

Francesco Guidi-Bruscoli

*'Wherever they consider it more profitable, for cash, baratto or credit'.
Florentine merchants and the export of silk cloth (15th-16th centuries)*

Florentine merchants frequently take their cloth and fine fabrics down to the Kingdom of Sicily to sell for cash, and it often happens that they cannot find ready payment for their goods, particularly those that can only be sold on over a long period; these merchants, finding themselves in Sicily with their goods, and desiring to dispose of them but not managing to do so for cash, in order not to lose time or render the journey fruitless, have to decide on some local product that they can take in exchange which will have a better chance of being sold advantageously in their native city than their own cloths and fabrics, were they to take them back. By choosing thus to barter, they manage to exchange the said merchandise for wheat, either through a broker or otherwise, which the Florentine will be able to dispose of at home more easily than the cloth and fabrics, other things being equal.

(Benedetto Cotrugli, *The Book of the Art of Trade*, Book 1, Ch. 5)

In his *Libro de l'arte de la mercatura* (*The Book of the Art of trade*) of 1458, Benedetto Cotrugli devotes the fifth chapter of the first book to *De lo vender a baratto*, or *Exchange selling* (Cotrugli 1990, 147-49; 2016, 42-44). Significantly, this topic precedes Chapter 6, *On selling for cash*. By devoting to the two forms of exchange equal space, Cotrugli shows that even in a monetised economy such as the one he discusses, the sale of goods without the use of cash was an important aspect of the life of the 'ideal' merchant. He even pushes it beyond that, and describes *baratto* «the first and principal part of trading» («la prima et principal parte de la mercatura») (Cotrugli 1990, 147; 2016, 42).

Before continuing the discussion on *baratto*, few words about the nature of money are needed. Dictionary definitions of 'money' may have different nuances, and various functions have been attributed to 'money' by economic theorists. Two in particular are more or less universally accepted, although scholars are divided on which should prevail in representing its essential quality: 'medium of exchange' or 'standard of value'. The former quality could be also described, in a less restrictive manner, as 'means of payment' ('medium of exchange' implies something that is generally accepted within a community, whereas 'means of payment' can refer to a single, isolated instance). According to this definition, potentially any commodity is as good money as coins (or paper money).

Moreover, when commodities are exchanged one for another, the value of both can be referred to some 'standard of value'. Obviously it is possible that occasional

Francesco Guidi Bruscoli, University of Florence, Italy, francesco.guidibruscoli@unifi.it, 0000-0002-8389-0613

Referee List (DOI 10.36253/fup_referee_list)

FUP Best Practice in Scholarly Publishing (DOI 10.36253/fup_best_practice)

Francesco Guidi Bruscoli, *'Wherever they consider it more profitable, for cash, baratto or credit'. Florentine merchants and the export of silk cloth (15th-16th centuries)*, © Author(s), CC BY 4.0, DOI 10.36253/979-12-215-0347-0.14, in Angela Orlandi (edited by), *Mezzi di scambio non monetari. Merci e servizi come monete alternative nelle economie dei secoli XIII-XVIII / Alternative currencies. Commodities and services as exchange currencies in the monetarized economies of the 13th to 18th centuries*, pp. 219-235, 2024, published by Firenze University Press, ISBN 979-12-215-0347-0, DOI 10.36253/979-12-215-0347-0

exchanges are performed when the mutual interest of two counterparts is satisfied by the acquisition of a specific item irrespective of its value (by comparison to the value of the commodity given away in exchange): this type of transaction is called barter. However, when the items in the cashless transaction are assessed for their monetary value, the situation is somewhat different and implies an operation that we can define 'market exchange' because here money served as medium of exchange (see more below, Par. 1) (see also Lane and Mueller 1985, 3-6; Cipolla 1956, 3-12).

This paper has different purposes. In Par. 1 terminological issues will be discussed, in order to clarify the nuances implied by the use of certain words, and their supposed connection with different stages in the evolution of the economy. Secondly (Par. 2), I will describe how frequently this type of commercial transaction was adopted in late-medieval long-distance trade, contributing with more examples to an already rich literature concerning especially Italian (Florentine) merchants (Ashtor 1983; Dini 1995; Tognetti 2002). This will lead to a discussion of the strategies behind the choice of adopting *baratto* instead of cash payments, and (Par. 3) to an assessment of the profitability of such operations. This evidence demonstrates that cashless exchanges were not necessarily a sign of a 'less advanced' economy; on the contrary, when performed at an international level, these exchanges implied a network of information, a knowledge of the demand and a capability to connect marketplaces, that only few possessed. As a case study, I will focus on Italian (mainly Florentine) merchants, who were among those who possessed these features; moreover, the quantity of written sources (correspondence and account-books) that are still extant contributes to make them an ideal case study.

1. Terminology

In the rest of this paper I will use the term *baratto*, in Italian, although 'barter' has often been used, including in the translation of Cotrugli's merchant manual introduced above. I do so, because the activity carried out by the late-medieval international merchants I am discussing should be intended as 'market exchange' rather than 'direct exchange', which is the meaning we normally associate to barter (Goldthwaite 2020, 358). The terminological distinction is not devoid of meaning and needs some specifications, because whereas in the former a monetary value is assigned to each of the commodities, in the latter (direct exchange) that is not necessarily the case.

A vast array of literature has presented the use of different means of payments in a linear way, from barter to cash, to credit, with the underlying assumption that each stage was more 'primitive' than the following. For example, in their vast documentary collection of documents concerning medieval Mediterranean trade Lopez and Raymond argued that with the commercial revolution «money economy [...] gained a complete victory» and that if payments in kind continued in loan contracts, for other types of settlements they «were now exceptional in commercial transactions; merchants used them only in underdeveloped regions of southern Russia and darkest Africa». Sometimes spices would be used but «merely [as] a temporary substitute for

silver and gold» (Lopez and Raymond 1990², 143; 145). The examples I am showing today demonstrate that this assumption is far too strong, and that in fact, even the merchant-bankers who played a prominent role in the *repubblica internazionale del denaro* (international republic of money, as defined by De Maddalena and Kellenbenz 1984) were extensively using commodities – and not cash or precious metals – to pay for the goods that they were buying.

This discussion is closely linked to the debate on the ‘rise of money’ and the implicit idea that the increasing use of money was one of the explanations for (or at least one of the characteristics of) an uninterrupted evolution of society, characterised by a sequence of ‘stages’ from a natural economy (based on barter) to a money economy, to a credit economy. A further implication of this theory is that people would always prefer to take cash instead of goods, if they could (Gelderblom and Jonker 2018, 224-26). These ‘classical’ ideas, however, have long been criticised by many. Postan (1944, 134), for example, discussed the various meanings attached to the concept of ‘rise of money’, and concluded:

The rise of a money economy does not mean the rise of money. It may mean an increase in the relative volume of money payments, as distinct from the increase in money itself. Yet even in this sense it is not a continuous process of human evolution. Increases in the relative volume of money transactions could reflect a whole variety of economic changes and were little more than passing, and sometimes recurrent, historical phenomena, which combined with other phenomena to create unique and unrepeatable historical situations.

This paper will show evidence that demonstrates that even merchants who were trading at the highest international level at times preferred to be paid in commodities, rather than in cash.

Anthropologists have discussed barter at large, mainly in reference to modern-day ‘primitive’ societies where ‘direct exchange’ is often performed in communities with limited resources and limited connections with the outside world; however, even in these societies barter might be a choice and not a necessity (most studies focus on the social characteristics of barter) (Humphrey and Hugh-Jones 1992).¹

As stated at the beginning, in any case, the *baratto* that we find in the documents presented here is something different. In her old but still extremely valid and useful *Glossary of mediaeval terms*, Florence Edler (1934, 43) explains that the expression *di baratto* or *a baratto* means

¹ In some ancient societies the phenomenon of ‘silent barter’ or ‘silent trade’ existed: one trader would leave his goods in a designed place; the other trader would deposit the goods (or money) that he wish to give in exchange; the former would then decide whether to accept or reject; in the latter case the second trader would have the possibility to adjust the counter-offer. The procedure would be repeated until everyone is happy, without the need of speaking to each other (this clearly allowed exchanges between merchants who did not speak the same language). According to Giardina, already in the antiquity this type of trade evolved «da una fase in cui quel tipo di scambio è inteso, da almeno una delle due parti, come scambio di doni, a una fase in cui entrambe le parti lo intendono, di fatto, come scambio economico [in cui si valuta] attentamente il valore dei beni» (Giardina 1986, 300).

In exchange for (expression used in recording money-barter transactions in Medici account books, where many of the transactions described were for an even exchange of goods [...], not involving any payment of money but still valued in terms of money, or an exchange of goods, plus a cash payment).²

That merchants conceived this type of exchange in terms of money and not in terms of goods, is also demonstrated by a 1438 diplomatic document concerning trade between Venice and the Levant: «When *baratto* occurred between Muslim merchants and Venetian merchants for any kind of merchandises, it was customary to declare the price of those goods in [terms of] currency» («Occorrendo tra mercatanti musulmani e mercatanti veneziani baratto di alcuna specie di merci, si soleva dichiarare il prezzo di quelle in moneta», Amari 1863, 188). Moreover, in many of the documents I have analysed, the term *comprare* (buy) rather than *scambiare* (exchange) or *dare* (give) is often used, as a further proof of the way merchants conceived such type of operation.

However, there space for further investigation concerning the semantics of the term *baratto*, in particular with regard to the origins and evolution of its use, and to the emergence of the modern definition, topics that concern the history of economic mentality.

2. 'Per danari o per baratto o tempo'

One of the elements that sometimes encouraged *baratto* was the speedy conclusion of the business transaction. Cash was not always at hand and, moreover, cash transactions were rarely paid in one instalment: after the payment of one fraction of the total amount, the rest could be split in small sums to be paid over time (*a tempo*) (Dini 1995, 263-64). This worsened a return on investments that was already extremely slow, especially concerning long-distance trade, where the time of transport (return voyage) had to be added to the time needed to finalise the sale. Cotrugli (1990, 150-56; 2016, 45-52) dedicates Chapter 7 of the First Book of his *The Book of the Art of trade* to the pros and cons of *Del vendere al termine* (*Selling on Credit*).

Brokers could help finalising a sale and could suggest the best way to complete a transaction, as described by Boccaccio (1906, vol. 2, 250-51):

There was, and perhaps still is, a custom in all maritime countries that have ports, that all merchants arriving there with merchandise, should, on discharging, bring all their goods into a warehouse, called in many places 'dogana', and maintained by the state, or the lord of the land; where those that are assigned to that office allot to each merchant, on receipt of an invoice of all his goods and the value thereof, a room in which he stores his goods under lock and key; whereupon the said officers of the dogana enter all the merchant's goods to his credit in the book of the dogana, and afterwards make him pay duty thereon, or on such part as he withdraws from the warehouse. By which book of the dogana the brokers not seldom find out the sorts and

² Sometimes the word *rincontro*, or *rincontro* may be used (Edler 1934, 245-46).

quantities of the merchandise that is there, and also who are the owners thereof, with whom, as occasion serves, they afterwards treat of exchanges, barters, sales and other modes of disposing of the goods.³

It is significant that, wherever expenses are detailed in the documents, the *senseria* (brokerage) was considerably higher when the silks were sold for cash than when they were sold in via *baratto*. Clearly, that indicates that the former was more difficult and burdensome to achieve. For example, in 1515-16 Francesco Zati sold in Pera (Constantinople) *rasi* on behalf of Agnolo Del Caccia, part in cash, part in *baratto*: he charged 2 per cent *senseria* on the former and 0.5 per cent on the latter (Spallanzani and Guidi-Bruscoli 2023, 250).⁴ The same percentages were charged by Ridolfo Lotti to Neri Venturi, *setaiolo*, in 1529 (Spallanzani and Guidi-Bruscoli 2023, 349).⁵ Again: in 1527 Paolo Corsini, in Pera, sold two pieces of velvet on behalf of Cristofano Rinieri to a Jewish merchant. The payment was part in rhubarb and part in cash (settlement date: three months after the transaction). In this instance the percentages for *senseria e messetteria* (both brokerage fees) were, respectively, three per cent and one per cent. Unfortunately, the document does not specify the value of each part, and therefore it is impossible to know whether the velvet was valued at different prices depending on the payment method (Spallanzani and Guidi-Bruscoli 2023, 353-54).⁶ In the 1430s the *sensaria* (brokerage) recorded by the Venetian Giacomo Badoer in Constantinople for *baratto* operations was 0.25 per cent, whereas for other transactions was 0.5 per cent (Dorini and Bertelè 1956, 52; 64; 550; 602 for *baratto*, and *passim* for other transactions).

The *baratto* was so common among merchants that most of the times no specific directives were needed in communications between them. The producer or exporter of the merchandise relied on his agent’s wisdom and knowledge for the choice of the type of payment method, be it in cash or via *baratto*. At times, however, some further instructions or specific requests appear.

Baratto, as we have already said, was used in every phase of long-distance trade. When the Florentine exporters had to buy in Florence silk cloth to be sent abroad, they often provided their suppliers (mostly *setaioli*, i.e. silk manufacturers who often extended their activity to the export of silks, but also merchants) with merchandises; raw silk (in particular Persian silk, e.g., *stravai* or *legi* and, from the sixteenth century

³ «Soleva essere, e forse che ancora oggi è, una usanza in tutte le terre marine che hanno porto, così fatta, che tutti i mercatanti che in quelle con mercatantie capitano, faccendole scaricare, tutte in un fondaco, il quale in molti luoghi è chiamato ‘dogana’, tenuta per lo comune o per lo signor della terra, le portano: e quivi, dando a coloro che sopra ciò sono, per iscritto tutta la mercatantia ed il pregio di quella, è dato per li detti al mercatante un magazzino nel quale esso la sua mercatantia ripone, e serralo con la chiave; e li detti doganieri poi scrivono in sul libro della dogana a ragione del mercatante tutta la sua mercatantia, faccendosi poi del loro diritto pagare al mercatante o per tutta o per parte della mercatantia che egli della dogana traesse. E da questo libro della dogana assai volte s’informano i sensali e delle qualità e delle quantità delle mercatantie che vi sono, ed ancora chi sieno i mercatanti che l’hanno; con li quali poi essi, secondo che lor cade per mano, ragionan di cambi, di baratti e di vendite e d’altri pacci» (Boccaccio 1927, 173-74).

⁴ Florence, Archivio dell’Ospedale degli Innocenti (AOI), 12382, fol. 221v.

⁵ Florence State Archives (ASF), *Venturi Ginori Lisci*, 2, fol. 91r.

⁶ ASF, *Compagnie religiose sopprese dal Governo Francese*, 95, fol. 42v.

onwards, silk from the south of Italy) was an obvious choice, but at times the range of products could be much more varied. In 1491, for example, *Alamanno e Iacopo Salviati e compagni del banco* wished to send silks to Constantinople: therefore, they purchased 2,094 *braccia*⁷ of silk cloth and cloth of gold (equivalent to 1.22 kilometres) from various Florentine *setaioli* and merchants for 4,066 *fiorini larghi* (Tab. 1). The suppliers received in exchange the following products: raw silk (Tierì), iron (Morelli), cotton (Andrea di Bonaventura), pearls and cotton (Martelli), pearls and raw silk (Salviati), rhubarb and raw silk (Boni and Iacopi); only Strinati and another Salviati company received cash (the latter in instalments: first instalment one sixth, settlement date 15 months) (Spallanzani and Guidi-Bruscoli 2023, 138-42).⁸

Tab. 1. *Baratto* between *Alamanno e Iacopo Salviati e compagni del banco* and various Florentine suppliers of silk cloth (1491)

Company of <i>setaioli</i>	Amount of silk cloth (in <i>braccia</i>)	Value of silks (in f. <i>larghi</i>)	Merchandise given in exchange
Salviati, Iacopo & co., <i>setaioli</i>	912.50	1772.42	Cash (in instalments)
Martelli, Luigi & co.	284.87	605.81	Pearls and cotton <i>sodi</i>
Morelli, Bernardo & co., <i>setaioli</i>	386.63	493.06	Iron
Boni, Stefano and Iacopi, Alessandro & co.	147.33	491.99	Rhubarb and raw silk
Tieri, heirs of Berto & co., <i>setaioli</i>	138.25	276.50	Raw silk of Castoria
Andrea di Bonaventura & co., <i>setaioli</i>	119.50	239.00	Cotton
Salviati, Giuliano and Iacopo & co.	88.67	170.63	Pearls and raw silk
Strinati, Alfieri	16.50	16.33	Cash
Total	2094.25	4065.74	

Source: Pisa, Scuola Normale Superiore (SNS), *Salviati*, Classe I, 363, fols. 46r-47r; Spallanzani and Guidi-Bruscoli 2023, 138-42.

In 1516 Giovanni Bongianini wrote from Pera to Agnolo del Caccia, in Florence, that he had managed to purchase on his behalf 147 *pezze* of camelots (*ciambellotti*): in exchange he had given 231.3 *picchi*⁹ of *rasi* (satin) and damasks, and some cash. He explained that he adopted this «trick» (*spediente*) because otherwise the whole process would have taken much longer, and that would not have been profitable. However, he could not include in the transaction a considerable amount of green damask, because that was in a bad state (*dolenti*) (Spallanzani and Guidi-Bruscoli 2023, 250-51).¹⁰ This presumably forced him to use cash, too, as a part-payment.

⁷ A Florentine *braccio*, arm's length, was equivalent to 58.3 cm.

⁸ Pisa, Scuola Normale Superiore (SNS), *Salviati*, Classe I, 363, fols. 46r-47r.

⁹ The *picco* (pic, or pike) was a unit of measurement used in the Ottoman empire: normally equivalent to 1.12 Florentine *braccia*, i.e. 65.2 cm, it could sometimes vary. Some sources distinguish between a *picco grande* (large) and a *picco piccolo* (small), with a ratio of 1.2/1. See Spallanzani and Guidi-Bruscoli 2023, 9.

¹⁰ AOI, 12382, fol. 220r.

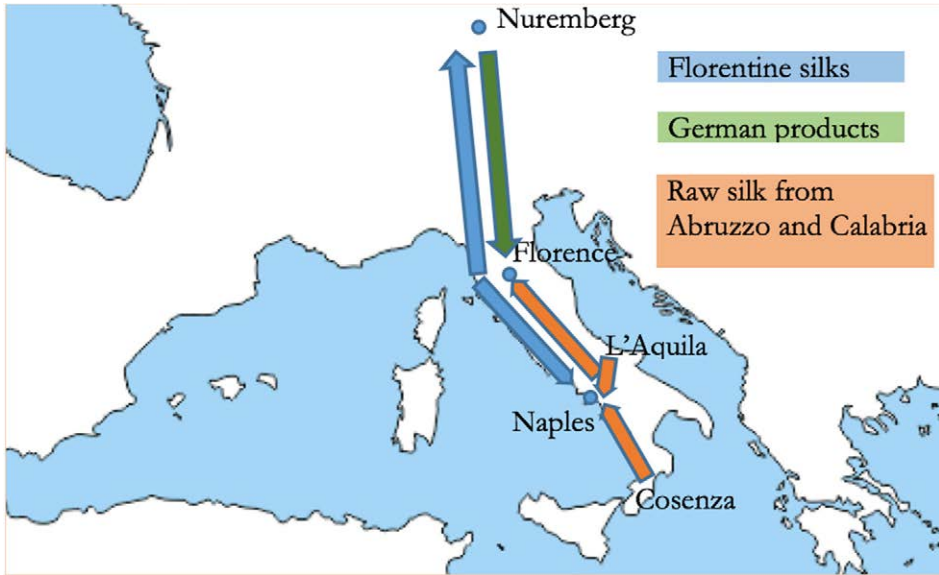
The commodities that were accepted as a payment did not necessarily come from the place where goods were sold. The main commercial hubs were lively marketplaces, where merchandises of various sorts and origins could be found. When the Florentines exported silk cloth to the Ottoman empire (in particular Constantinople and Bursa) in the fifteenth and early sixteenth century, they were keen to receive raw silk that arrived from Persia. At times even more exotic products could be found and accepted, such as pepper coming from India. The account-book kept by the Venetian Giacomo Badoer in Constantinople, where he resided for more than three years between 1436 and 1440, is also testimony of the variety of merchandises that could be exchanged in the city: pepper (and musk) vs cloth, wax vs Majorcan or Flemish cloth, *arcolini* (leather) vs malmsey wine, ginger vs *oricello* (orcein), and so on and so forth. Moreover, in Alexandria and Damascus cinnamon and *verzi* (dyestuff) could be exchanged with copper (Dorini and Bertelè 1956, *passim*; Bertelè 2002, 52-53). When they were sending silks to the western shores of Europe, to Portugal, Florentines exchanged them against the products of the Portuguese expanding world of the late-fifteenth century: sugar from Madeira and melegueta pepper (also known as ‘grains of Paradise’) from Africa.¹¹

In less international markets, however, it was more frequent to having to deal solely with local products. In Germany, for example, Florentine merchants would obtain leather, furs, or low-quality German cloths in exchange for the precious silks (cloth, or cloths of gold) that they exported. They would then use these products to pay – at least in part – the *setaioli* who had produced the silks in the first place. Unfortunately, the description of the German cloths is not detailed, and they are often indicated as *tele tinte* (coloured cloths), presumably made of cotton, hemp and linen. It is not clear what the *setaioli* did with these huge quantities of cloth: presumably some was used for packaging (i.e., wrapping the much more precious silks), others for accessories, but most of them must have been sold on the local market (Guidi-Bruscoli 2016a, 113-22).

The *setaioli*, however, could also be paid with the raw material they needed to produce the precious silks. In the sixteenth century raw silk reached Florence not only from the more traditional Persian markets, but also from the South of Italy. In the 1540s the Olivieri had companies in Florence, Nuremberg and Naples, the latter with branches in L’Aquila and Cosenza. Products from all these markets could be used in *baratto* transactions to fulfill the needs of the multiple family companies at the same time. For example, the Nuremberg company, when in need of Florentine silks for the German market, could use the services of the Florentine company who would send silks both North (where they were requested) and South (to pay for the raw silk), and would pay the Florentine *setaioli* with both Calabrian or Abruzzan raw silk and German merchandises (Fig. 1).

¹¹ See for example AOI, 12688, fols. 2-5; AOI, 12691, *passim* (in 1476 sugar was complemented by «uno occhio di vetro cristallino leghato in uno ghanbo», eighteen pairs of glasses «da ogni vista», one «pietra d’altare»: fol. 24r).

Fig. 1. Multi-market exchange between Florence, Nuremberg and the south of Italy (1540s)



Source: author's elaboration from Guidi-Bruscoli 2016a.

In addition to this, presumably some cash also had to be paid, bearing in mind that among the German products it was also possible to find gold from Cologne which the *battitori* (gold beaters) used to produce the golden thread necessary for the most precious textiles – cloths of gold – as happened in May 1538, when the cost of c. 415 ducats was covered by slightly more than lb. 39 of gold thread.¹²

Tab. 2 shows that the Olivieri company of Florence used the services of many Florentine *setaioli* when they needed to obtain silks for the northern and southern markets. In part they paid with commodities coming from the same areas. However, the existence of the tripartite exchange makes it difficult to find perfect correspondence between the flows of merchandise. In other instances, however, it is striking to see that the value of exported and imported products was almost identical. In 1492-94, for example, the *commissionaria* of Giovanni Salviati sold in Constantinople goods (woollen and silk cloth, and soap) for a total of 512,351 *aspri*¹³ and at the same time sent towards Italy goods (raw silk, pepper and wax) valued 508,906 *aspri*, equivalent to more than 10,000 Florentine florins (Dini 1995, 264).

¹² Archivio Bartolini, 246, fol. 372. For many other examples see Guidi-Bruscoli 2016a. It must be said, however, that according to Ugo Tucci «it is likely» that the «oro di Colonia» was in fact some sort of copper alloy («sta ad indicare una qualche lega cuprea»): Tucci 1977, 86.

¹³ *Aspro*, in Turkish *akçe* or *akça*, was a silver coin in use in the Ottoman empire. For exchange rates with the Florentine florin in the fifteenth and sixteenth centuries, see Spallanzani and Guidi-Bruscoli 2023, 10.

Tab. 2. Sales of silks and purchases of raw silk and German cloth by Florentine setaioli (1544-46)

Company of <i>setaioli</i>	Date	Value of silks (in duc.)	Date	Value of raw silk (in duc.)	Date	Value of German cloth (in duc.)
D. Angiolieri	13.05.45	231.4			15.05.45	363.4
B. Antinori	10.11.44/ 14.02.45	902.5	24.10.45	554.7	21.02.45/ 09.09.46	793.8
F. Antinori	11.12.44	61.3				
G. Barbadori			24.09.45	489.6	16.01.46	157.7
L. and N. Bardi	03.12.44	219.5				
L. Berardi					02.03.46	5.3
C. Bucetti			26.09.45	486.7		
P. Corsini	11.12.44	207.3				
R. Corsini	11.12.44	152.9	23.09.45	488.0		
N. and B. Del Nente	16.12.44	196.9				
C. Dini, A. Michelozzi	14.02.45	101.0				
P. Gondi, P. Velluti	06.06.45	113.0	07.09.45	495.7	07.09.45/ 02.03.46	325.7
P.F. Gucci					16.01.46/ 02.03.46	79.7
B. and R. Machiavelli	09.12.44	134.6				
Heirs of N. Machiavelli	21.07.44/ 16.12.44	822.4				
G. Mormorai			07.09.45	437.3		
R. Mormorai					21.02.45/ 31.07.45	106.2
J. Sangalietti			24.10.45	489.1		
L. and heirs of B. Steccuti	11.12.44	352.9			21.02.45/ 07.09.45	294.9
P. Tolomei	13.11.44/ 05.12.44	157.5	07.09.45/ 23.11.45	1478.4	21.02.45/ 02.03.46	1177.6
		4864.6		4478.5		3304.3

Source: Guidi-Bruscoli 2016a, 122.

Until mid-fourteenth century in the trade with the Levant (be it the *Romania* – i.e., the area of the former Byzantine empire – or Mamluk Egypt and Syria), Italian merchants compensated the deficit in the balance of payment with silver, both in coins (e.g., the Venetian *grossi*, but also others) and ingots. From the late fourteenth century, however, the gradual decline of the Levantine industries implied that the demand for Western products had increased, and that therefore Italian merchants could now pay for the merchandises in agricultural or manufactured goods (especially cloth), although the deficit continued into the fifteenth century as did the need to export silver and gold (Ashtor 1983, 363-69; 374-75; 379). In the second half of the fifteenth century the situation changed. For example, in Constantinople, even before

the Ottoman conquest, Italians often exported more than they imported. In such a context *baratto* became more frequent. Sometimes no coins changed hands, in other circumstances the transaction was part *baratto*, part cash. Overall, anyway, according to Ashtor, Europeans never bought more than one third or half of the Oriental products via *baratto* (Ashtor 1983, 387; 396).¹⁴

3. Profits and losses

Generally speaking, the value agreed by the parties involved for a merchandise given in a *baratto* was higher than the price paid in cash for the same merchandise. As cash was relatively rare, such payment was in a way rewarded, especially when it was made in a lump sum, rather than in instalments. In the above mentioned 1438-diplomatic document concerning trade between Venetian and Muslim merchants (successively also extended to Florentine merchants with the same rights granted to the Venetians), this is stated with clarity: «usually in the *baratto* the merchandise is valued more than when it is paid in cash» («da usanza si è, che nel *baratto* si mette più prezzo alla roba non vale a contanti»; or the similar «è l'usancia le merce se mette più di quel le val a dinari»). The problem is – the Italian merchants complained to the Sultan – that not always all parties complied with the agreement, because after handing over their merchandises, Muslim merchants insisted on being paid in cash the higher price set for *baratto* (Amari 1863, 348; 364).

In a letter of 22 November 1481, a Venetian merchant, Marco Bembo, writing from Venice to his correspondent in Constantinople, Alvise Malipiero, complained because the latter persisted (*infrixar*) to sell his cloth through *baratto* claiming that it was more profitable. Bembo replied that he preferred to sell against cash because even when the price was not high, at least the process was speedy, and cash allowed the purchase of whatever he wished; according to him Contarini (another Venetian in Constantinople) had already sold all the cloth for cash, albeit for a price that Bembo considered too low (Romano and Tucci 1983, xxxi). Two different attitudes were at stake: the cash sale (Malipiero and Contarini) had the advantage of being faster in this circumstance (presumably due to the low prices that was charged) and of leaving the choice of purchasing something else on the local market, on the way back, or even in the hometown upon return. In turn, *baratto* (Bembo), although slower, realised higher profits.

In other instances, however, *baratto* was the fastest solution for the sale of products, although obviously the new products had to be sold as well in order to be able to assess the profitability of the whole operation. Moreover, the correspondence shows that *baratto* could have another advantage: even mediocre products could be sold, an operation that was more difficult in a cash transaction, as clearly stated by Piero Saliti in a 1537-letter: writing from Leipzig to his company in Florence, he had to request that they sent him «better cloths in the future, so that we don't need to

¹⁴ In the first half of the sixteenth century, and especially from the second decade – as Orlandi 2007 shows – Florentine merchants were importing large quantities of (gold) coins from the Levant as a payment for their exports of silks and wollen cloth.

resort to *baratto*.¹⁵ On the other hand, receiving merchandises as a payment implied management costs (transport, warehousing, etc.), an unpredictable time needed to sell them, and risks of various sorts, including the possibility of making a loss on the transaction.

In the end, the choice of resorting to *baratto*, or conversely trying to sell for cash was normally left to the experience and the judgement of the agent who knew the local market, the potential market for merchandises received in exchange, and could ‘sense’ the counterpart in order to assess his own negotiating power.

As Cotrugli (2016, 43) underlines, dealing in *baratto* could be risky:

One needs however to be alert when bartering merchandise as swindles are rife in this field and one can suffer serious losses. Not for nothing do merchants have a proverb ‘He who risks barter, risks himself’. And among other precautions, you need to be quite sure that the goods you acquire by exchange are really more convenient and easy to dispose of than those you part with [...] and in this context you must consider carefully the potential sale value of the merchandise you are taking in exchange, notwithstanding its lower value in the forum where the contract is made. The valuation should refer to the place where you will resell the goods, where the more favourable market conditions will give you greater opportunities for their disposal.¹⁶

In other words, it was also essential to possess knowledge of other markets, where the sale of the goods received in payment could grant the highest profits. As usual, information was a key asset in commercial relations: on the one side information about the quality and value of the products that were being exchanged, on the other information about the potential market for the commodities that one received. Indeed, surviving correspondence shows the amount of information that was available to merchants. For example, writing from Nuremberg to Florence in January 1537, Alessandro Talani discussed the possibility of selling berets in exchange for other goods: at that date the berets were in Palermo, but they could be shipped to Marseille or to Livorno. In his opinion the most profitable destinations («la morte loro»), were France or Germany, that they could easily reach via Genoa: the moment was favourable, because «the pirates are in the ports».¹⁷ What is impressive is that all these hypotheses were taken into consideration from Nuremberg.

¹⁵ ASF, *Compagnie religiose soppresse da Pietro Leopoldo*, 2037, fol. 183r, Piero Saliti, in Leipzig, to Francesco Carletti, in Florence, January 1537: «mandarci per l’advenire buona roba che non s’abbi a entrare in baratti».

¹⁶ «È di havere riguardo, però che in questi baracti se ricieve de multi inganni et àssi alcuna volta di gran danni. Et però tra mercanti è nato lo proverbio che ‘Chi baracta è baractato’. Et intra l’altre cose che sono necessarie, è di havere advertencia che la mercantia che tu pigli in baractato sia a te più comoda e più acta a riuscirne che quella che tu dai [...]né in questo caso dèi fare poco conto de la comodità de la mercantia la qual tu pigli in baractato, che non obstante in quello locho dove si contrahe vaglia meno, è da fare respecto ad quello loco dove tu l’aya portare, perché quivi per haverni più conditioni n’arai più ricapito» (Cotrugli 1990, 148).

¹⁷ ASF, *Compagnie religiose soppresse da Pietro Leopoldo*, 2037, fol. 356r-v: Alessandro Talani, in Nuremberg, to Francesco Carletti, in Florence, 9 January 1537.

In 1459 the Neapolitan merchant Antonio Cuomo asked the Cambini of Florence 16 *pezze* of silks as a payment for the Calabrian raw silk that he had sent them earlier. In the instructions he wrote that the Cambini could determine the value (*pregio*) of both the raw silk and the silk cloth and that the difference could be settled later: surely that act of trust was based on the longstanding commercial relation between the two parties but was also due to Cuomo's limited knowledge of the market and therefore his reliance on the Cambini (Tognetti 2002, 145-46).

In order to increase profits – and assuming that their costumers had a limited expertise in the products they were giving them – at times Florentine merchants tried to sell lower quality silks, but as we have seen above that was sometimes tricky. Generally speaking, however, being merchants with extensive experience in long-distance trade, Florentines abroad certainly had arrows at their disposal, but needed to be ready to adjust their strategy to the variable commercial landscape. The availability and value of goods could change in different markets, and what was extremely convenient in one period could generate losses in the following one. As mentioned above, Persian raw silk was an obvious exchange-product for the Florentines who sold silks in the Levant, because they could use it back home to pay the *setaioli* who were producing the cloth they were exporting. The raw silk was normally worth more in Florence than in the Levant, and this generated an additional profit, notwithstanding the cost of transport. However, in the 1520s, due to war between Persia and the Ottoman empire, the amount of raw silk available in Bursa (Turkey) diminished dramatically and therefore its price increased. Consequently, when Girolamo Strozzi sent back to Florence Persian silk that he had obtained in exchange for woollen cloth, his father reproached him, because in Florence even the best quality raw silk was valued no more than 1.5 florins per *libbra* (pound), whereas Girolamo had obtained it at 2 florins per *libbra*: the result was a loss of 60 florins on 100 *libbre* (Dini 1995, 264-65).

The exporting companies, from Florence, needed to rely on the skill, wisdom and experience of their correspondent or agent abroad who, ultimately, was the person responsible for striking the best deal. The seller-agent relation, in other words, was largely based on trust, even though some boundaries on the dos and don'ts could be established. For example, in 1463, Niccolò Federighi entrusted to Antonio Segni the sale of two *pezze* of *zetani* (silk cloth) in the Levant with the following instructions: he could sell them wherever he thought convenient, even during one of the stopover of the galleys, en-route to *Romania*; he could decide whether to sell for cash or «a barato», if he found products suitable for the Florentine market; however, he should not sell them at credit («a tenpo»), nor in exchange for kermes or *polvere di grana* (both red dyes deriving from the cochineal insect). The price of the silks was not pre-established, because Antonio was an expert, and moreover he was a good and loyal merchant (Spallanzani and Guidi-Bruscoli 2023, 123).¹⁸

¹⁸ ASF, *Libri di commercio e di famiglia*, 4715, fol. 113right: «quali drappi detti el detto Antonio debba charichare ho fare charichare in sulle iii galee ch'anno andare al presente in Romania, kapitano Luigi Pitti, e quali drappi finischa per lle schale ho in Romania o dove a lui paressi per gli miglori pregi che potrà ho a danari chonttanti ho a barato, chome a llui parrà che ssieno più utile merchatantia per Firenze, acetuato che 'l detto Antonio non voglamo gli dia a tenpo e non togha chermusi né polvere di grana. E

Similarly, in 1468 and in 1469, Romolo di Andrea stipulated two different contracts for the sale of woollen and silk cloth with Giovanni Bocci and with Salvi di Niccolò, who were about to sail on separate ships (the former to «the Levant» onboard the Florentine State galleys, the latter to Alexandria). Both merchants were free to sell them at any stage of the voyage, in cash or *a baratto*; in the latter case they could also decide whether it was convenient to sell the merchandises they obtained as a payment, at any stage of the return journey, again, in cash or *a baratto*: in other words, each of them could act «in whatever way he finds suitable, as if he was dealing with his own goods» («in quel modo e forma a llui parrà e piacerà e chome di sua chosa propia») (Spallanzani and Guidi-Bruscoli 2023, 124-26).¹⁹

Similar instructions can be found also at the end of the fourteenth century, in the vast Datini correspondence: writing from Valencia to Maiorca in 1395, the Florentines Guido Caccini & Partners were informing Ambrogio di Lorenzo & Partners that «Giovanni Iacopi sends you one bale of light-coloured Florentine cloth: sell them as you see fit, either *a baratto* or credit or in cash, as if it was yours» («Govanni Iachopi ti manda una balla di panni fiorentini chiari: fane fine chome me’ ti pare, o a baratta [sic] o a tempo o a denari, chome se vostra fosse»).²⁰

The merchandises received as a payment during a commercial transaction were given a monetary value, and as such they were recorded in the account-books, as also prescribed by Pacioli. Firstly – Pacioli wrote – the accountant should describe the *baratto* with all the details (*ad litteram*) in the *Memoriale* (waste book) and then he should give the merchandise a monetary value (*e tu poi alla fine ridurralo a contanti, e secondo che quelle tal robe vedrai valere a contanti*). The transaction would subsequently be recorded in the *Giornale* (journal) and in the *Quaderno grande* (ledger). The conversion in money – says Pacioli – is necessary when one wishes to know the profit (or loss) of the operation (Pacioli 1878², 85-88). Long before Pacioli, Fibonacci also explained (*Liber abaci*, Chapter 9) how to record the price of the commodities that were involved in a *baratto* and how to calculate the proportions between price and quantity of each commodity compared to the other (Sigler 2002, 179-86).

A transaction involving a *baratto* or multiple *baratti* could of course generate losses that were then duly transferred to the Profit & Loss account. For example, at the beginning of the sixteenth century, the Salviati *setaioli* recorded a loss from the account for wool. The operation had involved a movement of raw silk from a Ragusan merchant to a Florentine *lanaiolo* (wool manufacturer) and then to a Florentine *setaiolo*, ‘compensated’ by a movement of silk cloth from the *setaiolo* to a *lanaiolo* and on to a Castilian merchant. At the end, everything was recorded with their values in the merchants’ accounts (Goldthwaite 2020, 358).

In practice, however, the calculation of profits was not always easy, even when the results of a *baratto* were recorded according to their monetary value: that is because the price initially recorded for the exported product (that at times was

no gli mettiamo pregi a detti dra (sic) drappi in però che ’l detto Antonio crediamo sia intendente e dritto chome buono e leale merchatante, chome crediamo sarà».

¹⁹ ASF, *Canigiani*, 63, fols. 171r-172r., 186r-v.

²⁰ Prato, Archivio di Stato, *Datini*, 1077, ins. 7, cod. 315731, Guido Caccini e compagni in Valencia to Ambrogio di Lorenzo e compagni in Maiorca, 21 December 1395. The image of the letter has been published in Orlandi 2023, 36-37.

produced in-house by the same exporters, if they were *lanaioli* or *setaioli*) was not necessarily the cost of production, but the market price of the moment (Dini 1995, 266).

4. Conclusion

The theme of this volume is ‘alternative currencies in monetarized economies’. In the pre-industrial world, the development of trade could find constraints in the scarcity of monetary means of payment (cash or bullion). Credit could be a solution to this problem, and the appearance and diffusion of written financial instruments (bills of exchange, letters of credit, etc.) and the development of refined accounting techniques certainly favoured it. In addition to that, however, international merchants often resorted to *baratto*. Especially in the most vibrant marketplaces, merchants from different foreign cities could meet each other’s needs or demands by exchanging goods. Not only could this mechanism facilitate and at times speed up the sale of products abroad, but it also allowed an extra profit when the value of the newly acquired merchandises was higher at home (or in other markets) than in the place where they had been obtained.

Profits, however, were seldom evenly distributed. If one looks at the broader picture, in the past as in the present time, a problem emerges when *baratto* trade involves areas with different level of economic development: manufactured goods are exchanged against raw materials and trade is controlled, in a colonial-like fashion, by merchants coming from the more advanced economies. Less advanced economies become entangled in their role of exporters of raw materials and local manufacturing is disincentivised; as a consequence, the demand of foreign manufactured goods grows even more and the dependence of less developed areas from the more developed areas increases (Tognetti 2002, 142-43).

Both mere barter (direct exchange) and *baratto* (market exchange) are in fact more convenient for those who have a higher bargaining power and/or a better knowledge of the markets: ultimately, for those who possess more comprehensive pieces of information. Florentine (or, more broadly, Italian) merchants who were traversing far and wide the commercial routes of Europe and of the Mediterranean in the late middle ages certainly possessed such precious – albeit immaterial – ‘merchandise’. The ink-stained fingers (*dita macchiate d’inchiostro*) that characterised merchants like Francesco di Marco Datini and so many others before and after him are testimony of the value that they attributed to the flow of information, which was continuously nurtured by the myriad of letters written and received (Guidi-Bruscoli 2016b). In this way international merchants acquired knowledge of many markets: the place where they purchased (in cash or in kind) merchandises, the home market, and even potential markets where they could sell the products that they had acquired via *baratto*. Moreover, the fact that they were keen to accept a variety of goods in exchange for the products that they were exporting, implied that they ended up trading a vast array of merchandises, which they could sell in various markets, both home and abroad. Writing from Leipzig in 1537, Cosimo Bonsi underlined the necessity of having a well-furnished warehouse, that would help keeping a clientele, surely keen to be able

to choose among a variety of products: «And you need to know that whoever wants to take part in this trade cannot deal exclusively with cloths of gold: we need to acquire the reputation of dealing with everything. In conclusion we need to have everything [in stock]». ²¹ In this case he was mainly referring to the various types of silk cloth. But the comment could be extended, and the myriad of products that we can see listed in merchant manuals is the best mirror of such a situation (Goldthwaite 2009, 210).

All the examples presented here, but also in other articles in this volume (Bernardi, Scherman) and in the existing literature, concern Italian merchants: no matter whether the exchanges took place in Constantinople or in Nuremberg, in London or in Bruges, at least one of the counterparts was Italian, and sometimes both, because not necessarily *baratto* was limited to trading relations with local merchants. For example, in 1408, the Genoese Filippo Lomellini sold 5,500 cantars of alum in Pera (Constantinople) to some Florentine merchants, who paid in cloth (Heers 1954, 35).

Much less is known when Italians are not involved and one is left to wonder how much this type of exchange was practised. In certain places it was the regulations that tried to prevent *baratto* operations: this happened in some cloth centres of the Low Countries, where statutes (*keuren*) were forbidding the *baratto* of woollen cloth with raw wool or dyestuff. However, these prohibitions were often disrespected and local drapers brought their woollens to Bruges and sold them to foreign merchants in exchange for English wool; when this happened, the drapers’ foreign counterpart were, again, mostly Italian merchants (Stabel 2000, 20-22). Therefore, the question arises on whether the scarce attention devoted by the literature to this type of exchange in different milieux derives from the lack of sources, or whether it has something to do with contexts characterised by narrower commercial networks, less refined accounting techniques, and a more limited availability of information.

BIBLIOGRAPHY

- Amari, Michele, ed. 1863. *I diplomi arabi del R. archivio fiorentino*. Firenze: Le Monnier.
- Ashtor, Elyahu. 1983. “Pagamento in contanti e baratto nel commercio italiano d’oltremare (secoli XIV-XVI).” In *Economia naturale, economia monetaria*, ed. Ruggiero Romano, and Ugo Tucci, 361-96. Torino: Einaudi.
- Bertelè, Giovanni, ed. 2002. *Il libro dei conti di Giacomo Badoer (Costantinopoli 1436-1440). Complemento e indici*. Padova: Esedra.
- Boccaccio, Giovanni. 1906. *The Decameron*, faithfully translated by James MacMullen Rigg, 2 vols. London: H.F. Bumpus.
- Boccaccio, Giovanni. 1927. *Decameron*, ed. Aldo Francesco Massera. Bari: Laterza.
- Cipolla, Carlo M. 1956. *Money, prices, and civilization in the Mediterranean world: Fifth to seventeenth century*. Princeton: Princeton University Press.

²¹ ASF, *Compagnie religiose sopresse da Pietro Leopoldo*, 2037, fol. 269v, Cosimo Bonsi, in Leipzig, to Francesco Carletti, in Florence, 8 January 1537: «E avete a sapere chi vuol attendere a queste faccende non può dire mi fondo interamente su’ drappi d’oro, ma bixogna essere a ordine di sorta che s’acquisti nome di tener d’ogni cosa. E in sustanzia di tutto bixogna avere».

- Cotrugli, Benedetto. 1990. *Il libro dell'arte di mercatura*, ed. Ugo Tucci. Venezia: Arsenale.
- Cotrugli, Benedetto. 2016. *The book of the art of trade*, ed. Carlo Carraro, and Giovanni Favero. London, Palgrave Macmillan.
<https://doi.org/10.1007/978-3-319-39969-0>
- De Maddalena, Aldo, and Hermann Kellenbenz, ed. 1984. *La repubblica internazionale del denaro tra XV e XVII secolo*. Bologna: Il Mulino.
- Dini, Bruno. 1995. "Aspetti del commercio di esportazione dei panni di lana e dei drappi di seta fiorentini in Costantinopoli, negli anni 1522-1531." In *Saggi su una economia-mondo. Firenze e l'Italia fra Mediterraneo ed Europa (sec. XIII-XVI)*, 215-70. Pisa: Pacini.
- Dorini, Umberto, and Tommaso Bertelè, ed. 1956. *Il libro dei conti di Giacomo Badoer (Costantinopoli 1436-1440)*. Roma: Istituto Poligrafico dello Stato.
- Edler, Florence. 1934. *Glossary of mediaeval terms of business. Italian series 1200-1600*. Cambridge Ma: The Mediaeval Academy of America.
- Gelderblom, Oscar, and Joost Jonker. 2018. *Enter the ghost. Cashless payments in the early modern Low Countries, 1500-1800*. In *Money, currency and crisis: In search of trust, 2000 BC to AD 2000*, ed. R.J. van der Spek and Bas van Leeuwen, 224-47. London and New York: Routledge.
<https://doi.org/10.4324/9781315210711>
- Giardina, Andrea. 1986. "Le merci, il tempo, il silenzio. Ricerche su miti e valori sociali nel mondo greco e romano." *Studi storici* 27, 2: 277-302.
- Goldthwaite, Richard A. 2009. *The economy of renaissance Florence*. Baltimore: The Johns Hopkins University Press. <https://doi.org/10.1353/book.3422>
- Goldthwaite, Richard A. 2020. "Performance of the Florentine economy, 1494-1512: the silk and wool industries." *Archivio Storico Italiano* CLXXVIII, 2: 311-73.
- Guidi-Bruscoli, Francesco. 2016a. "Florence, Nuremberg and beyond: Italian silks in Central Europe during the Renaissance." In *Europe's rich fabric: The consumption, commercialisation, and production of luxury textiles in Italy, the Low Countries and neighbouring territories (fourteenth-sixteenth centuries)*, ed. Bart Lambert and Katherine Anne Wilson, 107-129. Farnham: Ashgate.
<https://doi.org/10.4324/9781315563008>
- Guidi-Bruscoli, Francesco. 2016b. "I mercanti medievali e l'invio della corrispondenza: modalità e strategie." *Archivio per la Storia Postale* 8, 37: 9-31.
- Heers, Marie-Louise. 1954. "Les Génois et le commerce de l'alun à la fin du Moyen Age." *Revue d'Histoire économique et sociale* 32: 31-53.
- Humphrey, Caroline, and Stephen Hugh-Jones, ed. 1992. *Barter, exchange and value. An anthropological approach*. Cambridge: Cambridge University Press.
<https://doi.org/10.1017/CBO9780511607677>
- Lane, Frederic C., and Reinhold C. Mueller. 1985. *Money and banking in medieval and renaissance Venice*, vol. I, *Coins and moneys of account*. Baltimore and London: The Johns Hopkins University Press. <https://doi.org/10.1353/book.72157>
- Lopez, Robert S., and Irving W. Raymond. 1990². *Medieval trade in the Mediterranean world*. New York: Columbia University Press.

- Orlandi, Angela. 2007. "Oro e monete da Costantinopoli a Firenze in alcuni documenti toscani (secoli XV-XVI)." In *Relazioni economiche tra Europa e mondo islamico, secc. XIII – XVIII*. Atti della Trentottesima settimana di studi (Prato 1-5 maggio 2006). 2 vols, ed. Simonetta Cavaciocchi, 981-1004. Firenze: Le Monnier.
- Orlandi, Angela, ed. 2023. *L'albero degli zecchini. Moneta e mezzi di scambio alternativi: dalle origini a un futuro da comprendere. Money and alternative means of exchange: from origins to a future to be understood*. Catalogue of the exhibition. Prato: Fondazione Istituto Internazionale di Storia Economica "F. Datini".
- Paciolo, fra Luca. 1878². *Trattato de' computi e delle scritture*, ed. Vincenzo Gitti. Torino: Fratelli Bocca.
- Postan, Michael M. 1944. "The rise of the money economy." *The Economic History Review* XIV, 2: 123-34. <https://doi.org/10.2307/2590422>
- Ruggiero, Romano, and Ugo Tucci, 1983. "Premessa." In *Economia naturale, economia monetaria*, ed. Ruggiero Romano and Ugo Tucci, xix-xxxiii. Torino: Einaudi.
- Sigler, Laurence E. 2002. *Fibonacci's Liber abaci. A translation into modern English of Leonardo Pisano's Book of calculation*. New York: Springer. <https://doi.org/10.1007/978-1-4613-0079-3>
- Spallanzani, Marco, and Francesco Guidi-Bruscoli, 2023. *Tessuti di seta tra Firenze e il Levante (ca. 1350-1550). Le fonti*. Firenze: Firenze University Press. <https://doi.org/10.36253/979-12-215-0086-8>
- Stabel, Peter, 2000. "Marketing cloth in the Low Countries: foreign merchants, local businessmen and urban entrepreneurs: markets, transport and transaction costs (14th-16th centuries)." In *International trade in the Low Countries (14th-16th centuries): merchants, organisation, infrastructure*. Proceedings of the international conference (Ghent-Antwerp 12-13 December 1997), ed. Peter Stabel, Bruno Blondé, and Anke Greve, 15-36. Leuven: Garant.
- Tognetti, Sergio. 2002. *Un'industria di lusso al servizio del grande commercio. Il mercato dei drappi serici e della seta nella Firenze del Quattrocento*. Firenze: Olschki.
- Tucci, Ugo. 1977. "Il rame nell'economia veneziana del secolo XVI." In *Schwerpunkte der Kupferproduktion und des Kupferhandels in Europa: 1500-1650*, ed. Hermann Kellenbenz, 95-116. Köln and Wien: Böhlau.