

The merchant's monetary world

*Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland), Solicitor (Hong Kong),
Solicitor (England & Wales)*

Before examining the finances of the city, it is necessary to describe the monetary world in which its merchants and officials operated. It was a world of multiple currencies and of a fundamental distinction between money of account and real coins.

Money of account was the unit in which prices, debts and accounts were expressed. Throughout the territories of the former Carolingian Empire, it followed the system introduced by Charlemagne: one pound (*libra*, *Pfund*) was divided into twenty shillings (*solidi*, *Schillinge*), and one shilling into twelve pennies (*denarii*, *Pfennige*). The pound and the shilling were units of account only, to which no coin corresponded for centuries. The penny was the only real coin, whose silver content determined the value of the pound in which accounts were kept.¹

Real coins were many and varied. In addition to the local pennies and Rappen, the merchants of Basel handled coins from many mints: Florentine florins and Venetian ducats, the gold coins of international trade; Rhenish guilders, struck by the four Rhenish electors, the archbishops of Mainz, Trier and Cologne and the Count Palatine, under a monetary union concluded in 1386, which became the dominant gold coin of the Rhineland and southern Germany in the fifteenth century; French *écus*; Milanese and Savoyard coins; and the silver groschen of various German mints.² Each coin had a value in the local money of account that varied with its weight, its fineness and the relationship between gold and silver on the market. A merchant who received payment in florins and paid his debts in pennies bore an exchange risk.

The Basel *Gulden*, the unit in which large sums were expressed in the fifteenth century, referred to the Rhenish guilder. The city itself struck gold guilders under an imperial privilege from the fifteenth century onwards. The *Batzen*, a silver coin first struck at Bern at the end of the fifteenth century and soon imitated by other Swiss cities, became the standard silver

The merchant's monetary world

coin of the Confederation in the sixteenth century. In the early modern period, the thaler, a large silver coin, joined the family.³

This monetary multiplicity had three consequences for the development of finance. The first was the importance of money changers, who assessed coins, exchanged them and kept balances in different currencies. The *Hausgenossen* and later the *Stadtwechsel* fulfilled this function in Basel. The second was the importance of accounts. Merchants kept accounts in money of account, into which they converted all their receipts and payments. These accounts became the basis for the settlement of debts without the physical transfer of coin. The third was the importance of trust in the issuer. A coin was worth what its issuer guaranteed, since the reputation of a mint for maintaining the weight and fineness of its coins determined the acceptance of its money. The prestige of the Florentine florin and the Venetian ducat rested on the reputation of the two republics for monetary stability.

The Swiss franc, which since 1850 has replaced the cantonal currencies and whose stability is one of the pillars of the Swiss financial centre, is the heir to this experience. Its reputation rests on the same foundation as that of the florin: the institutional commitment of its issuer to stability. The Swiss National Bank, headquartered in Bern and Zurich, maintains this reputation. Its cooperation with other central banks at the Bank for International Settlements in Basel is examined in Part F.

1 Notes

1. On the Carolingian system of account (1 pound = 20 shillings = 240 pennies) and its survival in the money of account of the late medieval Upper Rhine, see the standard numismatic literature; HLS, article "Münzwesen". ↩
2. On the monetary union of the Rhenish electors (Kurrheinischer Münzverein) of 1386 and the Rhenish guilder, see the numismatic literature on the late medieval German coinage. Date to be verified. ↩
3. On the Basel gold guilder struck under imperial privilege and on the Batzen (first struck at Bern c. 1492), see HLS, articles "Münzwesen" and "Batzen". Dates to be verified. ↩

For general information only. This article does not constitute legal or tax advice, does not replace advice on an individual case and creates no lawyer-client relationship. It reflects the legal position as of September 2026.

Online version: helveticaregister.com/basel-the-merchant-s-monetary-world