

War, conquest and local merchants: the role of credit in the peripheral military administration of the Hispanic monarchy during the first half of the sixteenth century.

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*Abstract:* During the early modern period the European Monarchies were expanding geographically and politically. Despite the importance of the military campaigns the challenge was, however, not in conquering independent polities but in keeping them. For that reason the mobilization of resources to maintain the war effort was especially important and the members of the different military administrations were frequently obliged to obtain loans from the local merchants and financiers of the recently conquered communities. The reputation or ‘credit’ (the term employed to designate the borrower’s trustworthiness) of these monarchical agents in charge of the organization and funding of the military campaigns played a key role in the mobilization of local resources to maintain these conquests. Through a micro-historical analysis of some local loans negotiated during this period, I will analyse the credit assessment around these loans as conditioned by information about past conducts, future rewards and individual credibility. In doing so, we can realise the complexity of this reputation-based credit-assessment and reconstruct the different meanings of reputation that they handled.

## INTRODUCTION<sup>1</sup>

During the early modern period the European Monarchies were expanding geographically and politically. Despite the importance of the military campaigns the challenge was, however, not in conquering independent polities but in keeping them. For that reason the mobilization of resources to maintain the war effort was especially important. To secure these resources, the members of the different military administrations were frequently obliged to obtain loans from the local merchants and financiers of the recently conquered communities. The reputation or ‘credit’ (the term employed to designate the borrower’s trustworthiness<sup>2</sup>) of these monarchical agents in charge of the organization and funding of the military campaigns played a key role in the mobilization of local resources to maintain these conquests. This was particularly true of the Hispanic Monarchy, a political entity that during the period of its formation developed a frenetic activity of military conquests in the Iberian Peninsula, Italy and the North of Africa.

Through a micro-historical analysis of some local loans negotiated during this period, I will analyse the credit assessment around these loans as conditioned by information about past conducts, future rewards and individual credibility. In doing so, we can realise the complexity of this reputation-based credit-assessment. In other words, to fully understand the money-lending decision-making of the merchant and financiers who trusted these monarchical agents it is necessary to reconstruct the different meanings of reputation that they handled. This should allow us to understand how and why local merchants decided to trust these monarchical agents and, most importantly, if they failed or not in their money lending decision-making.

At the beginning of the paper I will provide a general overview on the frequent employment of private loans by the peripheral military administration during these processes of conquest. After that, I will show the importance of the reputation of the members of the military administration and their agents in the money-lending decision-making of the local merchants of the conquered kingdoms. Thirdly, I will focus in the activity of Juan Rena as paymaster in the kingdom of Navarre after its conquest. This Venetian clergyman played a key role in the military administration of the Hispanic Monarchy during the first half of the sixteenth century. His activity allows us to reconstruct how these monarchical agents built their reputation within the local mercantile communities and, most importantly, what this reputation meant. While Juan Rena is the main focus

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<sup>1</sup> This work is part of the project “Building loyalty, preserving loyalty. Sovereignty and elites in the Spanish Habsburg Monarchy (16th and 17th centuries)” Ref. HAR2012-39016-C04-02.

<sup>2</sup> Craig MULDREW: *The economy of obligation. The culture of Credit and Social Relations in Early Modern England*, London, MacMillan, 1998.

of this case-study<sup>3</sup> I will employ also some other similar examples to complete the analysis. Finally, I look at the consequences and results of the credit assessment employed by these merchants and financiers who lent money to the military administration during the conquests.

## CONQUESTS, LOANS AND MERCHANTS

It is well known (not only today, but also during the early modern period) that money is the sinew of war. We have a lot of information about the great financiers' role in funding the military campaigns, and the mechanisms used by the central institutions of the early modern monarchies to obtain credit.<sup>4</sup> Nevertheless, there are many aspects of the binomial war and finance that still need to be examined. Actually, the credit relationships between the peripheral military administration and the different mercantile elites in the local sphere are almost unknown, especially regarding the processes of military conquest and the later political incorporations. This issue was of paramount importance as the military administration's access to the local credit networks highly influenced the success or failure of conquests. Moreover, analysing these credit relationships could help us to better understand how the early modern merchants and financiers dealt with the problems arising from the political instability caused by moments of crisis such as these military conquests.

The relationships between the monarchical agents who embodied the military administration and the local merchant and financiers were more frequent and fluid than we might expect, and frequently they were a channel of credit.<sup>5</sup> Thus, it was quite normal to use local loans to finance the conquest of new territories. For example, at the very beginning of the sixteenth century Luis Peixó, the treasurer of the Spanish army that conquered Naples, negotiated a number of very important loans with the mercantile community of Sicily.<sup>6</sup> Some years later, during the African campaigns the

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<sup>3</sup> For a theoretical reflection on this methodological approach see Jean-Claude PASSERON and Jacques REVEL: "Penser par cas: raisonner à partir de singularités" in Jean-Claude PASSERON and Jacques REVEL (dirs.): *Penser par cas*, Paris, École des Hautes Études en Sciences Sociales, 2005, pp. 9-44.

<sup>4</sup> There is a huge literature on the topic but in order to avoid prolixity I will quote only two titles regarding the first half of the sixteenth century. James D. TRACY: *Emperor Charles V, Impresario of War*, Cambridge, Cambridge University Press, 2002 and the classic Ramón CARANDE: *Carlos V y sus banqueros*, Barcelona, Crítica, 1987 [1943-1949].

<sup>5</sup> Paul James STEWART: *The army of the Catholic Kings: Spanish military organization and administration in the reign of Ferdinand and Isabella 1474-1516*, Unpublished PhD, University of Illinois, 1961, p. 111.

<sup>6</sup> Archivo General de Simancas (AGS), Expedientes de Hacienda, Leg. 898, nº 1, fols. 38-40 and 89-92 and AGS, Contaduría Mayor de Cuentas, 1ª época, leg. 141. About the military administration of this army see Miguel Ángel LADERO QUESADA: *Ejércitos y armadas de los Reyes Católicos. Nápoles y el Rosellón (1494-1504)*, Madrid, Real Academia de la Historia, 2011, págs. 425-439. His access to the local credit networks contrasts with the problems of the French military administration to obtain loaned money to fund the army at the same moment. ANTONOVICS: "Hommes de guerre et gens de finance: the inquest on the french defeat in Naples 1503-4" en Christine SHAW (ed.): *Italy and the european powers. The impact of war, 1500-1530*, Leiden, Brill, 2006, pp. 23-32. It is interesting to note here the lack of close relationships between the French officers of finances and the Milanese financiers during the French invasion of Milan. Philippe HAMON: "Aspects administratifs de la présence française en Milanais sous Louis XII" in Philippe

peripheral military administration was also forced to obtain loans from the merchants residing in the conquered cities. Thus, for example, the paymaster Cristóbal Rejón obtained money from some local merchants to pay the troops of Mazalquivir, an important port-city conquered in 1504.<sup>7</sup> The garrison of Oran, another important commercial city conquered five years later, was also sustained thanks to the loans from some important local merchants. One of the latter, Juan Rena, worked for the General Captain of the region looking for private lenders within the mercantile community.<sup>8</sup> Some years later we find this same personage acting as paymaster in the kingdom of Navarre after its conquest.<sup>9</sup> There, one of his more important tasks was to obtain loans from the local mercantile community, as he said in one of his letters to the General Treasurer Francisco de Vargas: "My work here has been nothing but to take loaned money to supply necessities".<sup>10</sup> All these examples, and the words of one of the most famous members of the military administration of the monarchy, show us the importance of the role of credit in the funding of the process of political expansion of the Hispanic Monarchy.

As was usual during the early modern period access to the credit networks was highly conditioned by the reputation of the borrowers.<sup>11</sup> This was also true when the borrowers were members of the administrative institutions of the monarchy. The importance of the office holders' reputation was obvious even in the case of the most powerful servants of the monarchy. Thus, for example, Francisco de Vargas, the General Treasurer of Castile wrote to the Emperor Charles V asking him to protect his "credit" because without the Emperor's protection, the Treasurer was unable to borrow the money needed to maintain the Imperial Army.<sup>12</sup> Furthermore, throughout the early modern period, the monarchical administration used to employ wealthy merchants with a good reputation within the mercantile communities as military treasurers or paymasters to guarantee the access to the credit networks.<sup>13</sup> In the specific context of new settlements and geographical

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CONTAMINE (ed.): *Louis XII en Milanais*, Paris, Honoré Champion, 2003, pp. 109-127, p. 116.

<sup>7</sup> AGS, Contaduría Mayor de Cuentas, 1ª época, Leg. 187, fol. 70. For a complete overview on the Spanish presidios in Northern Africa see Rafael GUTIÉRREZ CRUZ: *Los presidios españoles del Norte de África en tiempo de los Reyes Católicos*, Melilla, Ciudad Autónoma de Melilla, 1997.

<sup>8</sup> Archivo General de Navarra (AGN) Archivos Personales, Rena, Caj. 105, nº 2, fol. 3 and nº 5-1.

<sup>9</sup> Further information on the conquest of Navarre in Peio MONTEANO SORBET: *La guerra de Navarra (1512-1529) crónica de la conquista española*, Pamplona, Pamiela, 2010.

<sup>10</sup> Letter of Juan Rena to Francisco de Vargas. 30<sup>th</sup> September. [...] AGN, Archivos Personales, Rena, Caj. 24, nº 24-23.

<sup>11</sup> Craig MULDER: *The economy of obligation... op. cit.*

<sup>12</sup> Letter of Francisco de Vargas to Charles V. Burgos, 9<sup>th</sup> September 1521. AGS, Estado, Leg. 8, fol. 132. For further information about this treasurer see Carlos Javier DE CARLOS MORALES: *Carlos V y el Crédito de Castilla. El tesorero general Francisco de Vargas y la Hacienda Real entre 1516 y 1524*, Madrid, SECC, 2000.

<sup>13</sup> Alicia ESTEBAN ESTRÍNGANA: *Guerra y finanzas en los Países Bajos Católicos. De Farnesio a Spinola (1592-1630)*, Madrid, Laberinto, 2002, págs. 107-109. Id.: "Le payeur général de l'armée des Flandres (1600-1650): un trésorier incontrôlable?" in Anne DUBET (coord.): *Les finances royales dans la monarchie espagnole (XVIe-XIXe siècles)*, Rennes, Presses Universitaires de Rennes, 2008, pp. 121-135. See also Raymond FAGEL: "Los mercaderes españoles en Flandes y la Corte : poder económico y poder político en dos redes de intermediarios" in Jesús BRAVO LOZANO (dir.): *Espacios de poder: cortes, ciudades y villas*, Madrid, Universidad Autónoma, 2002, vol. 1, pp. 159-169 and pp. 167-

expansion the new authorities were frequently obliged to make use of reputable intermediaries to access the local networks of credit. Luis Peixó, for example, gained access to the credit networks of southern Italy thanks to his agent, Bernardo Farahone, an important Sicilian banker. Moreover, this agent pledged himself in the loans negotiated with the local merchants.<sup>14</sup> Similarly, when in 1526 the German Mercenaries employed to defend the Roussillon (a border region in the North of Catalonia) were paid thanks to a collective loan from local merchants, some of the most famous tradesmen of the region lent their own money, but they also pledged themselves to obtain loans from merchants from Barcelona.<sup>15</sup> The military administration in Northern Africa provides similar examples of well-known local tradesmen collaborating in this way with the military administration. Thus, Juan Rena served the General Captain with the money that other merchants lent him. Here again the local merchants trusted Rena because he was a well-known tradesman in the regional scenario (actually some of his creditors were also his commercial partners).<sup>16</sup> In Oran too the local paymaster employed as his agent Samuel Zatorra, a Jew who also played a key role in the local commerce.<sup>17</sup> In conclusion, the reputation of these local intermediaries played a key role in the mobilization of the local credit needed to maintain the armies, because the members of the local communities trusted them more than they did the monarchical agents that embodied the military administrative apparatus.

These relationships were not, however, the only factor proving how important reputation was to the functioning of this credit system. The way in which the contracts between the members of the military administration and their creditors were enforced also underlines the importance of reputation. The local merchants were able to reinforce their contracts by making use of legal instruments and courts of justice, and, in fact, some of them tried, albeit unsuccessfully, to solve their problems in this way. Nevertheless, it is necessary to take into consideration that the monarchic justice gave a treat of favour to the king's servants. For instance, Luis Peixó enjoyed the protection of the kings in his legal struggles even outside the frontiers of the Hispanic Monarchy.<sup>18</sup> The Genoese financiers who lent money to the General Captain of Oran tried to solve their problems regarding the payment of this debt in the courts, but the nobleman was protected by the royal favour he enjoyed. Thus, the first judgement favourable to interests of the financiers was

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168. For the Milanese case see Marco OSTONI: *Il tesoro del re. Uomini e istituzioni della finanza pubblica milanese fra Cinquecento e Seicento*, Napoli, Istituto Italiano per gli Studi Filosofici, 2010, pp. 67-143.

<sup>14</sup> AGS, Expedientes de Hacienda, Leg. 898, nº 1, fol. 28.

<sup>15</sup> AGS, Consejo y Juntas de Hacienda, Leg. 10, nº 85.

<sup>16</sup> AGN, Archivos Personales, Rena, Caj. 105, nº 2-1, fols. 2, 8 and 27.

<sup>17</sup> AGS, Contaduría Mayor de Cuentas, Leg. 285, fol. 62. Some Jew merchants also lent money to the Portuguese military administration in the african cities under Portuguese rule. Moreover, they also took part in the management of this administration. Jose Alberto RODRIGUES DA SILVA TAVIM: "Abraao Benzamerro, judeu de sinal sem sinal, entre o norte de Africa e o reino de Portugal" in *Mare liberum*, Nº 6, 1993, pp. 115-141. Specially pp. 119-121.

<sup>18</sup> AGS, Cámara de Castilla, Lib. 9, fol. 90.

contested by the crown, which ordered a revision of the case according to the demands of the General Captain.<sup>19</sup> Furthermore, the central authorities tried to avoid legal punishments against their servants because of their activity looking for funds. Here again the case of Juan Rena provides us with a good example. In the chaotic context of 1516 the local authorities of Pamplona, the capital of Navarre, allowed the lodgement of the troops<sup>20</sup> to defend the kingdom in the city only when Rena accepted to act as pledge of the payment of its costs. Unfortunately, the political crisis of Castile made this payment impossible and the local authorities sued him. They obtained a favourable sentence from the Courts, but Rena was given a royal dispense that prevented him from being punished.<sup>21</sup> That example shows us to what extent the local merchants could trust the legal system of the monarchy to obtain the payment of their debts.

The lack of efficiency of the formal institutions lent importance to the private-order institutions based on reputation. Moreover, it seems that the merchants who lent money to the members of the military administration preferred to make use of informal punishments against the reputation of their debtors. Juan Bautista de Orbara was a Genoese merchant who lent money to Rena when the latter was seeking loans to maintain the Spanish troops in Oran. Some years later, when Bautista attempted to recover these debts, Juan Rena tried to delay the payment because he had no money to pay him. Rather than going to the courts with his formal acknowledgement of debt, the Genoese treated him by “showing it to everybody” and making a public complaint about it.<sup>22</sup> Obviously, the debt was reimbursed shortly after.<sup>23</sup> This anecdote reveals the preference to reinforce these contracts informally rather than through the Courts of Justice. These punishments were so efficient because the members of the military administration depended on the trust of the local mercantile elites with which they interact. Everybody needed to maintain his reputation, but these monarchical agents were obliged by some additional reasons related to their activity at the service of the monarchy such as the usual lack of money to attend their economic compromises, the enormous amount of commodities that the armies needed, or just the distance between their operational areas and their homeland. Furthermore, we should not forget that creditworthiness was a key aspect of the culture of “honour” as is shown, for instance, by the association between credit

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<sup>19</sup> AGS, Cámara de Castilla, Lib. 25, fol. 355.

<sup>20</sup> A complete reconstruction of the political negotiation about the urban privilege of this city regarding the lodgement of troops in Fernando CHAVARRÍA MÚGICA: “La capitulación de la «cabeza del reino» y la cuestión de los alojamientos: disputa y negociación de la condición privilegiada de Pamplona” in Alfredo FLORISTÁN IMÍZCOZ (ed.), *1512 Conquista e incorporación de Navarra. Historiografía, derecho y otros procesos de integración en la Europa renacentista*, Barcelona, Ariel, 2012, p. 361-385.

<sup>21</sup> Letter of Cardinal Adrian of Utrecht to the Archbishop of Zaragoza. Illescas, 7<sup>th</sup> September 1517. AGN, Comptos, Papeles Suelos, 1<sup>a</sup> Serie, Leg. 23, n<sup>o</sup> 51, fol. 1.

<sup>22</sup> Letter of Juan Bautista de Arboza to Juan Rena. Orán, 26<sup>th</sup> October 1512. AGN, Archivos Personales, Rena, Caj. 105, n<sup>o</sup> 7-4.

<sup>23</sup> AGN, Archivos Personales, Rena, Caj. 105, n<sup>o</sup> 2, fol. 30.

and “honra” in some of the advices that Juan Rena received regarding the payment of his debts. Thus, Diego de Montoro, wrote to Rena advising him to look for a way to pay his debts in order not to lose “neither the honour, nor the credit”.<sup>24</sup> Also, we have to take into consideration the importance of the reputation of these local office holders in the exercise of their tasks at the service of the monarchy.<sup>25</sup> All these factors contributed to making the members of the military administration sensitive to the importance of maintaining their reputation.

Nevertheless, all these cases and examples only shows us the importance of reputation in the credit assessment of the loans obtained by the military administration. But, obviously, it is also necessary to take into account the limits of this reputation-based credit assessment. These mechanisms do not seem to have been effective when the problem was the structural lack of money of the monarchical administration. Furthermore, these credit assessment practices were actually dangerous, because the Crown protected the reputation of the servants who provided the royal finances, even when their difficulties in reimbursing the loans were more than evident, as happened with the General Treasurer Francisco de Vargas during the financier crisis of 1520-1521. In that time the Castilian Governors knew that he only was able to pay his loans by “cheating”,<sup>26</sup> nevertheless the crown decided to hide this and supported him in his financier activities.<sup>27</sup> In addition, we have to take into consideration the traditional risks of lending money to the kings and the structural problems of the early modern monarchies to fund the wars.<sup>28</sup> Thus, it is not surprising that frequently the members of the military administration were unable to pay to their creditors. Luis Peixó and Bernardo Farahone were still asking their debts to be paid some years after the end of the Neapolitan wars.<sup>29</sup> As we saw before, the Genoese financiers who lent money to the General Captain of Oran suffered the consequences of the chaotic funding of the African campaigns. In 1516, despite Rena’s efforts, the monarchical authorities didn’t paid attention to his supplications, the negotiations to get the payment of the lodge failed, and, consequently, the local authorities never recovered their contribution. Finally, as we will see, the Navarrese merchants who lent money to Rena in 1522 were forced to find an alternative solution to recuperate their money.

Looking at these failed attempts to recuperate money it is necessary to ask why the

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<sup>24</sup> Letter of Diego de Motoro to Juan Rena. Madrid, 13<sup>th</sup> September 1516. AGN, Archivos Personales, Rena, Caj. 1, n° 22-5. On the importance of creditworthiness as an important component of personal honor see Scott TAYLOR: “Credit, debt, and honor in Castile, 1600-1650” in *Journal of early modern history*, n° 7, 1-2, 2003, pp. 8-27.

<sup>25</sup> Anthony FLETCHER: “Honour, reputation and local officeholding in Elizabethan and Stuart England” in Anthony FLETCHER and John STEVESON (eds.): *Order and disorder in Early Modern England*, Cambridge, Cambridge University Press, 1985, pp. 92-115.

<sup>26</sup> Letter of the Constable of Castile to Charles V. Burgos, 4<sup>th</sup> March 1521. AGS, Patronato Real, Leg. 1, n° 105, fol. 576.

<sup>27</sup> Carlos Javier DE CARLOS MORALES: *Op. cit...* pp. 37-49.

<sup>28</sup> John R. HALE: *War and society in Renaissance Europe, 1450-1620*, Avon, Fontana, 1985, pp. 233-252.

<sup>29</sup> Miguel Ángel LADERO QUESADA: *Op. Cit...* pp. 434-436.



reputation of the borrowers was so important to their creditors. Why did these people who failed to recover these loans kept trusting the members of the royal administration? The sons of Bernardo Farahone, for instance, lent money again to the Spanish Authorities during another critical period just some years later.<sup>30</sup> If at the very beginning of the Spanish rule in Oran an important Jew of this city lent money to the military administration, the members of this Jew community continued doing this many years later.<sup>31</sup> In Navarre, despite the failure of Rena in the negotiations to obtain the payment of the lodgement of the troops, he kept enjoying the trust of the local merchants. In 1520, during another critical moment, he wrote to the Council of War offering his reputation and contacts to mobilize the local networks of credit to fund the defence of the Kingdom.<sup>32</sup> This shows us that the prestige of these agents was based not only on their capacity to pay the loaned money back. As we will see, the reputation of the monarchical agents who embodied the military administration was built not only in the economic sphere, but also according to the socio-political context of the conquest. Thus, in order to better understand the decision-making process around these loans it is necessary to go further and consider what that reputation meant, and how it was constructed in the specific context of these conquests. To do this we can focus on the activity of Juan Rena as paymaster in the kingdom of Navarre after its conquest.

## A MAN OF CREDIT

As I said previously Juan Rena began his career in the North of Africa, but his ability to obtain loans became especially evident after his arrival to Navarre. Just some months after the conquest, he was able to obtain enough money to finance the campaign led by his patron, the Marquis of Comares (the former General Captain of Oran and the first viceroy of Navarre<sup>33</sup>) to occupy the remaining positions under the control of the enemies.<sup>34</sup> During the following years the employment of private loans was continuous and, for example, Rena provided the necessary credit to keep the fortification works of the kingdom advancing at a good pace.<sup>35</sup> His ability was especially important in the critical moments. In 1516, after the death of King Ferdinand the Catholic, the amount of money sent from the court decreased dramatically, just when enemies were

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<sup>30</sup> AGS, Consejo y Juntas de Hacienda, Leg. 7, n° 137.

<sup>31</sup> Juan Ignacio PULIDO SERRANO: "Consentir por necesidad. Los judíos de Orán en la Monarquía Católica durante los siglos XVI-XVII" in Mercedes GARCÍA ARENAL (ed.): *Entre el Islam y Occidente: los judíos magrebíes en la edad moderna*, Madrid, Casa de Velázquez, 2003, pp. 201-222, especially pp 213-215.

<sup>32</sup> AGN, Archivos Personales, Rena, Caj. 28, n° 6-1, fol. 2.

<sup>33</sup> Yuen-Gen LIANG: *Family and empire. The Fernández de Córdoba and the Spanish Realm*, Philadelphia, University of Pennsylvania Press, 2011, pp. 57-62.

<sup>34</sup> AGN, Archivos Personales, Rena, Caj. 64, n° 5-1, fols. 8, 12 and 31.

<sup>35</sup> Letter of Juan Rena to Cardinal Cisneros. Pamplona, 20th April 1516. AGN, Archivos Personales, Rena, Caj. 24, n° 24-7.

preparing an offensive to recover the kingdom. Rena obtained a loan to pay for a quick counter-attack that stopped the enemy's advance and ended with the capture of the most important rebel leaders.<sup>36</sup> Finally, in 1522, after the loss and recovery of the kingdom a year before, Juan Rena was obliged again to obtain a collective loan from the merchant community. This time he negotiated a collective loan from his Navarrese "friends" to finance the military campaign against some fortresses and the North-western region of the kingdom still under the control of the enemies after the reconquest of Navarre.<sup>37</sup> Once again the money collected by Rena among his local "friends" served to pay for a brief military campaign which ended with a victory. So, we can conclude that the role of Juan Rena in the socio-political arena of Navarre after the conquest was defined by his competence in mobilizing private credit in the service of the monarchy, a fundamental issue for the maintenance of the defence system of the kingdom.

As we can see the case of Rena could be useful because he was able to mobilize the local capitals in the service of the monarchy in the most critical situations. The first loans negotiated by him took place just after the conquest at a time when the new authority's control over the conquered kingdom was anything but secure. According to a witness, in 1516 Rena was able to obtain a loan from the local merchants in "such a revolt time" and in at a time when everybody was convinced that the Kingdom of Navarre was lost.<sup>38</sup> In 1522 Rena's task of looking for loans was even more difficult. The political crisis in Castile almost completely destroyed the fiscal system which had sustained the Castilian Army, and, consequently, it was impossible to find anyone who wanted to take part in the system of public debt to pay the army.<sup>39</sup> If the state of the fiscal system was chaotic, the situation of the financiers who maintained the system of credit around it was even worse.<sup>40</sup> To sum up, undoubtedly Rena demonstrated a great capacity to obtain loans in the most critical context.

His case is, moreover, a good example of how the monarchical agents who embodied the military administration were forced to build up their reputation in these specific contexts. While Rena was working for the General Captain in the north of Africa he could obtain credits thanks to his reputation as a tradesman within a mercantile community that knew him. His later activity,

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<sup>36</sup> AGN, Archivos Personales, Rena, Caj.35,nº13.

<sup>37</sup> The private documentation of the paymaster regarding this loan in AGN, Archivos Personales, Rena, Caj. 29, nº 5-2 and Caj. 35, nº 14-4, fols. 7-11.

<sup>38</sup> AGN, Archivos Personales, Rena, Caj. 35, nº 13, fol. 15.

<sup>39</sup> Letter of Francisco de Vargas to Charles V. Burgos, 22nd September 1520. AGS, Estado, Leg. 8, nº 132.

<sup>40</sup> In the opinion of the Cardinal Adrian of Utrecht the most important financiers of Castile were fleeing or "exiled". Letter of Cardinal Adrian of Utrecht to Charles V. Valladolid, 12th August 1520. AGS, Patronato Real, Leg. 2, nº 1, fol. 26. Further information about the financier crisis in David ALONSO GARCÍA: *El erario del reino. Fiscalidad en Castilla a principios de la Edad Moderna 1504-1525*, Valladolid, Junta de Castilla y León, 2007, pp. 303-325.

however, was completely different because he had no previous contacts in Navarre before his appointment there as paymaster and, therefore, he had no established reputation. He was forced to build his reputation up practically *ex novo*, and it is precisely this that allows us to analyse what this concept of credit meant and how it was constructed among the mercantile communities in the particular context of conquest and political incorporations.

As I said above, to better understand the credit assessment mechanisms of these loans we can analyze it as conditioned by the reputation of the borrowers. This system of credits was, it would seem from this analysis, conditioned by the information about past conducts, future rewards, and individual credibility.<sup>41</sup> Thus, the image of these monarchical agents must be considered in the local context, and more specifically, among the mercantile communities. Furthermore, their reputation must also be analyzed in the specific context, because the context of the conquest was of paramount importance to determine the credit assessment mechanisms of these local merchants and creditors of the military administration.

The reputation of Rena was the key to his ability in obtaining the loans needed to maintain the defensive system of the kingdom after its conquest. Actually, in the judicial process related to the payment of the lodgement of troops in 1516 most of the witnesses underlined the importance of Rena's reputation as a "man of credit" to explain his success in this matter. Alonso Caro suggested that the paymaster was "a person who has a lot of credit in the kingdom of Navarre because he is a man of a lot of truth, and is perceived and known as that by all who know him".<sup>42</sup> Rena's reputation was of paramount importance because the local merchants lent their money only when Rena pledged himself to pay the debts. Alonso de Enebro underlined this saying: "that people who lent [the money] would not have done so, even knowing that it was for the service of the king, if Rena had not pledged himself to pay it".<sup>43</sup> Also another witness said: "neither merchants nor other people lend money even if it is for the service of the king, if is not with good security of the person who receives it".<sup>44</sup>

As it is obvious this reputation was based on previous experiences: in other words, the

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<sup>41</sup> See the different approaches on the importance of the reputation in the current debate between Greif and Edwards and Ogilvie. Avner GREIF: "Reputation and coalitions in medieval trade: evidence on the Maghribi traders" in *Journal of Economic History*, XLIX, 1989, pp. 857-882, Id.: *Institutions and the path to modern economy: lessons from medieval trade*, Cambridge, Cambridge University Press, 2006, pp. 58-90; Jeremy EDWARDS and Sheilagh OGILVIE: "Contract enforcement, institutions, and social capital: the Magribi traders reappraised" in *Economic History Review*, N° 65, 2, 2012, pp. 421-444 and the response of Avner GREIF: "The Maghribi traders: a reappraisal?" in *Economic History Review*, N° 65, 2, 2012, pp. 445-469.

<sup>42</sup> AGN, Archivos Personales, Rena, Caj, 35, n° 13, fol. 7.

<sup>43</sup> AGN, Archivos Personales, Rena, Caj, 35, n° 13, fol. 11.

<sup>44</sup> AGN, Archivos Personales, Rena, Caj, 35, n° 13, fol. 7.

paymasters could maintain their access to local credit if they paid back the first credits that they had received. In the case of Rena, he maintained his access to this local network of credit because he paid the debt on his first loans quickly.<sup>45</sup> This was something new from their creditor's point of view because the former Navarrese kings had a lot of problems to pay their debts. Actually, just before the invasion some of the future lenders of Rena showed their total distrust to recover their loans.<sup>46</sup> In fact, he was well aware of the importance of these precedents and he preferred to pay his debts before attending to his other obligations as paymaster. For example, he usually paid his creditors before he paid the soldiers.<sup>47</sup> Furthermore, in the payment, he also tried to incentive the loans benefiting to the merchants who lent him money. For instance, he accepted in these loans a great quantity of bad quality coins, but paid the loans back in "good coins".<sup>48</sup> He thus provided his lenders the benefit of the different value of the money, and most important, he provided them with the coins that they needed for their international trade.<sup>49</sup> But the Rena's reputation in the economic sphere was not built only through loans; he also benefited his creditors in other ways. In fact, the same merchants who lent money to Rena took part in the business of war that he managed. They negotiated with the paymaster very profitable contracts under which they provided the army with every kind of commodities.<sup>50</sup> Finally, the image of Rena was also improved by his managing of the military treasure because he was perceived as someone able to handle and spend big sums of money.<sup>51</sup> All these factors contributed to create and maintain the reputation of Rena as someone able to pay his debts, that is, as a man of credit. But also, as someone able to bestow interesting economic benefits on his collaborators.

Furthermore, the designation of Rena as pledge in some loans reveals that his creditors trusted him to negotiate the payment of their debts by the central authorities. By choosing a pledge the lenders not only obtained a surety; they also chose a mediator who was obliged to negotiate the payment of the debt with the central administration. For that reason the lenders frequently appointed as pledges people very well placed in the central institutions that dealt with the finances of the

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<sup>45</sup> AGN, Archivos Personales, Rena, Caj. 64, n° 5-1 fols. 8, 12 and 31.

<sup>46</sup> Luis Javier FORTÚN: "Derrumbe de la monarquía y supervivencia del reino: Navarra en torno a 1512" in FLORISTÁN IMÍZCOZ (ed.), *1512 Conquista e incorporación de Navarra... op. cit.* pp. 201-298, specially pp. 237-245.

<sup>47</sup> Letter of Juan Rena to Cardinal Cisneros. 4<sup>th</sup> June 1516. AGN, Archivos Personales, Rena, Caj. 24, n° 24-14

<sup>48</sup> AGN, Archivos Personales, Rena, Caj. 18, n° 6-2, fol. 2.

<sup>49</sup> Is important to note here that Rena enjoyed the trust of the coins he managed. The paymaster employed in his activity Castilian coins, commonly accepted in the external commerce, in a moment in which practically no one trusted the Navarrese coin after centuries of chaos in the monetary politics in that kingdom. Juan CARRASCO PÉREZ: "Moneda metálica y moneda crediticia en el Reino de Navarra (siglos XII-XV)" in *Moneda y monedas en la Europa medieval (siglos XII-XV)*, Pamplona, Gobierno de Navarra, 1999, pp. 399-455, pp. 441-445 and 453.

<sup>50</sup> AGS, Contaduría Mayor de Cuentas, 1<sup>a</sup> época, Leg. 283; AGN, Comptos, Registros, 2<sup>a</sup> Serie, n° 7, fol. 114 and Archivos Personales, Rena, Caj. 20, n° 19, and Caj. 40, n° 4. For an example of a profitable contract see AGN, Archivos Personales, Rena, Caj. 32, n° 9-2.

<sup>51</sup> Letter of Licentiate Jauregui to Juan Rena. Pamplona, 6<sup>th</sup> February [...] AGN, Archivos Personales, Rena, Caj. 87, n° 3-1.

monarchy. At a time when personal connections were the key factor in the functioning of the early modern monarchies,<sup>52</sup> it seems logical to think that the social network of these paymasters was of paramount importance to decide if they were able to obtain the payment of their loans. This is, their web of personal ties conditioned their reputation. So, the relational capital was of paramount importance to act as a useful pledge and, for this reason, to obtain loans. A very clear example of this was the case of the paymaster of the company of German mercenaries employed by Charles V in the defence of the Roussillon. As I said at the beginning, these soldiers were paid thanks to a loan from some merchants of Perpignan, the capital of the region. As usual, these tradesmen decided to designate the paymaster (who did not receive the loan) as pledge. Their choice was not due to his prestige as a merchant, because he had no mercantile contacts in the region (he worked in the Atlantic trade).<sup>53</sup> Instead, the local tradesmen based their decision on the very close connection of this paymaster, Martín de Adurza, with the person who could devolve the loan, his brother Juan de Adurza, the General Treasurer of Charles V. This decision was right and, in contrast with many other debts of the monarch, these lenders received their money back quickly without any problems.<sup>54</sup>

The relational capital of the monarchical servant who negotiated the loans was clearly of paramount importance to understand his capacity to access the local networks of credit, because it determined his reputation as someone able to obtain the money to pay back the loans. The appointment of Rena as pledge of an important part of the loan of 1516 shows us that the Navarrese merchants trusted him to negotiate with the central administration over the payment of their debts. In fact, the paymaster enjoyed a reputation as someone able to "intercede" with the famous Licenciado Francisco de Vargas, General Treasurer of Castile. From the point of view of the local merchants the social network of Rena was the most suitable way of accessing the most important spheres of the economic government of the monarchy. They were right: Rena employed his close relation with Vargas to obtain the repayment, and the Treasurer sent his petition to the Governors of Castile.<sup>55</sup> Unfortunately, the political crisis of the monarchy made the payment of the debt impossible.

The importance of this relational capital was of paramount importance also because in these periods of conquests these monarchical agents were perceived as mediators between the local community and the monarchical administration. Thus, Rena was perceived by his creditors as the

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<sup>52</sup> Juan Luis CASTELLANO and Jean-Pierre DEDIEU (dirs.): *Réseaux, familles et pouvoirs dans le Monde Ibérique à la fin de l'Ancien Régime*, Paris, CNRS, 1998.

<sup>53</sup> AGS, Cámara de Castilla, Diversos de Castilla, Leg. 45, nº 14.

<sup>54</sup> AGS, Consejo y Juntas de Hacienda, Leg. 10, nº 81-83.

<sup>55</sup> Letter of Juan Rena to Francisco de Vargas. 8<sup>th</sup> May 1516. AGN, Archivos Personales, Rena, Caj. 24, nº 24-12.

best way to have access to the different spheres of power of the monarchy. This should be put into relation with the traditional association between economic debts and moral obligations.<sup>56</sup> This is important because, as the experts in the employment of Historical Social Networks Analysis assert, the credit of these officers is related with their honour, but also with the multiplicity of favours that they could offer.<sup>57</sup> Taking this into account we should consider that the concept of 'credit' was not only used to designate the capacity of someone to pay his economic debts, but also his moral obligations. For that reason we should include the political credit of Rena in the credit assessment of his lenders. Thus, the image of Rena as a man of credit should be understood as a reputation that not only included pure economic meaning, but also his financial, social and political power.<sup>58</sup> This understanding is of paramount importance in our analysis, because the loans that the mercantile elites lent to the military administration should be seen as being a part of their wide political agenda.<sup>59</sup> In this manner, in order to fully understand why these merchants decided to lend money to these monarchical agents it is important to consider their reputation as political actors and the specific socio-political context of the kingdoms recently conquered.

To do that, and to obtain an accurate vision of the important role of these paymasters in the socio-political arena of the kingdom after its conquest, it is necessary to take a look at the functioning of their social network in the local context. In doing so we can see that, in the case of Rena, the loans were only a part of an interesting exchange of favours between him and his “friends”, that is, by an exchange conditioned by many different rewards, some of it based in the transference and transformation of different resources (or capitals) among the persons who integrated the network.<sup>60</sup> To sum up, he enjoyed a reputation as a “man of credit” because he rewarded the favours of his local friends. In this way he was able to act as a “broker” between the local community and the new monarchical authorities. This was possible because he enjoyed a privileged position that allowed him to “bridge” the “political gap”<sup>61</sup> between the local community

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<sup>56</sup> Bartolomé CLAVERO: *Antidora. Antropología católica de la economía moderna*, Milán, Giuffrè, 1991. See also for an interesting case study on the use of the loans as a tool of political patronage. Carol BRESNAHAN MENNING: “Loans and favors, kin and clients: Cosimo de’ Medici and the Monte di Pietà” in *Journal of Modern History*, Vol. 61, N° 3, 1989, pp. 487-511.

<sup>57</sup> Zacarias MOUTOUKIAS: “La notion de réseau en histoire sociale: un instrument d’analyse de l’action collective” en Juan Luis CASTELLANO and Jean-Pierre DEDIEU (dirs.): *Op. Cit...* pp. 231-245, p. 243.

<sup>58</sup> Laurence Fontaine: *L’économie morale. Pauvreté, crédit et confiance dans l’Europe préindustrielle*, Paris, Gallimard, 2008 pp. 20-23

<sup>59</sup> Ibid. p. 93. See also Jean-Philippe PRIOTTI: “Uso material e inmaterial del dinero: un análisis social para el estudio de los patrimonios mercantiles, siglos XVI-XVII” in Ricardo ROBLEDO HERNÁNDEZ and Hilario CASADO ALONSO (coords.): *Fortuna y negocios: formación y gestión de los grandes patrimonios (siglos XVI-XX)*, Valladolid, Universidad de Valladolid, 2002, pp. 45-72.

<sup>60</sup> Bartolomé YUN-CASALILLA: “Reading sources throughout P. Bourdieu and Cyert and March. Aristocratic patrimonies vs. commercial enterprises in Europe (c. 1550-1650)” in Francesco AMMANNATI (ed.): *Dove va la storia economica? Metodi e prospettive secc. XIII-XVIII*, Florence, Firenze University Press, 2011, pp. 325-337.

<sup>61</sup> These political gaps were usual during the conquest and state building processes. Gabriella GRIBAUDI: “La metafora della rete. Individuo e contesto sociale” in *Meridiana*, n° 15, 1992, pp. 91-108, p. 94.

and the new authorities. In this manner, he was able to act as a broker in mobilizing the local credit thanks to his good connections in the court, but also because he was the right-hand man of the different viceroys. This permitted him to intercede for his friends in very different spheres. Thus, for example, he was able to obtain mercantile licences to avoid the various restrictions of the important external trade,<sup>62</sup> licences that were frequently enjoyed by his lenders.<sup>63</sup> Nevertheless, despite the importance of all the economic benefits derived from their relationship with the paymaster, the most important favours were his political mediations. During the first years after the conquest some Rena's friends (who had also lent him money) were appointed as mayors of the capital.<sup>64</sup> Furthermore, Rena's political favours were not restricted to the local ambit: those who enjoyed his intercession in the local sphere also benefited from his political ability to obtain favours in the Court.<sup>65</sup> Thus, the loans that the members of the military administration received from the different local merchants should be understood as a way of having access to different spheres of power. The importance of Rena's political favours becomes even more evident if we take into account that his friends and creditors constituted an important part of the urban oligarchies of the kingdom.

One of the most interesting skills of a monarchical agent from the point of view of his lenders was his capacity to improve their "symbolic capital". An important asset used by the monarchical agents to obtain the collaboration of the local agents was precisely their capacity to "transmit" the services of someone to the crown.<sup>66</sup> The concept of "service"<sup>67</sup> to the king was, according to the political culture of the time, a kind of symbolic capital that provided access to mercies or offices, and, in general, determined the social position of someone in a specific society through the expression of the royal grace. This symbolic capital was of paramount importance throughout early-modern societies, but in the specific socio-political context of a kingdom after its conquest it became even more important, because the new political order after a conquest was based on loyalty to the king. As a result, any expression of this loyalty, like participation in the funding of the military enterprises,<sup>68</sup> acquired a special meaning. In this manner, the local merchant's loans to

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<sup>62</sup> Francis BRUMONT: "La Navarre, plaque tournante du commerce international au XVI<sup>e</sup> siècle" in Jean-Michel MINOUEZ and Patrice POUJADE (eds.): *Circulation des marchandises et réseaux commerciaux dans les Pyrénées (XIII<sup>e</sup>-XIX<sup>e</sup> siècle)*, Toulouse, CNRS-Université de Toulouse-Le Mirail, 2005, Vol. 2, pp. 323-337.

<sup>63</sup> See, for example, the licences obtained by Sancho de Yesa AGN.AP\_RENA,Caj.103,N.79-1 and 2 or the letter of Arnao de Ozta asking for his intervention to get a special licence. Letter of Arnaldo de Ozta to Juan Rena. Obanos, 5<sup>th</sup> September 1526. AGN, Archivos Personales, Rena, Caj.70,N.26.

<sup>64</sup> AGS, Comptos, Papeles Suelos, 1<sup>a</sup> Serie, Leg. 2, carp. 19 and. Caj. 190, n.º 10, IV.

<sup>65</sup> Letter of Juan de Salinas to Juan Rena. Madrid, 18<sup>th</sup> July 1516. AGN, Archivos Personales, Rena, Caj. 2, n.º 5.

<sup>66</sup> See, for example, the petition of Íñigo Ortiz de Salazar to Juan Rena to make relation of his merits in the Court. Letter of Íñigo Ortiz de Salazar to Juan Rena. San Sebastián, 20<sup>th</sup> January 1515. AGN, Archivos Personales, Rena, Caj. 1, n.º 10-1.

<sup>67</sup> For further information on the political meaning of the concept "servicio" in the Hispanic Monarchy. Alicia ESTEBAN ESTRÍNGANA (ed.): *Servir al rey en la monarquía de los Austrias: medios, fines y logros del servicio al soberano en los siglos XVI y XVII*, Madrid, Sílex, 2012.

<sup>68</sup> On the important political meaning of the participation of the funding of a war see Alicia ESTEBAN ESTRÍNGANA: "La

the members of the military administration were understood as a service to them but most important, as a service to the king. For instance, in his letters to the Catholic Kings Gonzalo Fernández de Córdoba described Bernardo Farahone, the Sicilian banker quoted above, as a server of the monarchs.<sup>69</sup> Samuel Zatorra, the Jew who acted as agent and lender of the local paymaster in Oran, was described by other member of the local administration as “a great servant of the king, our lord”.<sup>70</sup> These financier services during the conquest settled long-lasting alliances. Thus, some years after the conquest of the North African port cities, a member of the African military administration wrote to the emperor asking for protection and for the maintenance of the privileged position of Zatorra and his family.<sup>71</sup> In the kingdom of Naples, as we saw before, the sons of Bernardo Farahone kept lending money to the Spanish authorities during the periods of crisis, playing the key role that their father played during the conquest of the kingdom.<sup>72</sup> Thus, in the context of these conquests, lending money to the new authorities was an interesting option in the search for a certain social status as reliable servants of the king, something specially important for the members of the families that usually played a key role in the financier service to the monarchy before the conquest. For this reason it is not strange that the most important creditors of Rena belonged to the financier clans that had been acting as reliable financier servants of the Navarrese kings since the middle age.<sup>73</sup>

Obviously in this strategy of social climbing, or maybe to maintain a social status, by the economic services to the monarchy (frequent in the processes of conquest<sup>74</sup>) the person who received the loans played a key role as witness and guardian of this symbolic capital. This was especially true if he was a very well-related man who had mastered the political games of the brokerage. Thus, when a member of the Cruzat family (the most important creditors of Rena) asked for a royal mercy she wrote to the Emperor Charles V saying:

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participation des négociants des Pâys-Bas méridionaux dans le système d’asientos de la Monarchie Catholique au XVIIème siècle” in Laurence FONTAINE, Gilles POSTEL-VINAY, Jean-Laurent ROSENTHAL and Paul SERVAIS (eds.) : *Des personnes aux institutions. Réseaux et culture du crédit du XVIe au Xxe siècle en Europe*, Lovain, Bruyillant, 1997, pp. 81-109.

<sup>69</sup> Letter of Gonzalo Fernández de Córdoba to the kings Ferdinand and Isabella. Mesina, 8<sup>th</sup> September 1500. L de TORRE y R. RODRÍGUEZ PASCUAL: "Cartas y documentos relativos al Gran Capitán" in *Revista de archivos, bibliotecas y museos*, Nº 3 and 4, 1916, pp. 300-316, p. 309.

<sup>70</sup> AGS, Cámara de Castilla, Pueblos, Leg. 14, nº 308.

<sup>71</sup> AGS, Cámara de Castilla, Diversos de Castilla, Leg. 6, nº 108.

<sup>72</sup> AGS, Consejo y Juntas de Hacienda, Leg. 7, nº 137.

<sup>73</sup> Béatrice LEROY: “Una familia de burgueses de Pamplona en la primera mitad del siglo XIV: los Crozat” in *Príncipe de Viana*, Nº 136-137, 1974, pp. 429-448; Antonio CASTELLANO GUTIÉRREZ: “Los Echévarri de Estella. Una familia burguesa medieval. Contribución a su estudio” en *Príncipe de Viana*, Nº 202, 1994, pp. 305-330 and David MARURI ORRANTIA: “Añués: noticias histórico-genealógicas” in *Zangotzarra*, Nº 1, 1997, pp. 11-112.

<sup>74</sup> José Javier RUIZ IBÁÑEZ and Gaetano SABATINI: “Monarchy as conquest: violence, social opportunity and political stability in the establishment of the Hispanic Monarchy” in *Journal of Modern History*, 2009, Nº 81, pp. 501-536. p. 530.



“Me and my sons, in these eleven years, we have served in the name of Your Majesty to your viceroys, captains, and people of war, lending them great amounts of money without any interest, only because of our great affection to the service of Your Majesty, as Your Majesty can be informed (...) by Micer Juan Rena.”<sup>75</sup>

Thus, these lenders reinforced their symbolic capital as servants of the monarchy and, consequently, their social status thanks to their financier services to the crown, but also thanks to their relationship with Rena. This was also obvious regarding the mediation of the paymaster in favour of his friends. For example, in 1522 the paymaster suggested that one of his lenders be appointed to an office in the financier government of the kingdom making reference to his condition of servant of the king.<sup>76</sup> The formal appointment suggested by Juan Rena came shortly after,<sup>77</sup> showing the capacity of Rena to achieve other kinds of "payments" of these financier services. In conclusion, his credit referred not only to his capacity to pay the money back, but also to reward to his creditors in many different ways.

The importance of Rena's reputation in making these different payments was confirmed after the last great loan that he obtained from the local merchants. By that time his creditors showed a great capacity to adapt to the critical situations in which they lent their money and, in 1523, after some unproductive attempts to obtain the payment of the debt from Rena<sup>78</sup> (who had no money because of the chaotic situation of the Castilian treasure), they decided to recover their money through their control over the Navarrese tax system. Thus, the Navarrese States of 1523, home to a large number of the merchants who had participated in this last collective loan, approved a tax increase after the crown's confirmation that the money resulting of this increase was destined to pay their debts.<sup>79</sup> In fact, they did not trust Rena to pay these economic debts. Nevertheless, his lenders continued to trust him to obtain the political payments of the loan. Shortly thereafter, they approached the paymaster asking for his help in some of their political negotiations with the monarchical authorities. Once again they were right: Rena continued to help them.<sup>80</sup> Thus, the reputation of these monarchical agents to manage private credits in the conquered kingdoms was very closely related to their "credit" as political brokers between the local communities, and the new authorities. This explain why the Navarrese merchants lent money to Rena even in the critical moments in which they knew that the paymaster was unable to pay their money back.

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<sup>75</sup> AGS, Cámara de Castilla, Leg. 148-199.

<sup>76</sup> AGN, Archivos Personales, Rena, Caj. 35, nº 1-4, fol. 3.

<sup>77</sup> AGN, Reino, Actas de Cortes, Lib. 20, fol. 205.

<sup>78</sup> AGS, Cámara de Castilla, Lib. 247, fol. 30.

<sup>79</sup> AGS, Cámara de Castilla, Lib. 247, fols. 151-152 and AGN, Reino, Actas de Cortes, Lib. 20, fol. 252.

<sup>80</sup> AGN, Archivos Personales, Rena, Caj. 28, nº 35-14, fol. 2 and nº 36-1.

## CONCLUSION

Frequently, the military administration of the Hispanic Monarchy was forced to use the local networks of credit to maintain the armies that carried out the conquest of a great number of territories. The credit assessment around the loans that the peripheral military administration obtained during the process of geographical and political expansion of the Hispanic Monarchy was highly conditioned by the reputation of the agents that embodied this administration. For that reason the members of this administration were frequently obliged to collaborate with reputable members of the local mercantile communities. That fact, and the frequent role of these agents as pledges in the loans of their partners, shows us how these local financiers tried to reduce the risks of this unsafe practice of money-lending. Nevertheless, frequently the tradesmen and financiers who lent money to the members of the military administration had many problems recovering their capital. To take into account the reputation of these borrowers seems, of course, useless to deal with the structural problems of the royal finances. However, despite that, these lenders considered the reputation of their borrowers extremely important.

For that reason, it is necessary investigate in detail what this reputation meant in order to better understand the mechanisms of decision-making of these specific and complex practices of money-lending. We can observe that the reputation of these monarchical agents was built by their reputation as trustworthy men in the economic field, but it was also constructed according to many other different factors. For instance, the practices of the early modern monarchical administration, made it necessary to take into account the personal connections of the borrowers within the administrative apparatus of the monarchy. Furthermore, it seems that the reputation of these monarchical agents was not restricted to their capacity to pay the loans back. The conception of the loans as a kind of personal favour embedded in the web of affective ties that gave cohesion to the early modern society drives us to a wider conception of the word 'credit'. At the same time, the specific socio-politic context of the processes of conquest and incorporation implies the necessity to manage a specific, and complex, conception of reputation. As these loans were an important financier service to the new monarchy, it had a marked political meaning. That fact was of paramount importance because it allowed us to understand the importance of the reputation of these borrowers not only as simple financier agents, but also as political actors. In this manner, the reputation of some of these monarchical agents as powerful brokers can explain their access to the local networks of credit. From the point of view of the local financiers and merchants who lent

money to the military administration this reputation of their borrowers was something essential. The important political meaning of these money-lending practices made necessary to guarantee that it would be appropriately rewarded, and for that reason it was so important to trust that the person who received the money could act as a powerful political ally. Thereby, the important role of the members of the military administration in the process of political integration which followed the military conquests, made their creditors to trust them and, consequently, facilitated their access to the private credit networks.

Looking at this reputation-based credit assessment we observe that these mercantile communities were able to adapt their money-lending practices to critical contexts such as military conquests. Furthermore, their employment of a wide-range concept of the reputation of their borrowers shows us that they tried to deal with the problems of lending money to the king in very difficult circumstances. Obviously, they frequently failed in one of their main objectives: recovering their money, and they failed because the concept of reputation that they managed was not efficient enough to skip the structural problems of lending money to the crown's servants in these difficult situations. Nevertheless, a concept of credit that also included the reputation of their borrowers as political actors helped them in their strategies to deal with their main problem: the political instability of these specific contexts. In this manner, their possible losses of capitals were more or less compensated with other economic benefits. The loans allowed these local merchants and financiers to avoid interference in their economic activity, and at the same time, it provided with access to very profitable business. At the same time, they enjoyed a privileged social status after the conquests thanks to the favour of some important political actors who appointed them as local officeholders and recognized their services. In conclusion, they succeeded in reducing the economic risks of these money-lending practices, and, at the same time, they were able to improve the social, political and also economic, benefits. All this was in a critical context to which they were able to re-adapt their economic and political strategies. Taking this into consideration we can understand these money-lending practices as a way of combining both risk and safety. By emphasizing the importance of the reputation of their borrowers, the local merchants and financiers who lent money to the military administration during the conquests tried to carry out a complex combination: they were practicing risky money-lending, but they were trying to do so by choosing trustworthy borrowers, in an attempt to achieve a certain stability in these periods of political crisis.