DURING the first half of the fifteenth century the horsemen of the Apocalypse—Conquest, Slaughter, Famine, and Plague—continued to ravage Europe. Except for the sparsely settled areas of the East, Europe appeared to be condemned to permanent economic depression and its consequent social, religious, and political chaos; but after approximately 1450, war and plague subsided, with the result that population increased and towns grew. This expansion of the market for food stimulated first agriculture and then trade in general, ultimately reviving and expanding the long-stagnant circulation of money. By the end of the century the economy was experiencing the unprecedented boom that would provide the wealth to send Columbus across the Atlantic, settle colonies in the Americas, and at the same time support a brilliant cultural revival at home.

This essay explains these dramatic achievements in terms of a major rise in population that reversed a long-established demographic trend and appears to have revived the equally long-depressed economy. Although the records are incomplete and unreliable by modern
standards, we know enough about births and deaths in representative European communities in the fifteenth century to be quite certain that, with the tapering off of the calamities of famine, plague, and war which dominated the fourteenth and early fifteenth centuries, the population began to increase sharply and at an accelerating rate. We know, with equal certainty, that business improved.

In recent years, economists have tended more and more to see fluctuations in population as powerful, perhaps decisive, influences on the economic health of a society. To take the later fifteenth century as an example, it is easy to recognize that as population increased, so did the demand for grain, stimulating both a rise in prices and an expansion of production. Profits made in this, the most important, sector of the economy were either spent for imported or manufactured goods, thereby extending the stimulus from agriculture to industry and commerce, or they were invested in new production of all sorts. With prosperity, population increased still further, and with the same bewildering speed they had manifested in their common decline a century and a half before, they provided a marked, often radical, and even revolutionary stimulus to human activity.

War, Famine, and Pestilence

From 1337 to 1453, with brief respite, a confused struggle known as the Hundred Years' War had devastated France, disrupted England, and intermittently despoiled Scotland and the Low Countries. During the same general period the Iberian kings never ceased fighting among themselves except to seek conquests in Italy or to attempt to drive the Moors from their last foothold in Granada, just as the Scandinavians interrupted their civil
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strife only to attack the Hanseatic League. In the east, the Poles clashed with the Teutonic Knights and with Tartar raiders roving over the Ukraine, while to the south, Ottoman armies pillaged the Balkans. In addition, princes, barons, and towns fought incessantly among themselves, save on the rare occasions when they joined in a common cause to suppress revolts of the masses, who, in turn, more normally vented their frustration in frequent persecution of Jews or witches. The depredations of brigands and pirates seemed petty annoyances to a society in which victors could legitimately slaughter the vanquished they could not ransom and burn the booty they could not carry off.

Hunger still stalked Europe. Not even the drastic reduction of population during the fourteenth century had made food generally plentiful. For one thing, frequent natural calamities—floods, freezes, and droughts—produced new famines, at times so severe as to reduce men to cannibalism. In addition, even local shortages caused starvation, because fear of famine, ruthlessly exploited by speculators and political adventurers, drove most communities to forbid the export of grain, and further, because the transport of significant quantities over land was all but impossible. Finally, neither individuals nor towns had the resources, even if they had the foresight, to lay away provisions for the inevitable emergencies. Many foods could not be stored at all, and those that could, like meat and fish preserved in salt, lost most of their nutritive value if they survived rats, rot, and fire.

In the wake of war and famine came disease. Although the worst epidemics of plague struck in the fourteenth century, at least ten occurred between 1400 and 1485, and minor outbreaks were recorded somewhere every
year. The towns, overcrowded and vermin-infested, with primitive ideas of public health and hygiene, were more susceptible to the plague than were rural areas; and the seaports, continually exposed to infection from the rats which swarmed around their wharves, were most vulnerable of all; but even remote and isolated communities did not escape unscathed. Yet the most murderous plagues could not claim as many victims as the common illnesses, the care and treatment of which, if attempted at all, were often more dangerous than the ailments. In the century and a half between 1300 and 1450, war, famine, and disease combined to reduce Europe’s population by some 30 per cent, to about fifty million.

The Agricultural Economy

Before this great decline, almost all the inhabitants of Europe had been subsistence farmers, eking out barely enough for survival. Inevitably, they supported the rural clergy and nobility (who constituted, respectively, about 0.5 per cent and 1 per cent of the population), and those few who lived near enough had to feed the people of the towns. Well over 90 per cent of Europe’s meager population, however, lived not in towns but in one of four basic types of rural environment: forest, swamp, steppe, or arable land. Forests covered much the largest portion of the continent, but both swamps and steppes also accounted for huge areas, and what remained as arable land could ill support its meager, poor, hungry, and unhealthy population.

Both in the northern plain and in the steep-walled valleys of the Mediterranean, cereals, together with some dairy products and a little meat, provided the basic diet and surpluses to pay for the inescapable rents and taxes.
Farm animals supplied power as well as food and clothing, and the wretched inhabitants understandably made as much beer, cider, or wine as local circumstances permitted. Largely self-sufficient by necessity, farmers supplemented basic products with game, fish, and fruit from adjacent forests and swamps. For salt, which often had to be imported, and for any small luxuries or occasional tools offered by peddlers or nearby market towns, they bartered or sold their surplus.

After the onset of plagues in the fourteenth century, population declined faster than harvests, with the result that markets shrank and prices fell. Marginal lands were driven out of production, and agriculture remained depressed throughout the first half of the fifteenth century. The general shortage of labor, however, caused wage levels in town as well as country to be maintained, and prices of handmade goods even tended to rise. The principal consumers of such goods were the nobles, still predominantly landowners, whose income was suffering a steady drop.

A significant change in the pattern of landowning followed, as a steadily increasing number of these aristocratic victims of circumstances were driven to contract mortgages they would be unable to carry while the depression of cereal prices continued. The ultimate result was the transfer of more and more land to thrifty peasants, who worked it themselves, thus avoiding labor costs, or to prosperous burghers, who were eager to invest their new wealth and who, by stricter economy and better management, made the land yield greater returns than it did for their aristocratic predecessors. The loss of patrimony lands by prodigal nobles was greater in France, Italy, and western Germany than in England, Spain, and
eastern Europe. Everywhere all classes hungrily eyed the vast tracts still owned by the higher clergy, who tended, because of able, professional management, to keep their estates intact.

The Business Community

Demographic decline and agricultural depression had radically transformed the economy, hurting some segments of the community and helping others. The old industries had catered primarily to aristocratic extravagance, with the result that, as the purchasing power of the nobles dropped, so did sales. Nevertheless, the skilled laborers in the established trades used the power of their well-organized guilds to prevent any lowering of wages or the introduction of laborsaving techniques, thus precluding the possibility of cutting prices. Caught in this impasse, many shop owners were forced to dismiss workers or go bankrupt. In contrast, new industries developed to meet the growing market of rural and urban workers. Benefiting from the general rise in wages, these hitherto impoverished classes began to buy cheap handmade goods which had previously been quite beyond their reach. By far the most important commodity in this category was lightweight, inexpensive woolen cloth, which could be made by less skilled and more important—unorganized labor. Bypassing the guilds and their restrictions, entrepreneurs “put out” clothmaking to peasants who in their idle seasons or hours were glad to spin or weave in their cottages, even for low wages.

The Flemish textile centers of Ypres, Bruges, and Ghent, forced by their guilds to continue turning English fleece into old-style expensive woolens, suffered. The smaller surrounding towns and villages, however, by exploiting unorganized labor and the new cheap Spanish
wool, managed to prosper. The English themselves, deprived of their traditional Flemish market, were forced to follow the trend and turn their raw wool into inexpensive cloth in their own villages, in order to compete successfully with the new Flemish clothmakers. Even Florence and the other Italian cities that had made luxury cloth for most of southern Europe were forced to follow the example of the North. To switch to making the less expensive products, they too were forced to buy Spanish wool and to find cheap labor, and thus destroy their guilds and oppress their journeymen in the process.

These readjustments were both painful and hazardous, and many individuals and communities suffered; but in general, the older and better established German and Italian towns fared better than any others. The cities of northern Germany and the southern shores of the Baltic united in a protective federation called the Hanseatic League which controlled the exchange of grain, fish, furs, and forest products from the Baltic lands for cloth, metals, salt, spices, and wine from western or southern Europe. Not until the latter part of the fifteenth century was the hold of the Hansa on Baltic trade broken by the English and the Dutch. Further south, Augsburg, Nuremberg, and Ulm, to name the most important cities, escaped the general decline by continuing their long-established trade with the great Italian communes, notably Milan, Venice, and Florence, importing both the new cloth and such traditional items as silk and spices.

At least until the end of the fifteenth century, the Italians managed to maintain their position as the most successful businessmen in Europe. If they owed their previous eminence to their location at the center of the Mediterranean, they consolidated this advantage by developing the most advanced business methods of the
time. Through joint-stock companies and deposit banks, they increased their ability to raise capital, and by the development of what we call insurance they shared the enormous risks involved in commerce and reduced them to a manageable factor in their accounts. The introduction of the abacus and Arabic numerals made double-entry bookkeeping possible and effective accounting practical, while bills of exchange, bought in one currency and payable at a later date in another, expanded credit at the same time they expedited commerce.

Inevitably, these superior techniques spread. Barcelona, as well as Genoa, established a state bank, while private Italian financiers concentrated banking operations at great financial capitals such as Florence, Antwerp, London, and Lyon. The Italians also established resident agents, or factors, in other principal commercial centers, and the Medici, operating from Florence, developed a close-knit and resilient business organization. A precocious forerunner of the modern holding company, this system of intricate interlocking partnerships made it possible for a branch to go bankrupt without pulling down the parent company—a possibility that would not have been comprehensible or acceptable to mediaeval businessmen. These innovations, along with many others, including the practice of investing growing profits in the governments of rising princes, clerics, and kings, began to attract imitators, notably the greatest French financier of the century, Jacques Coeur, and the rising banking family of the Fuggers in southern Germany.

Population Growth and Economic Prosperity after 1450

Between 1450 and 1500 the number of inhabitants of Europe rose from some 50,000,000 to an estimated
70,000,000, more than compensating for the demographic losses suffered since 1300. By the end of the century, the British Isles may have had 4,500,000 inhabitants; France, 15,000,000; Spain, 7,000,000; Italy, 10,000,000; Germany and the Netherlands, 10,000,000; Poland-Lithuania, 6,000,000; Greater Hungary, 3,500,000; Bohemia, 2,000,000; Russia, 6,000,000; the Balkans, 4,000,000; and Scandinavia, 2,000,000. Although the large majority of the population still lived on the land, cities began growing rapidly. Paris is estimated to have had between 70,000 and 80,000 inhabitants by the end of the century. Italy had more large towns than any other country: Milan, Venice, and Naples, each with perhaps 100,000, and several others with over 50,000. Only four cities of the Iberian Peninsula and four in the Low Countries had over 30,000. Cologne, with perhaps 32,000 persons, was the largest city in Germany; and London, with a like number, was the only city in England to exceed 15,000. Eastern Europe was far less urbanized and, except for Prague, Novgorod, Moscow, and Constantinople, probably had no towns with a population of more than 15,000. Maximum growth occurred in the eastern plains and along the western seaboard, areas which would soon provide a surplus population that would migrate across the Atlantic and the Urals. In some areas of central Europe, however, where the losses suffered in the preceding 150 years were not made up, the population remained dispersed.

Everywhere the economy responded to the stimulus of the dramatic population growth. The need for more food, housing, and clothing drove commodity prices up, and the demand for arable land outpaced the rate at which it could be cleared. Consequently, land rents and values soared, and the colonization of the less developed areas
of eastern Europe, particularly in Poland and Russia, accelerated. Increased demand spurred the introduction of improved techniques, especially of crop rotation, and the quality as well as quantity of the crops improved.

But because the population grew more rapidly than new farm land could be opened and thus caused a labor surplus in the predominantly agrarian society, real wages began to fall, first on farms and later in towns as well. The consequent decline in per capita spending by both town and country laborers was, however, more than offset by the increase in their total number, which was great enough to absorb all available output. As a result, proprietors enjoyed both cheaper labor costs and an expanding market for their produce. As grain prices rose, landowners prospered and, in turn, contributed to the expansion of commerce and industry by buying manufactured goods and imported luxuries. In response to this stimulus of an expanding market, industry augmented its capacity, particularly by further developing the “putting out” system. Originally designed to circumvent the guilds in a period of shrinking markets, this technique now served a different purpose in a rapidly expanding economy by drawing on the unlimited reserve of peasant labor.

This normal economic revival, however, was soon to be overtaken by a revolution in Europe's commerce. Italian capitalists, technicians, and adventurers, of whom Columbus and Amerigo Vespucci are the most famous, contributed significantly to the development of ocean trade; but even before the great discoveries, traffic along the Atlantic coastal route from the Mediterranean to the Baltic had reached an important level of activity and profit. And industry, which had hitherto been severely restricted by the limitations of mediaeval transportation, was suddenly drawn into a maelstrom of expansion.
Gradual improvements in communications had already served to expand trade. The opening of new Alpine passes between Germany and Italy shortened the routes from Italy to northern Europe, making it possible for a courier to travel overland between Venice and Bruges in a week. Useful as this speed was to expedite important negotiations, heavy or bulky goods could still be economically transported only by water, and a cargo still took three months to traverse the distance between those cities by sailing ship. Progress in techniques of water transportation had, however, continued even during the depression. Map-making, navigation, and shipbuilding all improved, so that trade between Italy and Flanders, which during the Middle Ages had used the north-south rivers, notably the Rhine, now was increasingly by sea. Sailing around Gibraltar, merchants visited the Atlantic ports en route, contributing to their development even before the advent of the transatlantic trade.

In fact, one of the most important steps in the expansion of later mediaeval commerce had been achieved by the famous “Venetian galleys.” Even though there had always been some coastal shipping along Europe’s Atlantic shores, no regular through trade from the Mediterranean to the North Sea and the Baltic, by way of the Atlantic, existed before the thirteenth century. About 1300, however, both the volume of commerce and nautical techniques attained levels that made such a route not merely feasible but extremely promising. Although very costly to organize, water transport, because of the enormous volume it could handle, could produce unheard-of profits. With this prospect clearly in mind, the Venetian merchants—working through their oligarchy—proceeded to solve the problems of risk owing to weather and piracy by arranging convoys of their largest galleys (propelled
by as many as 180 oars) to make the voyage to England and the Low Countries—usually once a year. Although precise figures are elusive, there can be no doubt that this innovation raised the volume of north-south trade to an entirely new order of magnitude, thereby stimulating both manufacturing and banking to a corresponding degree, and inevitably inviting imitators and initiating a whole new phase of economic history.

Profits from this sea-borne commerce became too large to be consumed in any traditional manner, so a new problem of finding opportunities for investment began to arise. Initially this led to a further expansion and extension of trade and then to the development of new business techniques. The results could soon be seen in the widespread introduction of a variety of innovations. Itinerant peddlers who had supplied dispersed and limited markets by instinct either transformed themselves, or were replaced by, professional merchants who worked in "offices" studying reports and accounts. Large-scale speculation in grain, wines, wool, and metals accompanied increased investments and improved techniques. In mining, printing, spinning, and weaving, the commitment of capital made possible the enlargement of plants and the introduction of specialization and systematic management. Under these conditions, credit insurance and banking operations expanded rapidly, and international business ties multiplied, building a common European economy. The new sophisticated process of investing large sums at calculated risks but with professional skill, in pursuit of even greater profits, was to play an increasingly important role in European affairs, until it dominated the entire civilization under the name "capitalism."

Governments of the period became acutely conscious
of the unprecedented expansion of business and often sought to tap its profits. The mining industry offered an irresistible opportunity and consequently provided a fine example of this procedure. In constant and mounting need of bullion for coins and iron for arms, rulers everywhere not only maintained their traditional rights in mineral deposits but began to take an active part in the management of mines and even invested heavily in their development. Under such favorable conditions, the production of silver, lead, tin, and iron probably quintupled in central Europe between 1450 and 1530. In Italy the popes and the Medici divided the profits from vast new alum mines, while in Germany and Hungary the Hapsburgs ultimately shared the growing mining wealth with their principal bankers, the Fuggers. Simultaneously, the Portuguese began to import significant amounts of gold from western Africa. This new bullion induced a mild inflation, stimulated business, enhanced incomes, and increased the demand for all sorts of goods and services.

Rulers, encouraged by this success, attempted to extend their control to other businesses as well. Louis XI of France, for example, succeeded in establishing a fair at Lyon which lured much business away from Geneva, but he failed in his efforts to establish a native silk industry in France. In a remarkable anticipation of the mercantilism of Jean-Baptiste Colbert, his bureaucrats and theorists consciously tried to manipulate trade to build up their country's monetary reserves through the maintenance of a favorable balance of payments. Preoccupation with constantly growing needs for bullion drove kings to take increasing interest in new sources of gold and silver, particularly by encouraging the explorations which led eventually to the importation of vast American treasures.
Social Changes

The impact of these economic developments on the social structure of western Europe was profound. They deepened the political and cultural chasm dividing the increasingly commercial West from the agrarian East and wrought basic changes in both. In the West, during the depression, feudal nobles and manorial serfs had declined in number and importance as new classes arose. Until the expansion began, about 1450, aristocratic landlords were forced to sell their grain for less and less while they had to pay more and more for labor that had once been owed them as service. The alternative was to let their lands to peasants for low rents, but the result in either case was a drastic reduction of income. Similarly, the continuous debasement and devaluation of currencies eroded revenues based on long-term leases or customary dues. Some landowners, particularly in England and Spain, protected themselves by evicting the tenants and converting their estates to sheep farms, early anticipating the enclosure movement. Others attempted to supplement their dwindling incomes by becoming professional soldiers, bureaucrats, brigands, or—in England and Italy—even businessmen. Still others, especially in France, Spain, and the Rhineland, sank into chronic poverty, becoming the bobereaux, hidalgos, and Raubritter of the sixteenth century. Thus the shrinkage of demand for grain and the rise in labor costs before 1450 put a steady economic pressure on the noble landowners in western Europe and weakened, or at least threatened, their traditional position. Most were too impoverished to benefit significantly from the expansion when it finally began.

In contrast, the serfs and agricultural laborers who survived the Black Death found their services in greatly
increased demand. Landowners were forced to compete for labor with businessmen who could offer not only higher wages, but even the prospect of freedom, to escaped serfs. In certain districts, such as the English Midlands and the Castilian plateau, the early enclosure movements reduced serfs to landless rural workers and beggars, but such exceptions notwithstanding, the general scarcity of labor placed most serfs in a strong position. Frequently able to buy emancipation, to commute service obligations into money payments, or to acquire more favorable leases and even buy land, not a few during these decades ascended the social ladder from poor serf, to free peasant, to prosperous yeoman. After 1450, when their numbers began to increase rapidly, the peasants of the West, where serfdom had virtually disappeared, mitigated the effects of the decline in wages by migrating in increasing numbers to the expanding towns. In the rural East, however, having nowhere to go, the peasants were completely vulnerable to the local nobles, who proceeded to exploit them at will, ultimately reducing them to serfdom.

After a generation or two, country yeomen in the West became hardly distinguishable from urban businessmen who, upon retirement, had invested their money in farms. Sometimes both amalgamated with the poorer aristocrats in a new rural middle class which, exploiting recently acquired lands, tended to buy from and sell to townsmen, and, like the capitalists in the towns, was primarily concerned with making profits.

Turmoil and violence accompanied the rise and fall of classes in town and country. Serfs struggled for emancipation, peasants for land, and urban workers for better wages and political rights. The worst outbreaks came from the least skilled and lowest paid laborers, especially
the weavers and fullers, who were ruthlessly crushed by the privileged classes. None of these popular revolts brought permanent amelioration; they only filled town and countryside with violence and arson, leaving chaos in their wake.

Following an old Judaeo-Christian tradition, the alienated, frustrated masses sought expression of, or relief from, their social discontent in religious movements promising the millennium—the establishment of an earthly kingdom of God. In the crowded cities, however, the church proved unable to alleviate the miseries of poverty or even to provide a sufficient religious opiate. The friars, who attempted to sublimate class hatred and despair, could not minister to all the rootless and desperate urban poor, while secular priests, who all too often lacked true religious commitment, were frequently not even assigned to slums. Discontent among the ignorant continued, therefore, to express itself in heresy and revolt. The overcrowded and underemployed proletariat of Prague, for example, joined the extreme wing of the Hussite movement at the beginning of the fifteenth century, and the downtrodden peasants of the region followed suit. Similarly, in Germany some of the poor mingled heresy with rebellion. Peasants' revolts multiplied in the fifteenth and early sixteenth centuries, culminating in the German Peasants' War of 1525. But these chiliastic movements failed, as thoroughly as their purely secular counterparts had, to impede the newly developing class structure of Europe.

Summary

In the West, the principal beneficiaries of the economic expansion of the latter part of the fifteenth century were
the bourgeois. Because of rising prices and increasing demand, they could expect to make a profit on anything they bought and held. Agricultural producers—the peasants or yeomen in the West and the nobles in the East—also benefited from the same factors. Other classes suffered. The old feudal nobles of the West, most of whom had transmuted their manorial services or rented out their land on long-term leases, were caught with relatively fixed incomes in a period of general inflation. Even wages did not rise as fast as prices, and the proletariat, whether in town or country, was also caught at a desperate disadvantage. But while the nobles in the West lost power to the bourgeois, who now employed many of the surplus workers, those in the East succeeded in ensnaring their peasants and consolidating their control of the land, thus reinforcing their social and economic dominance.

The western capitalists, with their drive for profits, began to undermine the cultural, religious, and political structures of the old agrarian world. But by their more than princely patronage, combined with their improving taste, they began to establish new ones, notably during the northern and southern Renaissances. By their new attitudes toward work and poverty, as well as by their new mental habits, they influenced the Protestant and Catholic Reformations. And finally, through heavy capital investment and the infusion of their new business methods, they aided the growth of centralized states. In eastern Europe, where few cities arose and the economy changed little, the traditional cultural, religious, and political structures tended to survive unchanged, unless—as in the case of serfdom—they were actually reinforced and extended.

Thus, although the transition from mediaeval to mod-
ern society remained incomplete, important progress in this direction had occurred by the end of the fifteenth century. The beginnings of the commercial and capitalist revolutions on the one hand, and the concomitant growth of the urban middle classes on the other, produced not merely radical economic and social changes but striking advances in the five-hundred-year-old process of territorial consolidation which constitutes the central theme of the political history of the Middle Ages. As with all important widespread developments, however, its impact was different in different parts of Europe, so that existing regional differences were often accentuated.

To follow these changes in a systematic manner it is useful to think of the map of fifteenth-century Europe as divided into four vertical strips. Along the western edge lay the national states of England, France, and Spain, which benefited most directly and most extensively from the expansion overseas. Next, between lines formed roughly by the Scheldt, Meuse, and Rhone rivers on the west and by an imaginary extension of the Elbe to the Adriatic on the east, was what we shall call west-central Europe. Here were to be found the small city-, church-, and princely states that characterized the Italian peninsula, Germany, and the Low Countries, and the old centers of commerce along the rivers that linked the Mediterranean and the North Sea. East-central Europe, between the Elbe-Adriatic line and the Dvina and Dnieper, was made up of the large, loosely organized kingdoms of Poland-Lithuania, Bohemia, and Hungary. There towns and commerce always lagged, partly because of a lack of seacoasts. Still further to the east sprawled the huge and heterogenous Muscovite and Ottoman empires tied more to the caravan trade of the Asiatic steppes than to the
water-borne commerce of Europe. Just as each of these four strips developed a characteristic economic structure, so also, by the end of the fifteenth century, each had acquired distinctive regional political patterns. Beginning at the center of Europe and moving first to the west and then to the east, we shall examine each of these areas as we follow the historical process of consolidation.
THE line of the Scheldt, Meuse, and Rhone rivers separating western from west-central Europe was roughly the same as that established in 870 to divide the northern domains of Charlemagne between his surviving grandsons, Louis the German and Charles the Bald. (See, in this series, Richard E. Sullivan, *Heirs of the Roman Empire.*) This boundary remained relatively stable until early modern times, and, indeed, sections of it still constitute the long-contested Franco-German border. In the fifteenth century this line marked more than the political differences between the monarchies to the west and the city-states and principalities to the east, in central Europe. It also effectively separated the large agrarian areas in which the western monarchies were grounded from the more densely populated river valleys of Germany, the Low Countries, and northern Italy. In the latter areas the long, mutually destructive struggle between the Holy Roman Empire and the papacy had allowed the flourishing commercial and industrial towns of the Po, Rhine, and Elbe valleys and the Baltic shores to win and maintain a large degree of independence.