

RUSUDAN KASHIA

LOAN AND CREDIT IN THE 18TH CENTURY GEORGIA

During the first phase of its development the Trading Capital was closely connected with the usury capital. In Georgia the very phenomenon became obvious at the turn of the 18th to 19th centuries. Georgian historical documents indicate that upon starting a business certain merchants or members of traders' guilds would often take out a high interest rate loans from usurers.

Usury, the practice of charging a rate of interest for the loan of money, has been an integral part of feudal social-economic relations. This phenomenon, typical to the medieval commodity-money relations, undergoes modification in the late medieval period. The historical documents reflect the cases where an impoverished nobleman becomes a debtor owning a debt to a lower social stratum representative and his encumbered immovables become the usurer's property.

A new form of investment – credit is introduced in Georgia at the end of the 18th century. A creditor used to finance commercial operations initiated by certain businessmen or traders' guilds.

In Eastern Georgia the brothers Tumanishvili excelled in trading and usury; by applying their accumulated capital they were actively involved in economic life serving as creditors of trading operations. They financed traders' guilds that carried out their commercial activities in the cities of Transcaucasia and Russia during this period.

In Western Georgia typical events occurred that were reflected in the historical documents of the given period. For instance, NikolozKorkashvili, a businessman from Kutaisi financed the activities of traders' guilds carried out in Turkey.