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MINING CORPORATIONS IN WESTERN EUROPE - A RESPONSE

by Peter Claughton

Abstract: This paper comprises a response to 'Mining corporations of Western Europe: a succinct survey of business models of the medieval world' by Professor Jeannette Graulau, published in this journal, No. 16 in 2018.

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The capitalist, shareholding mining companies working silver-bearing deposits in Central Europe and parts of what is now Italy, in Trentino, Tuscany and Sardinia, were certainly at the forefront of corporate development in the late Medieval Period but they were not unique. Such enterprises can be found across Europe in other forms of mining and in situations with no links to mining. We also need to ask why, given the potential common origins set out below, similar companies did not develop across all mining fields in Europe.

A clear example in a non-mining context can be found in those companies operating corn mills on the Garonne, at Toulouse in the south of France.¹ Here the medieval shareholding practice known as *pariage* allowed for collective ownership and the pooling of investment capital, with each shareholder having defined rights in the enterprise.²

Shareholding is also evident in mining enterprises in the Stannaries, the tin working areas of Devon and Cornwall, from the twelfth century onwards. There, the demand for capital came not from deep working, as it did in Central Europe and Italy, but from infrastructure costs (principally the extensive watercourses required for ore separation purposes) and the requirement for working capital whilst the payment for tin produced was delayed by the strict requirements of the coinage system.³ In the Stannaries the rights of shareholders, the use of investment capital and the division of profit were to stay with the industry, as it moved from working shallow alluvial deposits to the deep mining of the primary ores from the fourteenth century onwards, in a unique form. Known as the *Cost Book Company*, its structure was used widely in British mining enterprises but only had legal standing within the Stannaries.

The concept of shareholding is acknowledged in other mining fields in England. For example the *Quo Warranto* of 1288, codifying the customary regulations for mining in the Peak of

Derbyshire, includes the right for a miner "to give, sell or assign his mine to whomsoever he wishes, either in whole or part, without licence from the Bergmayster".⁴ That this concept of shareholding in Derbyshire did not develop in a form found in Central Europe, Italy or the Stannaries of South-West England is something we have to consider.

All the medieval mining fields mentioned so far, in Central Europe and parts of what is now Italy, Trentino, Tuscany and Sardinia, in the Stannaries, in Derbyshire and other lead-mining fields in England from the North Pennines down to Mendip, and parts of north-east Wales, along with silver mining in parts of France such as Hièrle, now in the department of Gard, were regulated according to custom. What we are seeing with the *Codex Wangianus*, the *Breve di Villa di Chiesa*, and other charters in Tuscany and Central Europe, the first Stannary charter of 1201, along with the Derbyshire *Quo Warranto*, and the charter of Hièrle in 1227, is the codification of regulation by custom - the unwritten rights of the 'free miners' which date back well into the early Medieval Period. Rights which invariably allowed the miners to operate without interference from feudal lords, who had no call on the profits of mining beyond a set royalty. As Christoph Bartels states - "the principle of the so called <<mining freedoms>> - *Bergfreiheit* - was established".⁵ It meant that everybody was allowed to win minerals under the land of any owner, in much the same manner as profit à prendre was applied in mining fields regulated by custom in England.

That capitalist, shareholding mining companies did not develop in some mining fields is, to a large extent, down to the nature of the mineralisation - relatively shallow and accessible as at Saint-Laurent-le-Minier, in France,⁶ and on Mendip, or in the Peak District of Derbyshire, Yorkshire and the North Pennines, in England, made little demand on capital. Silver mining in the latter area, the 'Mine of Carlisle' at Alston and mines on the

¹ Sicard, G. *The Origins of Corporations: The Mills of Toulouse in the Middle Ages*, translated from the French text of 1953, (Yale University Press, 2015)

² Goetzmann, W. N. and Pouget, S. 'A Shareholder Lawsuit in Fourteenth-Century Toulouse', in J GS Koppell (ed.) *Origins of Shareholder Advocacy*, (Springer, 2011), pp. 215-229

³ Hatcher, J. *English Tin Production and Trade before 1550*, (Clarendon Press, Oxford, 1973), particularly Chapter 3.

⁴ Gordon, D. 'The Quo Warranto - A New Translation' *Bulletin of the Peak District Mines Historical Society*, 10.4 (December 1988), 219-221

⁵ Bartels, C. 'From Mediaeval to Early Modern Mining: Changing Conditions and New Developments in European Mining Legislation', in Francesca Reduzzi Merola (ed.) *Sfuttamento Tutela e Valorizzazione del Territorio*, (Napoli, 2007), pp. 289-9.

⁶ Bailly-Maitre, M-Ch., 'The Medieval Mining District of Saint-Laurent-le-Minier (Gard, France)', in P. Claughton and C. Mills (eds) *Mining Perspectives*, (Truro, 2011), pp. 92-100.

Bishop of Durham's estates in adjoining parts of Co. Durham, was carried out under customary regulation. Those for the 'Mine of Carlisle' were evidently codified in the twelfth century, although the document has not survived, but the silver-bearing deposits there and in Co. Durham were quite shallow and largely worked out by the later part of the century.⁷

In the mid-thirteenth century the English Crown invoked a right of prerogative over silver-bearing minerals, including copper, and gold, which applied across England and those parts of Wales and Ireland controlled by the Crown.⁸ From that point onwards, until revoked in the so called 'Mines Royals Acts' of 1689 and 1693, these were worked either directly by the Crown or under a Crown grant, although the existing rights of 'free miners' in areas like Mendip and the North Pennines, where some shallow silver-bearing deposits were occasionally exploited, were respected.

The deep working of silver-bearing deposits found in Devon was one area where mining in medieval England might have emulated the development of capitalist, shareholding companies seen in Central Europe and Italy, but that was impossible under Crown prerogative. The new mines at Combe Martin and at Bere Ferrers (Birland), particularly the latter, did require capital but this was provided by the English Crown and the workings administered by Crown officers, answerable to the Exchequer, in much the same manner as castle building. There was no mining 'company'. Although there was an organisational structure which bore some resemblance to that found in

Central Europe, all those engaged in mining were Crown servants. On only one occasion, 1299/1300, did the Crown grant the mines at Bere Ferrers to its bankers, the Frescobaldi. The arrangement was a complete failure and they were taken back into Crown administration within a year, with significant capital being required to return the mines to production.⁹ After the Black Death the mines were let as a whole in a Crown grant with the capital required coming from private, entrepreneurial resources. This is particularly in evidence in the provision of mechanised pumping, along with the associated infrastructure, in a bid to maintain deep working in the 15th century.¹⁰

In conclusion, it is evident that there are common origins in the customary regulation of non-ferrous metal mining across Europe, with 'free mining' rights, which could lead to the development of shareholding companies. The nature of the mineralisation could, however, decide the requirement for capital investment, where deep working or other extensive infrastructure was required, and that might be provided by shareholding companies. In the case of deep working for silver in England, and parts of Wales and Ireland that was met by the Crown or, later, its lessees, and the development of shareholding companies was not possible. But, in the Medieval Period, shareholding capitalist companies can be found outside mining as in those operating corn mills in France, near Toulouse.

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⁷ Claughton, P. 'Production and economic impact: Northern Pennine (English) silver in the 12th century', *Proceedings of the 6th International Mining History Congress*, (Akabira City, Japan, 2003), pp. 146-149, with a copy available at <http://people.exeter.ac.uk/pfclaugh/mhinf/claugh.doc> For an insight into the level of self-regulation see *Calendar of Documents relating to Scotland preserved in Her Majesty's Public Record Office*, London, ed. Joseph Bain, (Edinburgh, 1881-88), 2, p. 41, quoting Assize Roll (Cumberland), 6-20 Edw. 1.

⁸ See Claughton, P. and Rondelez, P. 'Early silver mining in Western Europe: an Irish perspective', *The Journal of the Mining Heritage Trust of Ireland*, 13 (December 2013), 1-8

⁹ Rippon, S, Claughton, P. and Smart, C. *Mining in a Medieval Landscape: the Royal silver mines of the Tamar valley*, (Exeter, 2009)

¹⁰ Claughton, P. 'La vue de l'autre côté de la Manche : La réponse des mines en Angleterre à la crise d'argent au 15ième siècle', proceedings of the conference on *Les Metaux Precieux en Mediterranee Medievale*, Aix-Marseilles Universite (Presses Universitaires de Rennes, forthcoming)