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#NowReading History of Monetary Systems by Alexander del Mar

#OldBookClub

HISTORY

OF

MONETARY SYSTEMS:

A RECORD OF ACTUAL EXPERIMENTS IN MONEY MADE BY VARIOUS STATES OF THE ANCIENT AND MODERN WORLD, AS DRAWN FROM THEIR STATUTES, CUSTOMS, TREATIES, MINING REGULATIONS, JURISPRUDENCE, HISTORY, ARCHÆOLOGY, COINS, NUMMULARY SYSTEMS, AND OTHER SOURCES OF INFORMATION.

BY

ALEXANDER DEL MAR, M.E.,

Author of "A History of the Precious Metals," "A History of Money in Ancient States," "Money and Civilisation," "The Science of Money," "The Politics of Money," "Sophisms of Money," &c.

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defects of Pliny's history of the Roman
hiefly upon his too confident reliance upon
yet the school of Mommsen follow him
st misgiving. They gravely inform us that p
ved from *pecus*; that the value of coins is
rom the names of weights; that the modern
g is from the pound weight of silver, a
f money from a mark weight of silver; th
rly of the single and double "standard"
Cæsar and Augustus; and draw conclusion
t history, the premisses of which cannot p
ed in Europe farther back than the coinage
the sixteenth century. Such a school exhi
to be regarded as authorities on either the
r the history of money. They have been
k upon money as so much metal, wherea
an institution of law. It is as though me
gth and volume were regarded as so much
it has been found most convenient to make

ks, and bushels of that material.
of the monetary system of Augus
with an attempt to establish th
at a ratio of 15·75, then at 14·29, etc
al trials this system was abandon
, and the "single gold standard" wa
place of it! The facts are that no s
in the phrase of single or double "
ed of at that period; that no suc
; that no such ratios are deducibl
nage systems; that the ratio of t
s 12 for 1; that no change occu
ystem until the reign of Caracalla,
t one; and that no change at all w
r nearly thirteen hundred years.

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ʒold standard, silver standard, double standard, halt ndard, etc., these are terms derived from the legislat the sixteenth and seventeenth centuries, when, for t time in the history of the European world, priv lividuals were permitted to coin money, or, what same thing, they were accorded the right to requ government to turn their bullion into money, free ation, loss, or expense. This idiotic legislati phemistically called "free coinage," deprived gove nt of that control over money which had ever b ;arded as an essential attribute of sovereignty necessary for the maintenance of opportunities ilitate a just distribution of wealth. In effect troyed money, or nomisma, which is an institut a measure of value prescribed and regulated by l l it substituted for money an unknown and illimita ıntity of metal—a substance that, as such, is not am e to legal control. Hence arose the modern jargon of g ndard, silver standard, etc. So long as money verned by law, it was the whole number of coins, redu me denomination, that determined prices. When mo sed to be governed by law, as was the case after

India Companies, it was the whole quantity of metal that determined prices. Before the seventeenth century the "standard," or measure of prices, was the whole number of coins, at the valuation affixed to them by law; after that period the legal valuation (except as to the ratio) formed no part of the measure; and within the last quarter of a century, even the ratio has been swept away. The measure of prices in the Western world at the present time consists chiefly of metal, as such. When that metal is gold, the measure is called the "gold standard"; when it is silver, the "silver standard," etc. But in the days of Augustus this was wholly unknown. There was no individual coinage. The measure of prices was the whole number of coins which were legal tenders, and which circulated, not merely in Rome, but throughout the Empire, after they were reduced to one of the various denominations which were affixed to them by law. Within prudent limits, it made no difference whether the coins were pure or impure, light or heavy, yellow, white, or brown. No one could lawfully stamp them except the State. The value they bore was (within such prudent limits) whatever the State choosed to stamp upon them;[1] and this principle was so deeply planted in the Roman law and constitution, that it became the groundwork of judicial decisions as to what constituted a good and lawful tender of money

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"Upon [Roman coins] were stamped the story of its miraculous origin, the images of its gods, demi-gods and heroes, the symbols of its religion, the spirit of its laws, and the dates of its most glorious achievements. All these now threatened to disappear in the melting-pot."

ast quarter of the third century t
divided between four Cæsars, to
added he whom Sir Francis Pal
sively termed "our own Carausiu
division took place, the diversity
coins was so great as to produce
emperors almost daily adopting ne
and several thousand unauthorised
m Mount Cælius and other places t
ery province of the Roman empire
me intolerable. Without some de
is maddening variety of types a
adily harmonised and valued, it b
carry on the operations of trade
£. s. d.

effects of mint-charges and seigniorage. The relative value of coins, which Rome was formerly content to read in the edicts of her consuls or emperors, she was now almost compelled to determine with a pair of scales. The imperial government could scarcely have observed this symptom of popular distrust without grave concern. In proportion as such coins lost fiduciary value, and rested upon that of their metallic contents, so did the empire lose importance to the provinces and the proconsuls to the local chieftains. Furthermore, when money ceased to derive any portion of its value from limitation of issue or from sacerdotal and imperial authority, why might not the proconsuls feel at liberty to issue circu-

achievements. All these now threatened to disappear in the melting-pot. The monuments had come to be regarded only as so much bullion, and every provincial governor or barbarian king would be tempted to reduce them to metal, in order that, upon recoining them, his own upstart image might shine in the glass that had once reflected a Romulus, a Cæsar, or an Augustus. There was but one way to stop such a calamity, and that way was monopoly of the coinage and arbitrary valuation; but this had to be done through some new device, for the old ones were worn out, and would be seen through and rejected at once.[1] The efforts to save the old monuments would justify a slight discrimination of value at the onset

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“[M]onuments had come to be regarded only as so much bullion, and every provincial governor or barbarian king would be tempted to reduce them to metal, in order that, upon recoining them, his own upstart image might shine in the glass that had once reflected a Romulus, a Caesar”

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attentive examination of the table of ratios in a previous chapter will afford a tolerably correct indication of the dates when Roman domination was thoroughly re-established in the various provinces or kingdoms of Britain. However, the new domination, though practically the same, was not altogether identical with the ancient one: its appearance was changed, as though viewed through a defective glass. The ancient domination of Rome, so far as Britain is concerned, was in great measure a military one; the re-established domination was practically an ecclesiastical one. Both brought in their train the benefits of the ancient Roman civilisation and the ancient arts. This civilisation during its banishment had borrowed something, both from the anti-hierarchical spirit of the Norsemen and the scientific spirit of the Arabians. It bore a new aspect: it lacked the refinement of the old imperial civilisation, but it was fresher, healthier, and stronger. To the student and philosopher who contemplates the mediæval ages, the civilisation that accompanied Christian government must have appeared like the face of a friend whom ill-health had banished to remote climes, but who had returned after a long absence—his frame the same, his features bronzed, his gestures coarse, but his step vigorous, and his eye animated with a new and hopeful vitality. Such seems to have been the character of that Roman civilisation which, cleansed in the fire of Christianity, had returned to regain its wonted influence upon the Western world.

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ıother fallacy of money—one of practical import
e present time—derives its origin from the mone
s of this period. Jevons, in his "Money and
ge," avers that the "standard" of England, f
reign of the Plantagenets to that of the Hous
ıswick, was silver, and afterwards gold. This is
host of modern sophistries which have sprung f
Act of 1666, and which no one before that pe
stumbled upon. It will be found in Harris's "Es
Ioney and Coins," printed in 1757, and possibl
ewhat older books, although neither so old as
ch prototype of the Act of 18 Charles II, nor as
of the disputative knights and the shield, whic
one side was of yellow metal and the other of w
he case of money, the shield was neither of one n
the other. The term standard, as here used,
mean measure, and neither gold nor silver metal
the measure of value in England until 1666,
e that date it has been such only to a limited ex
under the operation of that Act as affected by
ent legislation. Down to 1666 the "standard

ıd was the whole number of £. *s.* *d.* in the kin
er of gold, silver, tin, copper, or leather, ar
number of £. *s.* *d.* was whatever the co
es of Basileus, king, barons, and prelates ha
ke it. In the course of this history many ins
been given when the king altered the meas
dard" of value by simple decree, and w
sing or diminishing the quantity of either g
—an irrefragable proof that the standard w
of those metals, nor any other metal, but
ıole number of £. *s.* *d.*, whether coined or e
king's will. Had either gold or silver be
ırd of value, that standard would have been
ıwer either of Basileus, pope, or king to alt
but a cursory perusal of the annals of the tim
ıced that such was not the case, and that, i
and silver metal had very much less to d
ring value than the imperial and royal consti
licts.

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“In the great states of antiquity money was a pillar of the constitution. In the republics of Greece and Rome it was a social instrument, designed, limited, stamped, issued, and made current by the State,—in short, invented, owned, and regulated by the State.”

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The origin and progress of Private Coinage has also been an object of attention. Private coinage, or, as it is now euphemised, “free” coinage, namely, the license granted to private individuals to coin the precious metals without limit, or to compel the State to make coins for them and to confer upon such coins the legal functions of money, coupled with license to export and melt down the coins, was unknown to the ancient world. In the great states of antiquity money was a pillar of the constitution. In the republics of Greece and Rome it was a social instrument, designed, limited, stamped, issued, and made current by the State,—in short, invented, owned, and regulated by the State. It is now generally admitted that the so-called gentes coins of Rome were not of private fabrication, but issued by the State, and stamped with the gens mark of the State moneyers. There appears to have been no private coinage in Europe before the issuance of Mahomet’s Koran and its scornful repudiation of the Roman religion and political system. The baronial and ecclesiastical mints of the middle ages, when not authorised by the German Empire, or by the princes of the Western States, were baronial or ecclesiastical only in name; they were really “robbers’ dens,” and were so termed in the official proclamations of the time. Their trade of private coinage was both surreptitious and unlawful, and was often expiated with the lives of the proprietors. The Plantagenet kings broke up some thousands of them.

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"Thousands of millions of worthless notes have been issued, and the entire products of industry have been seized and perverted to the enrichment of a class, who know only how to scheme, to undermine, and to appropriate the earnings of mankind."

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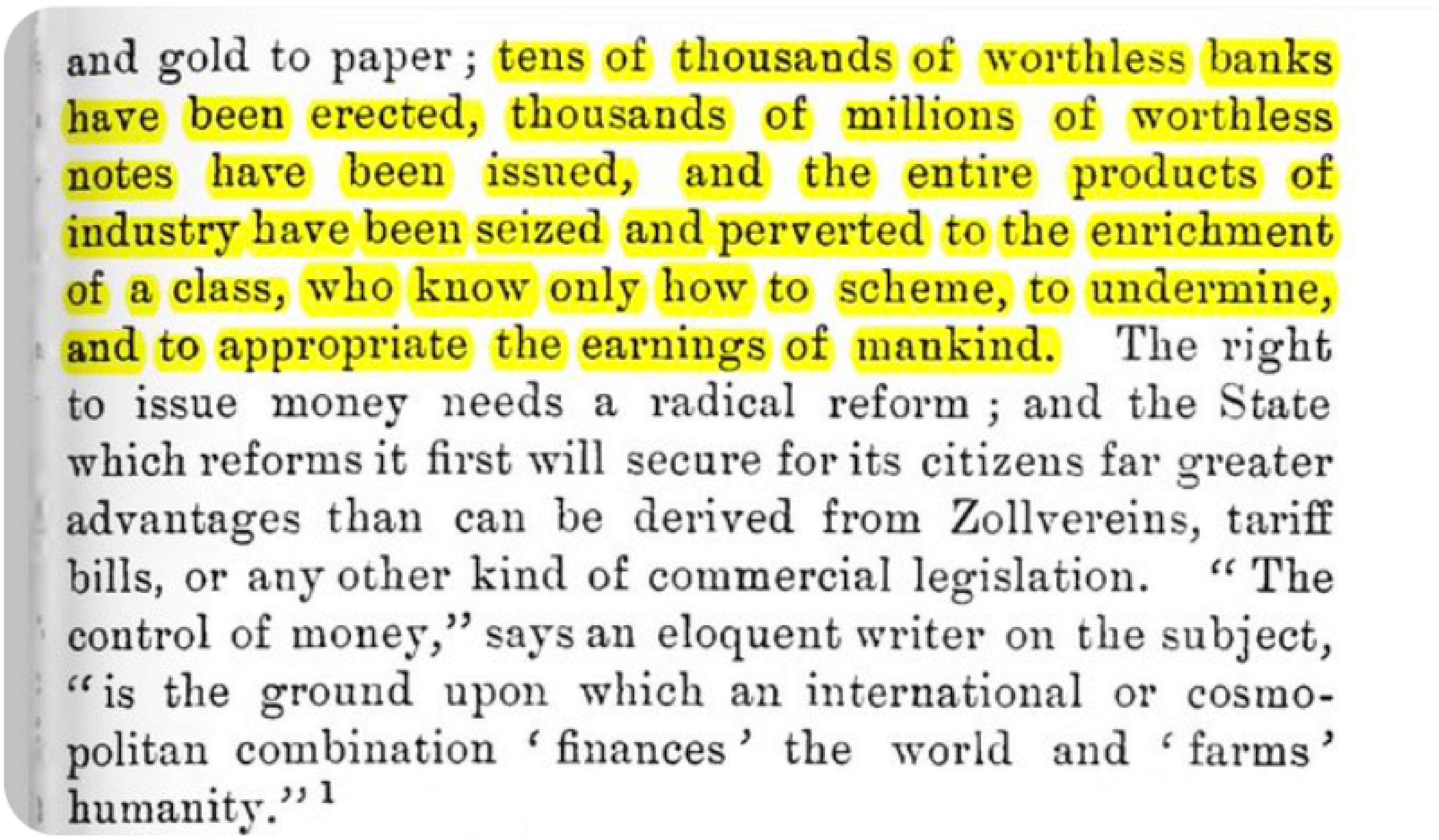

and gold to paper; tens of thousands of worthless banks have been erected, thousands of millions of worthless notes have been issued, and the entire products of industry have been seized and perverted to the enrichment of a class, who know only how to scheme, to undermine, and to appropriate the earnings of mankind. The right to issue money needs a radical reform; and the State which reforms it first will secure for its citizens far greater advantages than can be derived from Zollvereins, tariff bills, or any other kind of commercial legislation. "The control of money," says an eloquent writer on the subject, "is the ground upon which an international or cosmopolitan combination 'finances' the world and 'farms' humanity."[1]

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"Writing in 1776, Adam Smith was at great pains to inform us what a strong institution was the 'burghers,' Bank of Amsterdam… In 1790, [when] the French again invaded Holland, they found the bank empty and insolvent."

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.ting in 1776, Adam Smith was at great pains
n us what a strong institution was the "burghe
of Amsterdam, how "for every guilder in gold
to circulate as bank money, there is a correspond
er in gold or silver to be found in the bank.
s guarantee that it should be so. The bank is un
irection of the four reigning burgomasters, who
ged every year. Each new set of burgomasters vi
easure, compares it with the books, receives it u
and delivers it over with the same awful solem
e set which succeeds; and in that sober and religi
ry oaths are not yet disregarded. A rotation
kind seems alone a sufficient security against
ices which cannot be avowed. Amidst all the re
s which faction has ever occasioned in the gov
of Amsterdam, the prevailing party has at no t
ed their predecessors of infidelity in the adminis
of the bank. No accusation could have affec
deeply the reputation and fortune of the disgra
; and if such accusation could have been suppor
y be assured that it would have been brought.

the French king was at Utrecht, th
paid so readily, as left no dou
which it had observed its engageme
not revenue was the original obj
" Alas, for Dutch burgher patri
y of our great Scotch sophist! V
later, that is to say, in 1790, the Fr
lland, they found the bank empty an
t Adam Smith was penning his pa
y loaning away bullion which belo
and noteholders. Its pious burgom
the City was dishonoured, and
hundredth useless lesson on the folly
bility of a monetary system wh
under the thumb of the State.