

The mechanics of a fair

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A great medieval fair followed a relatively codified sequence, which is known above all from the example of the Champagne fairs and, later, those of Lyon. The Geneva fairs in all likelihood obeyed a comparable logic, even though the details of their organisation remain partly to be reconstructed.¹

The first phase was arrival. The merchants entered the city with their goods, paid the entry duties and tolls, took lodgings with the innkeepers and set up their goods in the halls, shops or warehouses. The authorities saw to the safety of travellers on the roads and in the city. In Lyon, from 1420, the privileges granted to the fairs included a safe-conduct for merchants and their goods, modelled on the privileges of the fairs of Champagne and Brie.² Comparable guarantees were indispensable to the success of any great fair, and Geneva was no exception.

The second phase was that of sales. For several days, the merchants displayed their products, received buyers, negotiated prices and concluded bargains. A substantial share of sales was made on credit, with payment fixed for a later fair. Brokers facilitated the transactions and often kept a record of them.

The third phase was that of payments. The merchants met to settle their debts and collect what was owed to them. This phase consisted largely of clearing, which limited transfers of coin: each presented his claims and his debts, and only the balances were settled in money or carried over to the next fair. Bills of exchange payable at the fair were presented, accepted and discharged. Money changers and bankers played a central role in these operations.

Phase	Main operations	Key players
Arrival	entry of goods, tolls, lodging, warehousing	innkeepers, officials, carters

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Phase	Main operations	Key players
Sales	display, negotiation, conclusion of bargains, sales on credit	merchants, factors, brokers
Payments	presentation of bills, clearing of debts, settlement of balances	money changers, bankers, notaries
Departure	loading, exit, transmission of news and orders	merchants, carters, messengers

The clearing of debts at the fair deserves a closer look, because it is the ancestor of modern clearing houses. Suppose that a Florentine merchant owes 1,000 units to a merchant of Nuremberg, that the latter owes 800 units to a merchant of Lyon, and that the Lyon merchant owes 600 units to the Florentine. Without clearing, 2,400 units in coin would have to be transported. With clearing, the debts partly cancel each other out and only the balances have to be settled. The larger the number of participants, the more effective the clearing. That is why the great fairs attracted bankers: they concentrated in one place and on one date a considerable volume of claims and debts.

Worked example. Three merchants meet at the fair. The Florentine owes 1,000 to the Nuremberger, the Nuremberger owes 800 to the Lyonnais, the Lyonnais owes 600 to the Florentine. Gross flows amount to 2,400. After clearing, the Florentine owes a net balance of 400, the Nuremberger receives a net balance of 200 and the Lyonnais receives a net balance of 200. It is therefore enough to move 400 units, as against 2,400 in gross settlement, a saving down to one sixth of the coin that gross settlement would have required. The figures are fictitious; the mechanism is that of fair payments.

This example also shows why trust among participants was indispensable. If one of them defaulted, the whole clearing chain could be compromised. The fairs therefore had specific rules and courts to punish defaulters, and reputation played a considerable role. A merchant who failed to honour his commitments risked exclusion from the circle of participants, a formidable sanction in a world where credit rested on mutual acquaintance.

1 Notes

1. Dictionnaire historique de la Suisse (DHS), art. “Foire” (Anne Radeff): four annual fairs in Geneva, lasting seven, ten and later fifteen days, where commercial and banking transactions were “substantial” and where Geneva became an indispensable centre of the bill-of-exchange traffic between Italy and north-western Europe; Dictionnaire

historique de la Suisse (DHS), art. “Lettre de change” (Körner, Bergier): instrument born among the Genoese merchants and developed in connection with the Champagne fairs, with the Geneva fairs becoming a major centre for it in the fifteenth century. ↩

2. Article “Faires de Lyon”, Wikipédia (fr) (accessed September 2026), which refers to the letters of 1420 granted by the Dauphin Charles. ↩

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