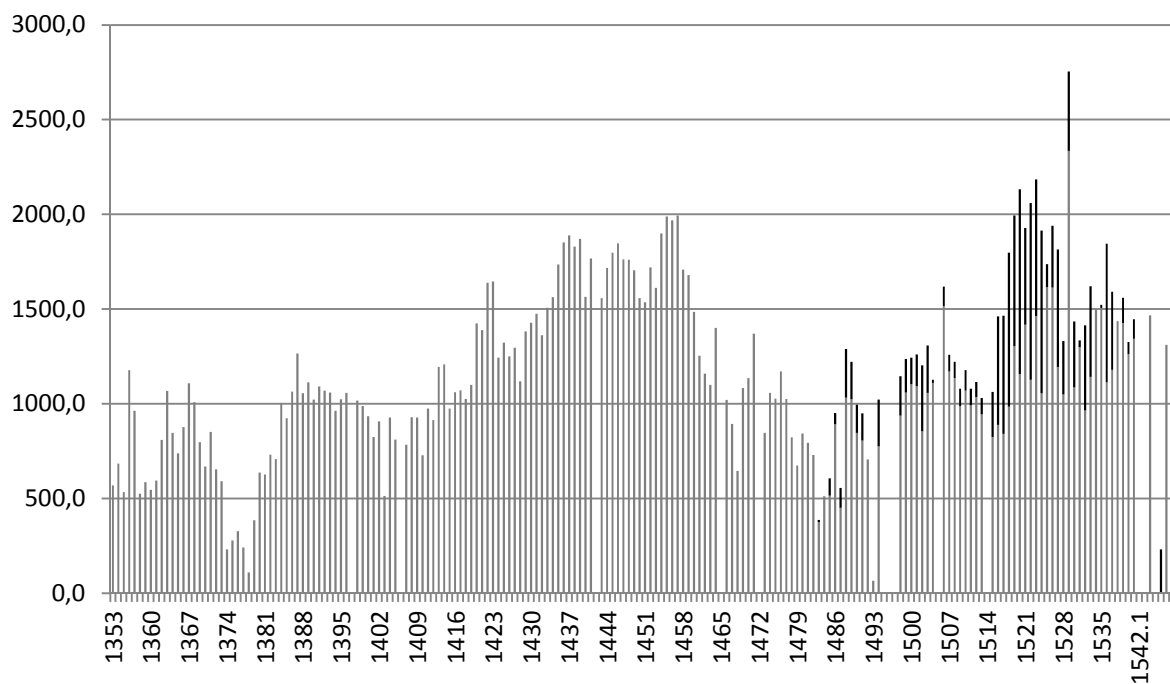
⁴¹ H.-J. GILOMEN, "Anleihen und Steuern in der Finanzwirtschaft spätmittelalterlicher Städte, Optionen bei drohendem Dissens", in *Staatsfinanzierung und Sozialkonflikte (14.-20. Jahrhundert)*, ed. S. GUEX, Martin KÖRNER & J. TANNER (Schweizerischen Gesellschaft für Wirtschafts- und Sozialgeschichte, 12), Zürich, 2004, p. 137-158.

⁴² These figures are based on the population data provided by Van Schaik, *Belasting*, p. 149 (for Zutphen) and Benders & Bosch, "Samenleving", p. 159 (for Arnhem) and the average fiscal revenues of both towns during the last decennium of the fifteenth century. For Zutphen, the average total tax revenues amounted 1403 old *écus*, which were brought up by a population of roughly 3200 souls averagely. In Arnhem, the total revenues from indirect taxation amounted to 2508 old *écus*, which were coughed up by 2900 inhabitants. Of course it remains the question to what extent strangers were burdened with excise taxes, but they most certainly were not exempt from local taxation.

⁴³ For the emergence of Arnhem and Zutphen as capitals of their respective quarters and their dominant political role in the Estates *vis-a-vis* the surrounding countryside (including the smaller towns) see W.Jappe ALBERTS, *De staten van Gelre en Zutphen tot 1459*, Groningen-Djakarta, 1950; J.A.E. KUYSS, "De landsheerlijkheid van Gelre en Zutphen tot 1423", in *Algemene geschiedenis der Nederlanden*, ed. D.P. BLOK, vol. 2, Haarlem, 1982, p. 324-345; JANSSEN, "Geschiedenis" (see note 17). For the function of Arnhem as economic regional centre for the Veluwe: BENDERS & BOSCH, "Samenleving", p. 168-180.

at will without consent of ‘common people’, thus firmly confirming its financial autonomy.⁴⁴ This clearly shows that until the middle of the fifteenth century the role of the middle classes in urban financial policy making and fiscal management in Arnhem remained virtually non-existent.

This situation changed in the second half of the fifteenth century, mainly because of the introduction of new taxes on wine and beer over which the burghers gained control rights. The first attempts of urban middle classes to gain influence in town government and the urban finances through the formation of craft guilds failed in 1406. In that year some 22 burghers were temporarily stripped of their rights because they had tried to oppose the town government by forming a guild without the consent of the town government and the duke. Whether or not these attempts are linked to financial problems or the desire to have more insight in the urban finances remains unclear.⁴⁵ After that date the first signs of active involvement of burghers in the financial affairs of the town only appear in 1483, when four burghers were assigned to reorganize the urban finances and to redeem the debts with the revenues of designated sources of income (the beer excise, the *opgelden* and the income from the urban domain). From that moment on we see a steady increase of involvement of burghers in the financial policy, mainly by functioning as members of commissions to reform urban finances and to redeem urban debt through the management of indirect taxes or temporal taxes (the *opgelden*). This involvement institutionalized in 1487, when archduke Maximilian of Austria granted the craft guilds in Arnhem the right to organize themselves politically in six guilds. From this year onwards the six guild masters were incorporated in the town government, thus creating an entrance for the middle classes to town government and financial policy making.⁴⁶



Graph 1: Revenues (in golden écus) from indirect taxes (excise taxes) in Arnhem, 1353-1550. Revenues from new taxes (*opgelden*) between 1485 and 1550 are displayed in black.

⁴⁴StRA, vol. 5, p. 31.

⁴⁵GldA, OAA inv. n° 3668.

⁴⁶C.L. VERKERK, *Coullissen van de macht. Een sociaal-institutionele studie betreffende de samenstelling van het bestuur van Arnhem in de middeleeuwen en een bijdrage tot de studie van stedelijke elitevorming* (Werken Gelre, 42), Hilversum, 1992, p. 364-376; also see BENDERS & BOSCH, “Samenleving”, p. 169-170.

Until 1450, clear signs of an active fiscal policy of the urban oligarchy by introducing new excise taxes or altering tariffs remain scarce, but after 1450 fiscal revenues started to decrease drastically (see graph 1), making it necessary from the 1470's onwards to introduce new taxes, so-called *opgelden*, to increase the fiscal revenues in order to pay off debts. Between 1474 and 1478 the fiscal revenues from beer production were augmented by introducing an additional tax, the so-called *groitken- and oirtkengeld*.⁴⁷ Despite these new taxes the financial problems of Arnhem were far from over. In the previous years, military expenses had risen exponentially while at the same time the town government was forced to default on their debt obligations because of a dramatic slump in the returns of indirect taxation. As we have said above, the urban debt of Arnhem had increased because of numerous annuity sales on the urban capital markets of the German Lower Rhine region since the 1450's. Therefore, in 1485 the town received permission from Maximilian I to double the tariffs of the brewing excise in order to pay off his debts and to continue the financial reforms that had started two years earlier, the effects of which are clearly visible in the increasing revenues from the ordinary taxes after this year (graph 1).⁴⁸ Again in 1490-1494 the revenues from these taxes were handed to a reform committee of three burghers, who had to redeem the urban debt. Between 1515 and 1524 the town government levied an extra excise tax on the milling of grain (*maelzjisse*), while the *opgelden* on wine and beer were levied between 1518 and 1537, which were also controlled by burghers and provided a marked increase of the total fiscal revenues, as can be deduced from graph 1. These new taxes increased the revenues from indirect taxation with 40 % on average, which enabled the town government to redeem its debts and invest in the restoration and expansion of its town defences.

In this way, the installation of new taxes and the rise of urban fiscal revenues led to an increasing role of the burghers in the management of these new fiscal revenues and granting them control rights over the way these fiscal revenues were used to redeem debt and to reform the urban finances.⁴⁹ But despite increased control rights for the urban middle classes through successful political emancipation within newly instituted guild structures, these fiscal policies could still spark social unrest. Unlike the beginning of the fifteenth century, when the town governments in both Arnhem and Zutphen managed to suppress riots in 1406 and 1437 respectively, at the end of the century it had to adjust its fiscal policy more than once. In 1491 the *opgelden* on wine consumption and beer production in Arnhem had to be abolished because of riots, which were clearly connected to the ever increasing tax burden (both from ducal direct taxation as urban indirect taxation).⁵⁰ And when in 1530 the town government of Arnhem installed a new tax on the milling of grain to finance the rearrangement of the Lower Rhine river along the town walls in 1531, it had to be abolished again because the negative effects it had on the local economy, most notably on the financial position of the poor.⁵¹ Instead, the *opgelden* or *onraetspenningen* on wine and beer were once again raised.

In Zutphen, the fiscal policy of the town government was much less active: it mainly kept relying on the four basic excise taxes, namely those on wine, two on beer (taxes on both the production and consumption of beer) and a bread excise, until well into the sixteenth century. Only in the period between 1492 and 1498 we see substantial extra revenues being

⁴⁷ GldA, OAA inv.n° 1250 (urban accounts Arnhem). The revenues of these taxes enabled Arnhem to pay its share in the taxes, the so-called 'compositiepenningen', which had to be payed to the Burgundian duke Charles the Bold after his conquest of the duchy of Guelders in 1473. The temporary loss of its financial autonomy and the temporary changes in the financial relations between towns and central power is briefly summarized by Wybe J. ALBERTS, "De eerste Bourgondische besetting van Gelre (1473-1477)", in W.Jappe ALBERTS & F. KETNER (ed.), *Nederrijnse studiën, XIII^e-XV^e eeuw*, Groningen-Djakarta 1954, p. 49-82.

⁴⁸ BOSCH, "Brouwnijverheid", p. 95-104; GldA, OAA inv.n° 1864.

⁴⁹ On the importance of these 'control rights' for political participation: STASAVAGE, *States of credit*, p. 7.

⁵⁰ GldA, OAA inv.n° 1252.

⁵¹ GldA, OAA inv.n° 1864, fol. 1r°.

raised by some additional taxes, mainly on wine consumption and the beer imports, which was consented by the burghers in 1493.⁵² These revenues were designated to cover the huge burden of the annuity payments of the *onderrentmeester* which, as we have already shown, had reached its climax in that same year. The extra taxes that were levied between 1474 and 1477 by a special permit of duke Charles the Bold after the Burgundian conquest of the duchy of Guelders in 1473 had little impact on the urban finances itself.⁵³ They were mainly designated to pay the huge war taxes, which were imposed by the Burgundian duke to punish the duchy for the resistance against him during his campaign.⁵⁴ Only after the burghers gained control over the management of urban finances in 1527 (see below), the town government could install new indirect taxes with consent of the burghers for a period of five years in 1528.⁵⁵ During the tumultuous years between 1537 and 1543, the burghers in Zutphen again agreed to install additional excise taxes, which were meant to reform the urban finances and to provide the financial means for the restoration of the ruinous town defences. But renewed resistance against these *opgeld* forced the town government to abolish these taxes almost immediately in 1538.⁵⁶ They delicately formulated that it was never the intent of the town government to install new taxes without consent of the burghers.⁵⁷

The Management of Urban Finances: Magistrates, Officials, Tax Farmers

As in most towns in the Low Countries, both in Zutphen and Arnhem the control over and the decisions regarding urban finances and the local political economy at large were initially an exclusive competence of the town government, and thus were monopolized by the ruling families of the local socio-political elites through a system of co-optation.⁵⁸ In the area of financial decision-making it can be observed that at least the four capitals of the duchy of Guelders (Nijmegen, Zutphen, Roermond and Arnhem) had a relatively extensive autonomy: not only was ducal control over urban finances absent, until well into the fifteenth century the ruling elites had the ability to determine financial and fiscal policies without special consent or permission of the duke or the interference of middle classes.⁵⁹ In Arnhem, the town government could determine fiscal policy at least from 1354 onwards, while in Zutphen the first tariffs for indirect taxation were formulated by the magistrate in 1376. Only during the first Burgundian occupation (1473-1477) this financial autonomy of town governments was temporarily suspended, but after the rash departure of Burgundian officials early in 1477 financial autonomy towards the 'central' power was quickly restored.

At the local level, until the end of the fifteenth century the town governments in the Eastern Netherlands were monopolized by relatively closed urban elites. These strong oligarchic tendencies have at least been observed for Zutphen, Arnhem and also for the

⁵² RAZ, OAZ inv. n° 916-920. For the installation of these additional taxes with consent of the burghers see RAZ, OAZ inv. n° 1403.

⁵³ RAZ, OAZ inv.n° 629.

⁵⁴ VAN SCHAÏK, "Taxation", 262-263.

⁵⁵ RAZ, OAZ inv.n° nr. 1403, reg. n° 1841. In the next five years, these new taxes provided the town treasurer the financial means to pay off debts and to finance extensive improvements of the town defences.

⁵⁶ SCHIMMELPENNINCK VAN DER OYE, "Gemeenslieden", p. 71 and 77.

⁵⁷ SCHIMMELPENNINCK VAN DER OYE, "Gemeenslieden", p. 81.

⁵⁸ Bas VAN BAVEL, *Manors and markets. Economy and society in the Low Countries, 500-1600*, Oxford, 2010, pp. 118-119.

⁵⁹ For the relatively strong financial autonomy of town governments in Guelders: Remi VAN SCHAÏK, "Oorsprong en vroege ontwikkeling van stadsrekeningen in de Nederlanden", in *Handelingen Genootschap voor Geschiedenis*, 133, 1996, p. 150-151.

neighbouring town of Deventer.⁶⁰ In Deventer, a new urban merchant elite developed in the thirteenth century which gradually took over the control of the town government from the ministerial families, which had been in charge of urban government until that date.⁶¹ In Zutphen, political power was also monopolized by a relatively small number of families, which formed an urban merchant oligarchy, who based its political position on landed estates in the surrounding countryside and the capital it derived from its activities in long-distance trade. This trade was not only based on the important river trade, but also linked with Hanseatic trade with England and the Baltic.⁶² Until the fourteenth century the economic position of Zutphen and the capital investments of Zutphen merchants remained oriented towards active trade, but from the fifteenth century onwards however we see a growing importance of the investment of capital in landed property in the surrounding countryside in both Zutphen and Arnhem.⁶³ In this way, the political and financial orientation of the oligarchies of these towns became more local, transforming them in *rentiers*. The same tendencies can also be discerned for Arnhem, although the urban ruling elites and the access to local political power in this town were mainly based on pre-urban property structures, which found their origins in the domanial constellation.⁶⁴

Within the town governments, several tasks regarding the urban finances were delegated to its members, making these tasks so-called *raadsambten*. In Arnhem, the responsibility for the management of the urban finances and the daily transactions initially lay in the hands of two burgomasters (*burgemeesters*), which were assisted by one or two clerks.⁶⁵ In Zutphen, until 1381 these responsibilities were in the hands of one treasurer, the *rentmeester*. First mentions of this financial official date back to the middle of the fourteenth century. From this time onwards each year, this treasurer was chosen among the newly appointed town magistrates. The growing expenses related to the urban public debt, resulting from the sale of annuities from the 1330's onwards, led to the installation of a separate treasury (the so-called *pensieambt*) for the repayment of these debts in 1381.⁶⁶ A separate treasurer, from the middle of the fifteenth century onwards known as the *onderrentmeester*, handled and administrated the revenues and expenditure of this treasury.

In the course of the fourteenth and fifteenth century we see a gradual specialization within the management of the urban finances, which can not only be observed through the specialization processes that occurred within the town governments itself. The expanding role

⁶⁰ For Zutphen: Wim BLOCKMANS, "Mobiliteit in stadsbesturen, 1400-1550", in *De Nederlanden in de late middeleeuwen*, ed. Dick E.H. DE BOER and Jan MARSILJE, Utrecht, 1987, p. 251-256; Wim BLOCKMANS, "Verwirklichungen und neue Orientierungen in der Sozialgeschichte der Niederlande im Spätmittelalter", in *Niederlande und Nordwestdeutschland. Studien zur Regional- und Stadtgeschichte Nordwestkontinentaleuropas im Mittelalter und in der Neuzeit. Franz Petri zum 80. Geburtstag*, ed. Walter EHBRECHT & Heinrich SCHILLING (Städteforschung. Veröffentlichungen des Instituts für vergleichende Städtegeschichte in Münster, 15), Cologne, 1983, p. 41-60, and VAN SCHAÏK, "Geschiedenis", p. 72-74. For Arnhem: VERKERK, *Coullissen*, and VERKERK, "Bestuur"; for Deventer Godelieve DE MEYER & E.W.F. VAN DEN ELZEN, "Oligarchie: vloek of zegen? Het Deventer stadsbestuur omstreeks 1400", in *Overijsselse Historische Bijdragen*, 101, 1986, p. 5-21.

⁶¹ J.F. BENDERS, *Bestuursstructuur en schriftcultuur. Een analyse van de bestuurlijke verschriftelijking in Deventer tot het eind van de 15e eeuw* (Publicaties van de IJsselacademie, 173), Kampen, 2004, p. 33-35 and 73-83.

⁶² WESTSTRATE, *Kielzog*, 26-43.

⁶³ For Zutphen: VAN SCHAÏK, "Geschiedenis", 59; Bert LOOPER, "Holland, die IJssel und die Hanse. Jahrmärkte als Brücken und Barrieren", in *Hansische Geschichtsblätter* 119, 2001, p. 1-11; for Arnhem: Remi VAN SCHAÏK, "Nijmegen, Arnhem en de Betuwe. De relatie stad-platteland rond 1500", in *Numaga*, 26, 1979, p. 97-113.

⁶⁴ VERKERK, *Coullissen*, p. 381-382; for the pre-urban domanial structures in Arnhem: VERKERK, "Bestuur" p. 48-56, and C.L. VERKERK, "Arnhem, van koningsgoed tot stad", in *Bijdragen en Mededelingen Gelre*, 74, 1983, p. 1-40.

⁶⁵ On the functioning of these burgomasters and other town officials in charge of urban financial transactions in Arnhem see VERKERK, "Bestuur", p. 78-80.

⁶⁶ For these developments: VAN SCHAÏK, "Annuities"; BENDERS, "Boekhoudkundig systeem".

of town clerks and treasurers as financial experts that managed the daily financial transactions has to be taken into account.⁶⁷ At first, these clerks and treasurers were mainly recruited from among the clergy, but during the fifteenth century a shift took place towards educated lay men, mostly from the urban middle classes.⁶⁸ In Arnhem, this specialization was first recognizable in the role of town clerks. Already at the end of the fourteenth century there are signs that town clerks were involved in the financial administration and aided the two burgomasters with the management of financial transactions. In 1398 for instance, the town accounts mention the reimbursement of some 193 lb. of town money, which town clerk Gerit Stapelriem had in his possession at the time of his death. And when between 1426 and 1432 the wine excises could not be farmed out because of low tax returns as a consequence of the river blockades (which were itself part of the political entanglements between Guelders, Cleves, Berg and Cologne following the contested accession of duke Arnold in 1423), town clerks Willem Thonys and Gheenken Thonys collected these taxes instead.⁶⁹

The financial problems of the town in the 1420's as a consequence of the war between Guelders and the Sticht Utrecht led to an increasing complexity of urban accounting through a the considerable increase of public debt (because of a series of annuity sales and short-term debts with urban officials). This in turn led to the installation of a new type of financial official (the treasurer) within the financial administration of Arnhem, which came to be known as the *rentmeester*. Although the first signs of this separation between burgomasters (as those members of the town government politically responsible for actual urban financial policies) and a new financial official in charge of the daily transactions can be discerned in the town accounts from 1428 onwards, this office did not become institutionalized before 1446.⁷⁰ These changes formed the first modest steps of the town government to professionalize and rationalize the financial management of the town's finances.

From 1446 until 1482 this function was in the hands of one person, namely mr. Derick van der Molen, who studied at the university of Cologne and was a priest and vicar of the St. Elizabeths-hospital.⁷¹ This model of a permanent appointed treasurer, which also prevailed in Cologne until 1437, was probably used to ensure some continuity in the financial policy by

⁶⁷ The growing role of town officials due to the growing complexity of urban government has also been observed for Holland towns. On these processes of growing public services and how these changes affected the organization of urban institutions in pre-modern towns in the Low Countries see the volume *Serving the urban community. The rise of public facilities in the Low Countries*, ed. Manon VAN DER HEIJDEN, Amsterdam, 2009. See for urban administration in Holland towns Arie VAN STEENSEL, "The emergence of an administrative apparatus in the Dutch towns of Haarlem and Leiden during the late medieval and early modern periods, circa 1430-1570", in *Public facilities*, ed. VAN DER HEIJDEN, p. 42-61. For the functioning of town clerks as financial officials in Zutphen: Jeroen F. BENDERS, "The town clerks of Deventer and Zutphen (IJssel region, Eastern Netherlands) from c. 1300 to the late fifteenth century", in *Quaerendo*, 41, 2011, p. 79-88.

⁶⁸ On these shifts: Walter PREVENIER, "Officials in Town and Countryside in the Low Countries. Social and Professional Developments from the Fourteenth to the Sixteenth-Century", in *Acta historiae Neerlandicae. Studies on the history of the Netherlands*, 7, 1974, p. 1-17, and Godelieve DE MEYER, "Latijn en volkstaal, schrijftaal en spreektaal in niet literaire teksten", in *Bijdragen en Mededelingen betreffende de Geschiedenis der Nederlanden*, 89, 1974, p. 1-15; for Zutphen: BENDERS, "Town clerks", 83; for Arnhem: VERKERK, "Bestuur", p. 85-86.

⁶⁹ StRA, vol. 5, p. 297. For the political problems after the accession of duke Arnold (1423-1473) with Cologne and Berg: Michel VAN GENT, "In de ban van het rijk. De relatie van hertog Arnold van Gelre met rooms-koning Sigismund en hertog Filips van Bourgondië, 1423-1437", in *Bourgondië voorbij. De Nederlanden 1250-1650. Liber alumnorum Wim Blockmans*, ed. Mario DAMEN & Louis SICKING, Hilversum, 2010, p. 31-42. For the impact of trade conflicts and river blockades on urban economies: WESTSTRATE, *Kielzog*, p. 161-176.

⁷⁰ GldA, OAA inv. nr. 1298.

⁷¹ Hermann KEUSSEN (ed.), *Die Matrikel der Universität Köln*, Bonn, 1919, vol. 1, p. 432. On the role of Van der Molen as priest and vicar in the St. Elizabeths-hospital in Arnhem see Gerda B. LEPPINK, *Het Sint Catharinae Gasthuis in Arnhem in de eerste vier eeuwen van zijn bestaan (1246-1636)* (Werken Gelre, 48), Hilversum, 1996, p. 86 and 95.

someone with sufficient experience acquired in previous years. The private capital of Van der Molen more than once functioned as a financial buffer in times of acute liquidity problems, creating and accumulating floating debt at least in the periods 1466-1468 and 1473-1478, which debts were registered at the end of the financial accounts, while for the years 1474, 1475 and 1476 a special debt register was created.⁷² By 1468, the total debt of Arnhem with its treasurer amounted to 2894 Rhenish guilders or nearly 100 % of the yearly revenues of the town, while in 1480 the town government owed Van der Molen 1339 Rhenish guilders, not to mention the debts arising from loans and annuity sales to third parties in and outside the town, most notably at the capital markets in the Lower Rhine region. These financial problems made the financial reforms from the 1480's and 1490's more than necessary. These reforms also affected the management of the urban finances by the town treasurers.

As we have seen above, from 1483 onwards (right during the first financial reforms and the institution of new taxes) we also see a slow but remarkable shift in both the recruitment area of the treasurers in Arnhem, as well as the frequency in the rotation of this financial office. The increasing influence of the (upper) middle classes in the financial management in Arnhem can be read most notably from the identities of the treasurers that functioned from the 1480's onwards. Gerit Versteegh, who was treasurer from 1495 until 1501, can be identified as a wealthy brewer. The same applies to Herman van Amstel and Jan van Ratingen (treasurer between 1518-1530), who owned relatively large breweries that had a considerable share in the total output of the local brewing sector.⁷³ This fact alone suggests the availability of significant capital reserves among this social group, because the production of beer also required substantial capital investments. These 'industrial' brewers appear to have surfaced as *nouveaux riches* with enough capital to function as financial buffers and to loan the town government considerable sums of money in times of financial crisis. This can be shown with the example of treasurer Herman van Amstel, also a wealthy Arnhem brewer, with whom the town of Arnhem agreed on a settlement to redeem the debts of the town that had accumulated during his term as treasurer in 1507.⁷⁴ From the beginning of the sixteenth century onwards these wealthy entrepreneurs were able to gain access to urban government: several of them functioned as aldermen after their terms as urban treasurers. Their gradual ascent into the stratum of the urban socio-political elites and their functioning in the town government shows that in Arnhem slow changes in the urban financial management and the role of institutional change during times of crisis facilitated a more gradual adjustment of the prevailing socio-political structure.⁷⁵

In Zutphen, the financial problems at the turn of the sixteenth century which were discussed earlier, resulted in a much more dramatic shift in the competences regarding the management of the urban finances. Although the first demands of the burghers for financial reforms already were voiced in 1493, changes in financial management occurred much more protracted. In that year the burghers demanded a four-year term for both treasurers instead of rotation on a yearly basis in 1493, but despite promises by the town government to do so, the documents show no sign of real change: until the late 1520's treasurers in Zutphen remained predominantly recruited from the ruling elites, and the yearly rotation of the treasurers remained in place.⁷⁶

⁷² These registers are found in GldA, OAA inv.n^o 1298. On this phenomenon in general: Marc BOONE & Walter PREVENIER (ed.), *Finances publiques et finances privées au bas moyen âge*, Leuven-Apeldoorn, 1996.

⁷³ BOSCH, "Brouwnijverheid", p. 105-106.

⁷⁴ GldA, OAA inv.n^o 1833, fol. 58r^o and 63r^o.

⁷⁵ For these developments: VERKERK, *Coulissen*, p. 364-376, and F. KEVERLING BUISMAN, "Bestuur en rechtspraak circa 1550-1700", in *Arnhem tot 1700*, p. 92-125.

⁷⁶ For Zutphen: VAN SCHAÏK, "Annuities", p. 122, and VAN SCHAÏK, "Geschiedenis", p. 74-76.

Until 1526 the urban oligarchy seems to have gotten away with a financial policy aimed at the conservation of both the socio-political as well as the financial equilibrium within the local urban society. But new outbursts of social unrest because of the still far from positive financial situation put an end to these financial policies. From 1527 onwards delegated burghers functioned as treasurers, thereby stripping the traditional political elites from their prerogatives over local financial policies. Again in 1537 and 1538 financial issues regarding the urban finances sparked social unrest, which lasted until 1543.⁷⁷ After the social tensions during the 1530's the *gemeenslieden* (delegated burghers) took over the control of the urban finances. Johan Jolinck, Johan Sgraven and Bernt Obbekinck, who were among the most prominent members of the middle classes that, according to the account of the social unrest in Zutphen by alderman and treasurer Johan van Voorthuizen, led the uprising of the burghers against the ruling elites in Zutphen between 1537 and 1543, were treasurers of Zutphen between 1540 and 1558. In the same period the burghers demanded that the urban accounts, which had not been controlled since 1492, were yet to be controlled, in order to find out what the financial situation at that moment actually was and what measures could be taken to improve the financial position of the town. But although they stated that they were concerned with the common good, they nonetheless demanded the abolishment of the extra excise taxes on wine and beer: additional taxation was clearly a delicate issue. What other measures the burghers thought to use in order to restore the financial health of the town remains unclear, but two years later they apparently changed their mind: in 1540 the town government allowed Johan Jolinck and the guild masters to install new additional excise taxes, hoping these taxes would benefit the financial position of the town.⁷⁸

Economic and political circumstances and financial crises also had a marked impact on the collection of indirect taxes. The importance of tax-farming as the most common way to collect indirect taxes has been dealt with on more than one occasion.⁷⁹ So, as in many towns in the Low Countries, from 1361 onwards the collection of the excise taxes in Arnhem was predominantly in the hands of tax-farmers; until that date most taxes were collected by urban tax receivers.⁸⁰ In Zutphen, taxes were farmed out until 1450; after that date at least the beer excises were collected by town officials.⁸¹ With regard to the wine excise on the other hand, tax farming, mainly by members of the ruling elites, remained the common form of exploitation. Only in years of declining wine trade due to war the wine excise in Zutphen was levied by the urban treasurer himself. In the tumultuous years between 1537 and 1543 the burghers strongly appealed against the fact that the urban rents from excises and the revenues from the urban domains, were still mainly in the hands of the members of the town government or their direct family members. In response the town government stated that the demand of the burghers that they were to give up their tax-farms and the leases of town property had amazed them, because the members of the elites were just as much burghers of the town as the other burghers, and that they therefore had the same rights regarding the farming of urban property.

⁷⁷ VAN SCHAÏK, "Geschiedenis", p. 75-78; VAN SCHAÏK, "Annuities", p. 121-123; for a detailed account on the social unrest and guild action in Zutphen in the period 1538-1543: SCHIMMELPENNINCK VAN DER OYE, "Gemeenslieden te Zutphen", and J.A. DE JONG, "De Zutphense ambachtsgilden in revolutionair vaarwater. De strijd tussen de bestuursoligarchie en de gilden in de periode 1538-1543", in *Bijdragen en Mededelingen Gelre*, 95, 2004, p. 49-82. Cf. for a general account on social conflict between urban elites and coalitions of broader social groups regarding the common interests of the commune: DUMOLYN & STABEL, "Stedelijkheid", p. 59.

⁷⁸ SCHIMMELPENNINCK VAN DER OYE, "Gemeenslieden", p. 65.

⁷⁹ Marc BOONE, "Triomferend privé-initiatief versus haperend overheidsoptreden. Over pachters van indirecte belastingen in laatmiddeleeuwse steden", in *Tijdschrift voor sociale geschiedenis*, 15, 1989, p. 113-138; ; also 'T HART & VAN DER HEIJDEN, "Geld van de stad", p. 28-29.

⁸⁰ DE LEEUW, "Stadsrekeningen", p. 56-58.

⁸¹ KUPPERS & VAN SCHAÏK, "Levensstandaard", p. 28 and 34.

Marc Boone has already pointed to the fact that tax-farming was a lucrative business that involved large sums of money, especially in the case of the large excises on wine and beer. Investment in these taxes was therefore almost always exclusively reserved for a relatively small group of wealthy citizens, which group in turn was dominated by members of the ruling elites.⁸² The case of Arnhem shows that this initially (in the fourteenth and early fifteenth century) also was the case (table 1). On the basis of the oldest preserved tax register dating back to 1361 it can be calculated that of all tax farmers mentioned, 71 % was member of the ruling elite. These names could easily be compared with the extensive prosopographic data on the Arnhem political elites provided by Verkerk. This group invested a total sum of 1183 lb. in the collection of fiscal means, which comes down to 90 % of the total sum of investments in tax collection that year. This clearly is in line with the results shown for Ghent, where the investment in local indirect taxation was monopolized by the ruling political elites.⁸³ Although based on only a few observations, we can nonetheless discern similar patterns in Zutphen. Here, in 1421 and 1422 the share of capital investments in the tax farming system by members of the families belonging to the urban oligarchy amounted to 96 % of the total revenues from tax farming.

In Arnhem in 1455, the first year for which a tax register is preserved, this percentage had dropped considerably to a mere 31 %.⁸⁴ In that year, at least 16 % of the Arnhem tax farmers can be identified as craftsman, mainly brewers and weavers, while only one tax farmer can be identified as belonging to the urban elite. This does not mean though that members of the patriciate lost control over the most capital intensive and therefore most lucrative taxes, namely those on wine and beer. In 1455 for instance, the beer excise was 'bought' for 2310 lb. by town magistrate Wynant van Aller, which comes down to 31 % of that year's total income from the urban tax system. During the next twenty years several urban officials also appear as tax farmers of the great excise taxes on wine and beer. In 1470 town clerk Derick van Berck and treasurer Johan van Kranenborch farmed the excise taxes on beer for a total sum of 2530 lb.⁸⁵ In this sense it can be seen that in the course of the fifteenth century the collection of taxes was no longer dominated by members of the ruling patriciate. Apparently, craftsmen, urban officials and other members of the urban middle classes had accumulated enough capital to become active investors in the urban tax system.

Although tax farming thus remained the method of choice to collect indirect taxes, political turmoil and the accompanying economic stagnation could easily affect the profitability of indirect taxes, as these were closely linked to the performance of the local economy. In this way, tax farmers could easily lose interest in investing in the urban fiscal system, as is shown in the fact that during the river blockades in 1426, which proved to be only a temporary setback in the wine trade, the wine excises were collected by urban officials because no one was interested in farming these taxes.⁸⁶ In contrast with Zutphen, the structural financial problems that occurred from the 1460's onwards caused the town of Arnhem to only slowly turn away from tax farming, especially for the main excises on beer and wine.

⁸² Boone, "Privé-initiatief", 122; Peter STABEL, "Van schepenen en ontvangers. Politieke elite en stadsfinancien in Axel en Hulst", in *Tijdschrift voor sociale geschiedenis*, 18, 1992, p. 1-21.

⁸³ Marc BOONE, *Geld en macht. De Gentse stadsfinanciën en de Bourgondische staatsvorming (1384-1453)*, Gent, 1990, 130.

⁸⁴ GldA, OAA inv.n^o 1298.

⁸⁵ GldA, OAA inv.n^o 1298.

⁸⁶ On the link between the river trade, wine trade and the income from urban excise taxes on wine consumption: WESTSTRATE, *Kielzog*, p. 122-126 and 138-143.

	Total fiscal revenues from tax farming	Percentage farmers / members patriciate	Percentage of fiscal revenue / patriciate
1361	1183 lb.	71	90
1455	6922 lb.	15	31

Table 1: Share of members of ruling elites and patrician capital in the excise tax system in Arnhem, 1361-1455. Sources: GldA, OAA inv. 1298, tax registers 1361 and 1455.

These taxes were no longer farmed out but instead increasingly collected by urban tax collectors. These tax collectors were often the same people who were already actively involved in the financial management of the town, either as treasurer or as town clerk. The wine excise in Arnhem for instance was being collected by treasurers Gerit Versteegh and Henrick Prang since 1498, while secretary Arnold van der Kuijl collected the brewing excise for several years after 1515.⁸⁷ The beer excise was collected by a specially appointed town official, Jan van Wijnen, in a central ‘excise house’ from 1528 onwards.⁸⁸ In Arnhem, especially after the financial reforms of the 1480’s and 1490’s we see a marked increase of the number years in which the main taxes on wine and beer were collected by urban officials (table 2). In this way, financial problems also had a strong influence on the way fiscal revenues were collected.

	1450-1500	1500-1550
Wine excise, Arnhem	11,1	48,9
Beer excise, Arnhem	20,0	100,0
Brewing excise, Arnhem	13,3	48,9

Table 2: Development of exploitation forms of indirect taxes; direct exploitation by town officials of the excises on wine and beer as a percentage of total years of exploitation of indirect taxes in Arnhem, 1450-1550.

Conclusions

The general political and economic crisis that hit the Low Countries in the last quarter of the fifteenth century had a profound influence on urban public finances. This not only holds true for the towns in the Burgundian-Habsburg Low Countries, but also for the towns in the duchy of Guelders, that more than once had to deal with the growing tension between fiscal revenues and possibilities to obtain credit on the one hand, and the ever rising expenditure on military campaigns in order to maintain or regain its independence from Burgundian-Habsburg rule during the period between 1473 and 1543 on the other. This tension led to financial and fiscal crises of the urban public finances, at least from the capital cities, in which urban revenues from the urban fiscal systems and the ability to obtain credit were not sufficient to cover its expenditures. Although the town governments in Guelders could not be forced to perform these financial sacrifices (in order to fend off these intrusions on Guelders independence) because of the relatively large financial autonomy which they obtained from the end of the

⁸⁷ GldA, OAA inv. n° 1252-1255, *town accounts Arnhem 1490-1529*.

⁸⁸ BOSCH, “Brouwnijverheid”, p. 98.

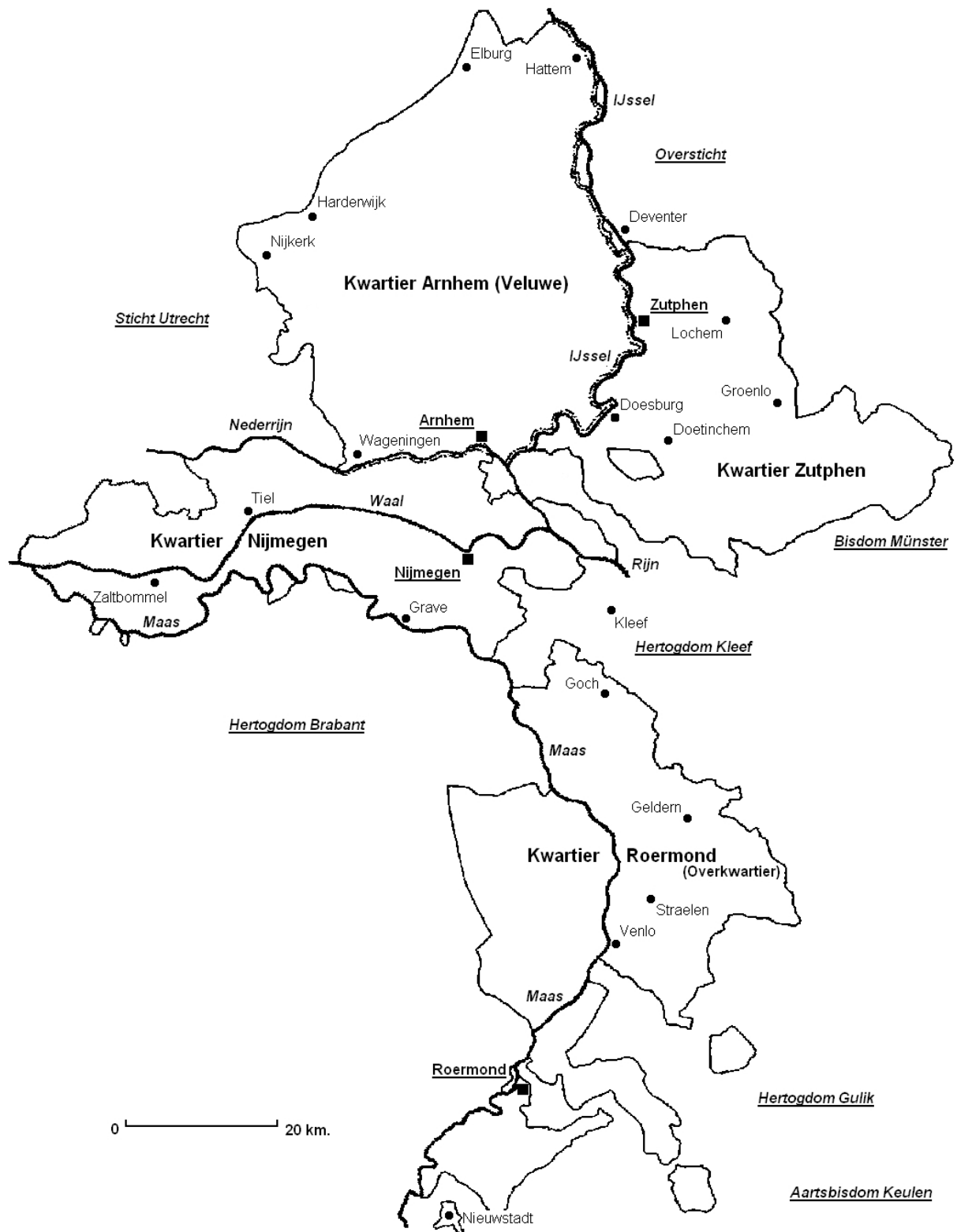
thirteenth century onwards, they nonetheless did so in order to defend their own privileged position. The defence of urban autonomy, particularistic interests, and political and economic privileges all played a part in the financial policies of the closed urban oligarchies, which in turn was mainly aimed at the preservation of their own socio-economic positions.

The ways these urban oligarchies dealt with the growing tension between revenues and expenditure differed greatly. In Zutphen, the recourse to capital markets through the creation of public funded debt had a long tradition, mainly based on early acquired creditworthiness. This allowed the urban merchant oligarchy to lend money relatively easy, thus evading the immediate necessity to increase the tax burden through indirect taxation. In Arnhem, the access to capital markets was much more restricted. Instead, the relatively large fiscal system provided enough room for the ruling elites to employ a much stronger and more active fiscal policy. First of all we may tentatively assume that the form of political rule did in fact have a marked influence on the way urban financial systems were set up and managed. Urban scale and the forms of political representation and involvement of the urban middle classes in town governments were important factors, but local traditions, financial problems and the growing financial complexity were the first factors that influenced institutional change in the management of urban fiscality and public debt. As in other towns in the Low Countries, urban elites could not singlehandedly use urban politics and finances for their own benefits. They too had to take the 'common good' of the community as a starting point for their (financial) politics. But involvement of the middle classes through guild organization in town government and financial policy-making occurred much later than in the towns of Flanders and Brabant.

The management of the urban financial systems in Arnhem and Zutphen obviously differed on all levels of financial policy and management, from town magistrates, urban officials and tax-farmers. In both towns, however, the financial crisis of the late fifteenth century had profound consequences for political participation of larger segments of the urban population in the financial policies and the management of both fiscal systems as well as public debt.⁸⁹ The preference of urban rulers for an active fiscal policy or recourse to public debt was largely dependent on institutional path-dependency, and this in turn determined to a large extent the ways these systems were managed. Financial crises and social conflicts during these crises occurring in either system directed the aim of changes in the management of these systems in restructuring the 'grip' of the old ruling elites, and finally were centred around the wish for a more efficient management of urban financial resources, accountability, and more intensive control rights for those urban social groups that provided the capital for the realization and defence of 'common' urban interests. Professionalization of public finances through specialized urban officials who were responsible for the administration of the financial structures was only a part of the gradual institutional change taking place in these Guelders towns, and did not univocally lead to economic and financial recovery in the sixteenth century. The shift from responsibility for the urban taxation systems from private investors to government officials in Arnhem and the growing involvement of burghers could not turn the tide of general economic and financial decline which hampered urban development in the duchy of Guelders. In this way institutional change, prompted by financial crises, appears to have been too weak to really change the fortunes for these towns in stagnation.

⁸⁹ This conclusion is in line with the conclusions of Richard LACHMANN in his work on the impact of crises and elite conflict on the opportunity of other interest groups to gain influence in urban political networks in early-modern Europe; cfr. LACHMANN, *Capitalists*.

Map 1: Duchy of Guelders, ca. 1450



Map based on: VAN SCHAÏK, "Annuities", p. 111. Original design: Willem KUPPERS.