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## PROBLEMS

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### *Some Preliminary Remarks on the Study of Foreign Currency Exchange in the Medieval Period*

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Among the different activities of the great international banks of the medieval period recent historiography has given central importance to foreign currency exchanges, since not only did these demand a greater intensity than other types of operation, but they were also made possible only as a result of the fullest development of banking organization. All major studies of medieval banking have automatically turned towards the field of foreign exchange and the techniques used, paving the way for the discussions taken up by the leading historians of medieval banking from R. D. Roover to H. Lapeyre and F. Melis. One of the principal problems is that of the profits made in exchange operations, and this has raised some important and interesting questions about the relationship between interest rates and exchange rates, about the relationship between speculation on foreign exchange and the legitimate compensation for risks incurred, about the relationship between commercial transactions and the methods of payment used in long-distance and international trade (with the related problem of the establishment of discounting practices and the ways in which these were exhibited in accounting terms) as well as about the relationship between exchange rates and balances of trade and payments.

It is not our purpose here to enter into these thorny problems in detail, since they require an extremely precise interpretation of specific sources and necessitate use of highly specialised vocabulary.<sup>1</sup> But we have referred to them

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<sup>1</sup> De Roover's widely known thesis (on which see H. LAPEYRE, 'L'oeuvre de Raymond de Roover', in *Revue d'histoire économique et sociale* 53, 1975) is cogently discussed by G. CASSANDRO, *Note minime per la storia del cambio*, Naples 1965.

in these general terms simply to question whether it may not be the case that to concentrate research too exclusively on the ways in which profits were derived from individual types of foreign currency transaction may in the long-run prove unrewarding and even misleading, since the real problem still lies in reconstructing the nature and objectives of the medieval banking system and the ways in which these were integrated into the wider economic system. For this reason it seems justifiable to draw attention to other features which are fully apparent from the documentation related to exchange operations, even though these may be less significant in terms of a general theory of medieval banking. The first of these is extremely obvious, and is implicitly recognized in all the studies we have mentioned — it is the existence, the production, the careful nurturing, efficient organization and exploitation of a *rich network of international commercial correspondents*. The net-work extended to cover the entire economic and geographical area dominated by the Italian merchant bankers, and it was this that gave them the unrivalled possibilities for remitting to or drawing from any one place to any other. This was, it should not be forgotten, the principal and priceless service that the international bank could offer to the merchant dealing with foreign markets. The banker in turn relied on the collaboration and support of other banking houses with which he maintained permanent contacts — and without such support the individual banker would no longer be able to operate.

The Strozzi Bank in Naples, for example, in the second half of the XVIth century maintained a constant and very intensive correspondence with all the other banking houses in the Kingdom and abroad in order to be able to perform its functions both as drawer and drawee with alacrity. This did not simply mean keeping in contact with satellite agencies (*'ragioni'*) in Florence or Rome, and in both these cities the bank in fact maintained contact simultaneously with the Medici and Francesco and Bernardo Cambini in order to share out the assignments. In Rome, it additionally kept contact with the Spannocchi of Siena, the Gaddi, Spinelli, Santacroce & Signoretti, Centurioni, Borgherini, Usodimare, Pazzi, Frangiotti, Boni & Bardi, Giuliano Gallo, Antonio del Palagio etc. In Florence the correspondents included the Mannelli, Gianfigliuzzi, Martelli, Salviati, Merli, Del Nero, Pandolfini, Gondi, Piero di Gino Capponi, Filippo & Luca Rinieri, Franci & Pere Benet from Catalonia. In Venice, they made use of Filippo Inghiranni in particular, but also often of Mauro Arrighetti, Francesco Agliata, Bernardo Contarini, the Frescobaldi & Neri, Salutati, Grammi, Zorzi & Balbi, the Heirs of Gherardo Ringhiadori... In Genoa they were in touch with Spinola & Lomellini in particular. In Milan their contacts were the Portinari and the Landriano; in Bologna the Zanchini, the Graziuoli, the Logliano & Guastavillani; in Ferrara the Machiavelli; in Siena the Cinughi, the Saracini and the Chigi; at Pisa the Cambini, the Neri Capponi and the Martelli; at Gaeta Francesco Buondelmonti; at Ancona the Sertommasi & Giacomini; at L'Aquila, the Santucci and the Antonelli; at Sulmona, and Lanciano, the Sanità; at Trani, Bartolomeo Davanzati, the Arcangioli of Urbino and Strozzi, Deo

Frescobaldi, Berto Belfradelli; at Lecce, Bindaccio Peruzzi and del Rosso de' Ricci; at Palermo, Guglielmo Ajutamicristo, Mariano del Tignoso, Giovanni Corsini, the Ridolfi, the Lanfranchi and above all the Heirs of Giovanni del Maestro Libero, probably from Genoa; at Cosenza, Urbano dei Beccuti; at Cagliari, the Florentine Giovanni di Filippo. Outside Italy their contacts at Barcelona were Giacomo Vernagalli, the Basalù and Ambrogio Fattinanti; at Valencia, the Heirs of Martino Ruiz and Francesco del Vigna; at Avignon, the Mannelli, the Medici, the Doria, the Capponi & Buondelmonti; at Montpellier, Taddeo Masi; at Lyon, the Capponi & Buondelmonti again; at Paris, Albizio Del Bene; at Geneva, Guglielmo Altoviti; at Bruges and Antwerp, the Medici & Portinari and the Pazzi; at London, Giovanni de' Bardi; at Southampton, Cristoforo Ambrogi & Damiano Del Poggio; at Rhodes, Gentile de' Bardi and di Rugiero della Casa.

The records of the Florentine bank in Naples contain a real mountain of information, and I shall attempt to deal with only a limited number of themes in order to demonstrate primarily how this massive network of correspondents was maintained, since it was this that made it possible for very large amounts of money to be transferred quickly and easily. When a new agency was set up the procedure that was followed was essentially that described by Guglielmo Altoviti when he wrote to Naples from Geneva on 9th December 1473: 'And by this I desire only to advise you that it has pleased the Pazzi & Maxi of Lyons—who are greater than me, that I have set up a factor here under the title given below, so that I may be of service to you and to our other mutual friends...'<sup>2</sup> From time to time the agencies also supplied information regarding changes in the names of those who were authorised to utter banking instructions, commercial commissions or exchange transactions. It was only by virtue of the existence of this vast network of contacts that the medieval banks were able to undertake operations on a wide international basis, to confront the scale of activities demanded, assess the different possibilities and limitations as well as attain the degree of security necessary for the type of services that the great banks were called on to provide. And the result was that the banks' financial resources were spread across the ramifications of this massive network and in a state of constant movement, making the network of correspondents itself the load-bearing structure of a supra-national economy. This essential factor, once seen in the light that it merits, not only regains its massive historical importance, but also suggests that too much attention has perhaps been devoted to the question of the influence of 'profits' in determining the flows of foreign exchange transactions. The individual agencies made bilateral agreements on the charges made as 'provision' and these constituted the basis on which they met their obligations.<sup>3</sup> First the

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<sup>2</sup> Archivio di Stato di Firenze, *Carte Stroziane*, reg. no. 28; f. 60v.

<sup>3</sup> Protest occurred rarely, and was normally related to the thorny problems of risk or speculation or rejection of uncovered losses rather than to ordinary banking services.

scale of the 'provision' was established, and once this was done all subsequent business and payment orders could be carried out without difficulty. An example of this can be found in the inauguration of foreign exchange transactions with the Cinughi of Siena. The latter wrote on 15th January 1474: 'It may occur that you find yourselves with a surplus balance (*mobile*) with us on some transaction which you may wish to remit through us to some other party, and should you wish thereby to stay in credit with us for each such transaction then we shall be happy to allow you a 'provision' of 2 per thousand, calculated at the ordinary rate of 'provision'. Naturally the answer was affirmative, although it did contain a request for a higher rate of 'provision': 'You write that we may be in credit... And for 3 per thousand we are happy to be held in recognition for everything that we exchange on our own account, and for those sums that we give to third parties'.<sup>4</sup> In fact, it seems clear that the whole system was governed by the agreements established between individual agencies, and in this case the 'provision' rate became the certain and guaranteed cost of international financial operations (whether these were related to credit or the transfer of monies) and was quite independent of the economic outcome of any single transaction. At the same time, the opening of a 'correspondence account' in which all the transactions were registered (from the *debits* for remittances carried out and withdrawals paid, to the *credits* for orders sent and remittances received) meant that the bilateral operations between agencies could be regulated by very small settlements (as can be seen in the case of an exchange account opened in the name of Nicolò Strozzi in Rome) which were themselves then quickly re-inserted into the wider circulation of foreign exchange.<sup>5</sup>

The second point to note follows directly from the first, and gives a better indication of its importance and wider significance, as well as illustrating very clearly the central functions of the great banking houses. In a recent article I have tried to show the close ties of interdependence that linked the finance markets of Naples, Barcelona and Avignon at a certain moment.<sup>6</sup> But this is not the whole story — in fact, the foreign exchange market, when carefully studied, provided both banker and client with the opportunity to participate in the overall flow of introits and outgoings arising from the financial relations between two markets, by means of diverting and rerouting currency from other finance markets. This brought into being a vast and highly malleable system of international compensations, serving further to integrate different markets and thereby creating greater margins of elasticity for the bankers themselves. Bills of exchange were often accompanied not only by the so-called 'bills of

<sup>4</sup> Reg. no. 28, f. 62.

<sup>5</sup> Reg. no. 18, f. 187v-188. This was on a *mobile* of about 750 onze in carlini giving a settlement of 6 ducats, including the provision at 1 per thousand.

<sup>6</sup> 'Note sul movimento cambiario nella seconda metà del secolo XV (Napoli-Avignone-Barcelona)', in *Medioevo. Saggi e Rassegne*, 6, 1981.

advice', providing the requisite information on day to day changes in exchange rates, but also others bearing orders for remittances or drafts on other *piazze*. For example: 'To Chanbini at Rome: You give the exchange on Avignon at 26 3/4 (that is: 26 3/4 Avignon *grossi* for 1 Florin of the Apostolic Chamber). If you are able to get 27, remit on our behalf to Zampino (Giovanni Zampini & CO) 500 ducati di Camera, and keep the credit in sight. This commission will run until the middle of February next. And if you are unable to make the draft, use your own which can be put on account to be settled in cash by the first entrusted courier; but when you have found a way to make the draft do it at once and you will be supplied either by way of cash or by exchange within a few days.'<sup>7</sup> In this way it was possible to overcome with the greatest of ease the problem of 'not finding a taker' which often appears as an apparently insuperable obstacle in relation to the question of 'profits' and which had a decisive impact on the circulation and negotiation of bills. But on the basis of this kind of evidence one can go even further and say that profits and losses resulting from the effect of the shifting periodical tendencies in exchange rates emerge clearly as variable and *uncertain* cost factors incurred in the pursuit of the primary objective, which was the international mobilization of money and credits.

The following document is no less explicit: 'And it may be that since you have drawn on them and that we here (in Florence) have to do with Liberi at Palermo, although we have remitted certain monies their account with us is still 400 or 500 ducats short. They have given commission that in the circumstances this should be paid by you. Do this and draw the sum on Avignon'.<sup>8</sup> Here it is apparent how Florence instructs Naples to settle the account with Palermo, while Avignon in turn repays Naples. It is well known that the exchange between Naples and Palermo was very much in Naples' favour, whereas that between Avignon and Naples was to the advantage of Avignon — and for this reason in an earlier letter the Strozzi Bank in Naples had requested that the remittance to Avignon on their behalf should be made from Rome and not from Naples. It is also clear that the profit on the exchange transaction, the 'advantage' as it was called, was not the object of the transaction but was seen rather as a variable operating cost incurable in any transfer or settlement. The guiding principle was to keep the costs arising from the need to cover the debt as low as possible, in the hope of eventually turning a debit into a credit and making it yield a profit. But this last issue takes us into the field of the organization and management of the banking house itself, of speculative and organizational skills, which carries us away from our main concern.

It is, I think, worth repeating once more that the number of exchange

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<sup>7</sup> Reg. no. 19, 18th January 1470.

<sup>8</sup> Reg. no. 28, f. 60v. Letter from Florence by Piero di Gino Capponi, 24th Dec. 1473.

transactions on commission was considerable, and that the ones we have come across were far from being isolated or occasional cases. Even when the copies of such bills are missing, their existence can easily be verified from the chronological drafting of the exchange-drafts which always carried in both their ordinary sections a note of the consignor. For example: 'We remit to Rome to our Agents 250 ducati di Camera (Rome gives Naples its money) through Lorenzo de' Medici & Co, for the value here to the aforementioned Francesco Nacci (Nasi) & Co, at 12 1/4 per cent (uncertain for certain).' In the margin is written: 'On behalf of the Heirs of Martino Rois of Valencia'.<sup>9</sup> The explanation is as follows: the Strozzi Bank in Naples makes a remittance to its own agency in Rome using as intermediaries the Medicis of Naples and Rome, on the instructions of Ruiz in Valencia. The bill on one hand increases Valencia's credit on Rome in Rome, but not directly since on the other hand this is offset by a parallel entry increasing Valencia's debits on Naples.

There is another type of bill which is of particular importance with regard to the general argument developed here. These bills were introduced in the *Ricordanze di Cambi* (Exchange Registers) not by the standard formulae 'Rimettemo' ('We Remit'), or 'Traemo' ('We Draw') in the case of a draft, nor by 'to' or 'from' as in the case of a drawee, but respectively by 'Contiamo' ('We account') 'Diciamo' ('We say') or by some similar phrase 'Schrissonci' ('They write to us etc.) The absence of the standard accounting terms in this case is due to the fact that the bill sent or received contains a double set of variations which made the normal form of registration unsuitable. What was meant by this type of formulation is evident from the following example: 'Thursday the 8th of this month (June 1468). We account for Palermo, according to practice, 240 gigliato ducats at 52%, and we advise Ghuglielmo Ajutamicro to make the Heirs of Martino Rois of Valencia debtors to this sum, and ourselves creditors on our own account (in his own money). This will be drawn by the order of our Agents in Rome and on their own account, as they inform us in their letter dated the 3rd of this month. For ourselves we remit on Palermo; for the Rois of Valencia we draw on our own people in Rome'.<sup>10</sup> As can be seen (and for the moment we shall leave aside what is already known, that the order was commissioned by a third party, in this case the Strozzi agency in Rome and specifically 'sopra loro' — 'on their own account — that is with their own cover and guarantee) in such cases it generally happened that a remittance-draft was made out on a third market, here Sicily, which was not the place of residence of either the beneficiary or the drawee (Ruiz of Valencia and the Neapolitan Strozzi). This meant that the operation consisted essentially in an accounting readjustment that the Pisan banker Ajutamicro had also to register. There was then no other way for

<sup>9</sup> Reg. no. 43, f. 3v (4.2.1485).

<sup>10</sup> Reg. no. 43, f. 25v.

the Strozzi Bank in Naples to present its own entry, other than by describing it as a debit *in loco* that corresponded to a credit exchanged at Palermo. The significance of the operation was then this: the Roman bank, through its Neapolitan confederate, held a certain sum in credit in Palermo with the banker Ajutanicristo which it redirected to the Valencian bank. This meant that the financial relations between Valencia and Rome relied also on Sicily for settlements of balances. The accounts of the Pisan would then clearly show a credit on Naples balancing a debit on Valencia. A similar situation can be found in the Strozzi Day Book for 1473: 'Our agents in Florence are to be listed as *debtors* for their XXXVII onze, VI tari, XIII grani, and as *creditors* Pasquale di Santucio & Co of Aquila, to the value of 200 ducati di Vinegia (Venice?) (at carlini 11 and tornesi 3 1/3 per ducat), which they advise us they gave on the 16th of this month (March) to the German Thomas of Constance and by his letter remitted to our agents on the 4th inst. by Antonio Martelli'.<sup>11</sup> In other words: the German merchant Thomas received this sum in L'Aquila from the Santucci company, draws a bill in Florence in favour of the Strozzi Bank there on Antonio Martelli: this is why the Santucci wrote to Naples — in the letter from which our example is drawn — holding them as creditors for this sum and the beneficiaries in Florence as debtors. In this case we see the Strozzi Bank in Naples performing the same function as the Pisan merchant in Palermo in the previous case. It also reveals how the draft of Venetian money to a German merchant in the Abruzzi created a credit for Naples in Florence (in florins) and also a similar credit for L'Aquila in Naples (in Neapolitan ducats).

There is no need to give further examples, since these clearly indicate the highly efficient ways in which credit was utilized and how this was made possible by the total flexibility of the international banking system. These two factors emerge very clearly from the massive documentation and were directly linked. They derived from the real order of things, and were not purely technical artifices. I would add that they formed in a certain sense the prerequisites for the safe and stable technical advances made by the bankers and provided the fundamental determinant of their actions. They are for this reason, in my view, the real starting point, that cannot be overlooked in any general assessment of the function of the international banking houses in the European and Mediterranean economy in the later Middle Ages. Historical research can then do no other than take these factors as its primary focus, if it is not to lose sight of the massive movements of financial exchanges which with varying but related patterns and destinations criss-crossed each economic region with a never ceasing web of transactions.

Within this perspective, the analysis of the movements evident between Rome, Naples and Valencia (as well as the fourth, Palermo, which regulated relations between Naples and Valencia) over a sufficiently extended period of

<sup>11</sup> Reg. no. 27, f. 86v.

time would enable us to clarify the economic factors which lay behind the structure of the financial relationships which emerge. This is clearly not the place to embark on such an analysis even in outline or by way of example. But what I would like to make clear is that it would be quite wrong to attempt to explore the relationship between Valencia and Rome without taking Naples into account as well and equally that it would be quite wrong to study the relations between Naples and Valencia without taking into account the positive and negative financial balances linking each both with Rome and Palermo. This is a methodological premise which is to my mind not only important but fundamental, and is given even greater force when one bears in mind that contact with foreign markets was conducted in very similar terms even by cities that were not themselves centres for international exchanges. They met their payments by means of commissions effected on the properly equipped markets and through brokers.

Research undertaken on such a basis must also take due account of those operations described as exchange bills without endorsement (*girata cambiaria fuori del titolo*). Whereas in terms of the history of banking techniques endorsed bills seem to mark a clear sign of progress over unendorsed bills, if one examines the two forms within the working mechanism which seems to me to be the fundamental feature of the medieval banking system, it was the second and less technically advanced procedure that proved to be the most flexible and functional. The reason for this was simply that it was not necessary for both the beneficiary and the drawer of a bill to be present at once on a given market for the bill to be put into circulation, and made it possible to achieve what was really needed — the transfer or circulation of credits.

With a written bill issued on market B for market C it became possible to redirect the credits owing to the holder from other parties and places: the presence of all those concerned on market A where the bill was destined was fictitious and derived from the accounting methods of the banker responsible for drawing and circulating the bill, which thereby brought together through a single action two quite separate individual accounts. For example: 'To Lorenzo & Francesco Billiotti, as first (of the four copies) from Florence of Bono Boni for 572 ducats each of 10 carlini per ducat, for 10 days more than custom, 95.10 onze'. But the Billiotti were based in L'Aquila — therefore: 'And to them we promise acceptance by the Medici, as they write from L'Aquiao in their letter, dated 12th October'.<sup>12</sup>

At this point we can I think draw some conclusions. First of all, the real and fundamental technical achievement of the banker lay in the vast range of contacts established and in the general observation of the methods and means conducive to producing the maximum mobility of liquid capital. Secondly, the principal aim of foreign exchange transactions lay not in the eventual dif-

<sup>12</sup> Reg. no. 24, f. 41v (16.10.1472).

ference between two chronologically separate quotations (produced by the time lapse between emission and payment, and between the emission and eventual return of the bill for payment) which might be hoped to generate a profit, but rather, as Melis repeatedly argued, in making payments over distances possible. What was needed and what the bankers provided was the possibility of being able permanently to transfer credits and debits *however they had originated* and to have access quickly to cash when it was needed. This is the situation which must be taken as the starting point for further research, be it on trade, the structures of markets or the configuration of individual economic zones. Otherwise we run the risk of missing the complexity of the real inter-relationships revealed by the documents and replacing them with a series of purely bilateral relationships which are removed from reality and derive from models based on the exchange that in practice it is quite impossible to identify and evaluate the different components of this profit).

Although the concatenated structure of these markets still requires detailed analysis, there is another conclusion which it may not be too soon to suggest. This is that the irreplaceable function of the great banking houses was to open up and develop the international circulation of goods, and thereby to contribute to the increasingly complementary structures of different markets. This enabled them to play a unifying and amalgamating function across the entire 'Euro-Mediterranean' area which was otherwise deeply contrasting and varied, diversified into discrete sectors each with a distinct economic vocation with respect to others in the same commercial circuit. Exchange transactions were both the fruit and the best indicators of the varying participation of these individual sectors in the general community of activities nurtured by the presence of the banking houses and varying over time. For this reason it seems to me that the historical significance of the great medieval banks should not be sought in terms of the modernity of their functions or their impact on the mechanisms of development, but rather in the fact that they played the same role that mercantile capital had in the dynamic of domestic national economies. In other words, just as the momentum of circulation often prevailed over that of production and consumption, at least as a tendency, and provided the backbone of that dynamic, the renewal of forms and the quantitative increase in wealth, so, on an international level, credit and the means for using it rapidly, efficiently, in ways suited to the particular economic physiognomy of individual regions so that it was always available and practicable, made it possible to valorize the conditions, structures and resources of individual regions, particularly those features that were peculiar to them alone, and thereby brought them irreversibly and advantageously into the wider process of economic development. The great banks were, in short, the driving force in the creation of a vast yet unified market on a supra-national basis. Such a market could not have been created without the presence of the banking structures and the careful distribution of credit on an international scale which thereby provided a leading and equi-

liberating force. Had it not been for this, then progress could have been achieved only at the price of disrupting and destroying the gains made during the centuries of economic revival, and above all at the sacrifice of the very type of economic culture from which it originated. And this, as Pirenne rightly argued, was based above all on exchange, and drew its inspiration from the knowledge that distance increased value, from the careful study and rational exploitation of markets, of their inter-relations and varying balances.<sup>13</sup>

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<sup>13</sup> De Roover's work shows that there was a clear connection between his methodological tendency to explain economic developments in terms of the technical skill with which business was conducted and his belief that the economic decline of Italy was represented by the parabola followed by the Medici Bank. This connection was immediately criticised by De Caprariis on the grounds of its inadequacy (see 'Il Banco dei Medici', in *Bollettino dell'Archivio storico del Banco di Napoli*, 1.1950, pp. 53 ff.). Although De Caprariis did not disagree with the concept of an Italian decline he remarked that 'the interpretation advanced by De Roover in no way takes account of the complexity of the problem', a problem that could not simply be reduced to 'errors in economic management and banking strategies': to 'ossify so complex a problem in the mere analysis of banking efficiency and human error is worse than just omitting the largest and arguably the most important part of the story — it totally precludes any deeper understanding of the situation'.

The problem therefore needs to be seen in terms of the acquisition of structures, a process which is of relevance to Europe and the Mediterranean as a whole and not just to Italy or Tuscany. Nor is it possible to talk of a 'hecatomb from which only the Strozzi were able to extricate themselves' as Fanfani does (see 'Il declino del banco de' Medici e dell'economia italiana in un volume di RAYMOND DE ROOVER', in *Economia e Storia*, XI, 1964, p. 91). More rewarding would appear to be the suggestion thrown out by A. TENENTI (*Firenze dal Comune a Lorenzo il Magnifico 1350-1494*, Milan 1972, p. 86) when he claimed that it is likely that during the final third of the XVth century 'the activities of many of the great families who were now less closely involved in politics — for example the Strozzi or the Salviati — were much less deeply affected by diplomatic conflicts than were those of Lorenzo il Magnifico'.

However, the problem is not so much that of dating the decline of Tuscany but rather of drawing attention, as Melis argued, to the creation of a new world whose basic solidity could not be shaken by the Italian crisis (see M. DEL TREPPO, *Federigo Melis, storico*, in *Studi in Memoria di Federigo Melis*, Vol. 1, Naples 1978, p. 76). It should also be remembered that when Melis directed his attention towards the individual operator, this was not in the empirical terms used by De Roover, nor was he concerned with the search for the personal qualities of the individual banker, but rather with the culture that he represented: he saw the merchant as the founder of a rationally articulated economic universe, within which he sought to achieve his ends by means of rational and professional skills — it was in this that the 'greatness' of the merchant lay.

In methodological terms the situation in the Kingdom of Naples is not different from the rest of Italy. The integration of Naples into the wider Mediterranean world during the reign of Alfonso the Magnanimous cannot be interpreted, as Cassandro has attempted ('I porti pugliesi nel Medioevo', *Nuova Antologia*, 1969) simply as a 'pa-

renthesis' to the 'history of Aragon-Catalonia that was being played out on our soil' and after which 'we went back to weaving with the same old threads'. The Strozzi papers in Naples provide incontrovertible proof of the continuities linking the reigns of Alfonso and Ferrante. While it is true that with the arrival of the first Aragonese monarch the history of the Mezzogiorno took a decisively Mediterranean direction, the whole XIVth and XVth century period must now be studied — to my mind — in relation to this orientation, which calls for no small modification of the traditional formula of the subordination of the region's economy to its politics, of 'fiscalization' and the exploitation of trade to provide revenue for the monarchy. These internal problems, which Colapietra has identified ('Gli aspetti interni della crisi della monarchia aragonese', in *Archivio Storico Italiano*, cxix, 1961) as bearing on the relationship and indeed missing links between 'political developments', 'economic organization' in domestic terms, and the 'international context', need to be carefully reexamined in the light of the function of the Neapolitan market in the renaissance economy. This gives a particular interest to the new book by F. BOLOGNA (*Napoli e le rotte mediterranee della pittura da Alfonso il Magnanimo a Ferdinando il Cattolico*, Naples 1978) which firmly emphasizes, from an artistic and cultural point of view, the Mediterranean features of the Aragonese metropolis. But how can one overlook the fact that the place assumed by Naples during the Aragonese period within the international economic order was to survive, in its essential features, well into the modern period? This is well illustrated by the findings that emerge (and not by chance, since this study of economic fluctuations and cycles never loses sight of the realities of trade, agricultural production and payments) from L. DE ROSA's, *I cambi esteri del Regno di Napoli dal 1591 al 1707*, Naples 1955.

