There were no towns or nucleated settlements in Iceland, so there were no regular markets. A market would form any time a merchant ship put in to any of the large number of fjords and inlets mostly in the north and west, but also in the east. Norwegian merchants (or Icelanders returning from abroad) brought in goods, the most frequently mentioned being grain already milled to flour, and timber, but also tar and linen. Timber of building quality was not available in Iceland, nor were there likely to be sufficient degree days for a grain crop to mature except for a few places in the south and west, and even there not reliably.

Imagine yourself an Icelander needing to purchase a couple hundred pounds of flour and some building timber. The news spreads that a ship has put in to Vadil, and you live some thirty miles away. How are you going to pay for the goods you purchase? Is there a conveniently agreed upon medium of exchange? Suppose you have silver. Would a Norwegian merchant sell all his goods in exchange for silver and sail back with an empty vessel? Or would he take your silver and buy other Icelandic products with it to fill up his ship? Or would he rather insist that you pay him in Icelandic goods and refuse your silver?

It is likely though that you or he need not worry much about exchanging silver, because it is unlikely you would have any. We do not often see silver in the sources being handed over in payment for Norwegian goods. Then what do we make of the three marks of silver Audun cleared from selling his sheep after he funded his mother’s maintenance for three years? He may have wanted to travel light, but it is more likely that the marks of silver are ways of stating value; they are units of account, or measures of value, not real silver. When the story was written in the early 1200s, and most likely already by c.1050 when the story takes place, the normal means of payment was cloth, a homespun woolen cloth called vaðmál, or on occasion a higher grade of specially woven cloaks. The value of vaðmál was often expressed in silver ounces so that a legal ounce (of silver) was the equivalent of six ells, about three yards, of vaðmál, with silver being notional and woolen cloth actually providing the means of payment. Sometimes
Even notional silver was dispensed with and value was stated directly in units of ells of cloth.¹

The Norwegian merchant, in short, would sail back with a load of woolen cloth, not even fish at this date, to which might be added more compact stores of value, perhaps falcons, if the ship was full of cloth and cloaks. The point is that if the Norwegian was to get paid for his flour and timber, the Icelandic buyer was unlikely to have enough cloth woven until later in the summer at best. The merchant would have to wait until you literally made your money to pay him and not infrequently the merchant had to stay the long winter to get his payment.²

Moreover, consider bargaining positions: you may not want to load your horses with your woolen money before you have determined the quality of the imported goods and agreed on a price for them with the merchant. If you have already sunk the costs of transporting your means of payment shipside it puts too much bargaining power in the hands of the Norwegian. Should he see how well your horses are laden he might find, as was the case with Audun when he purchased the bear, “that you’ve just exactly enough.” The burden of packing up your money and driving six or seven horses thirty miles to the ship might make it wiser to ride down to the ship without any means of payment, inspect the goods, and start bargaining from there, making a contract for future delivery and future payment. You might even bring along some horses bearing no load at all, to take delivery now and promising to pay later. Notice how our easy-to-transport credit cards give the merchant bargaining leverage. Were we to have to return home and load a caravan of pack animals to transport our means of payment, that would be quite an expense.

¹ The mark was properly a measure of weight, and given that Audun’s silver is notional so is the mark. Thus it is that eight legal ounces of cloth is a “mark” of “silver.” Legally acceptable vaðmál was to be two ells wide; see Grágás II 288 and also n6 in the Dennis, Foote, Perkins translation vol. 2, p. 349. Icelandic money and units of account are a quagmire of complexity. For a reasonably accessible treatment in English, see Bruce E. Gelsinger, Icelandic Enterprise: Commerce and Economy in the Middle Ages (Columbia, SC, 1981). At this time there was no formal coinage available in Iceland though King Harald had begun minting in Norway during the period in which this story is set (see IF 5:261 for images of the coins struck). The fast diminishing silver content of these coins figures centrally in another Icelandic short story, Hallrós Snorrason’s Story II (IF 5:263–275), discussed in part below pp. 34–35; see Peter Spufford, Money and its use in Medieval Europe (Cambridge, 1988), pp. 83–85.

² E.g., Ljósavetninga saga, ch. 1 (IF 10); Víðsfæðinga saga, ch. 4 (IF 11).