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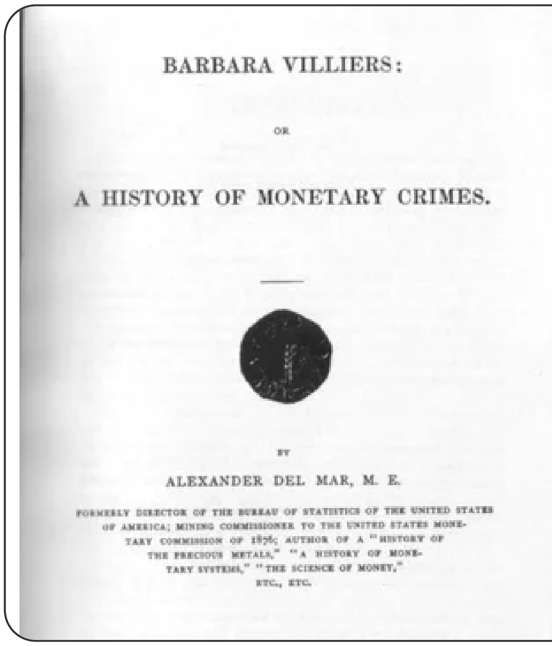

BARBARA VILLIERS:

OR

A HISTORY OF MONETARY CRIMES.

BY

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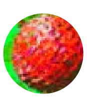

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Before the Discovery of America private coinage was everywhere suppressed; and the prerogative of Money became vested & centered in the various crowned heads of European states, before being snatched away by private financiers. "Such were the crimes of 1666, 1742, 1870 and 1873."

INTRODUCTION.

The insidious crime of secretly or surreptitiously altering the monetary laws of a State—than which no more dastardly or fatal blow can be dealt at its liberties—is not a new one. There is a suggestion in the decree of B. C. 360, concerning the ancient iron money of Sparta, that Gylipus was not unfamiliar with this grave offence. In a later age, Pliny, who justly calls it "a crime against mankind," evidently refers to that alteration of the Roman mint code by which what remained of the nummulary system of the Republic was subverted, about B. C. 200, in favor of the authorised private coinages of the gentes. Such alteration seems to have been secret, for no explicit allusion to it appears in the fragments that have been preserved concerning the legislation of that period. But the coinages and the decadence of the State tell the story with sufficient distinctness to justify the anathema of the Roman encyclopedist.

Upon the establishment of the Empire, the State resumed the entire control of its monetary issues; and this policy it continued to maintain until the barbarian revolts of the fifth and sixth centuries subverted or weakened its authority and obliged it to connive at breaches of the prerogative which it had lost the power to prevent or punish. The latest notable exercise of its resentment for an usurpation of the coinage prerogative was the war which Justinian II. declared against Abd-el-Melik for daring to strike and issue gold coins without the Imperial stamp or authority.

After the Fall of Constantinople in 1204, the prerogative of the Roman Emperor fell into the hands of the numerous potentates who erected their crowns upon the ruins of the empire and its maintenance became the source of numerous contests with the inferior nobles, who, in their ignorance and avidity, would fain have retained a right, which, so long as it remained in their hands, rendered the erection of kingdoms and therefore the recognition and due support of their own nobility, impossible. The process of King Philip le Bel against the Comte de Nevers emphasised this view of the subject very clearly. Before the Discovery of America private coinage was everywhere suppressed; and the essential prerogative of Money be-

INTRODUCTION.

came vested and centered in the various crowned heads who governed the states of Europe,

It was not long after that great event, when avidity awoke to new life over the spoils of a plundered Continent, that attempts were renewed to snatch the prerogative of Money from the State. This time it was not the truculent noble, who impudently claimed a right that had once belonged to the Cæsars and boldly exercised it in defiance of the Crown, but the sneaking billoneur, who stealthily sought to acquire it through the arts of falsehood, intrigue, and forgery.

Such were the crimes of 1666, 1742, 1870 and 1873.

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The Crime of 1666: overthrowal of the Mixt Moneys case; by degrees the British East India Company wins the right to export England's silver, so as to take advantage of the profitable gold-silver exchange rate in India.

CHAPTER I.

THE CRIME OF 1666.

FROM the remotest time to the seventeenth century of our æra, the right to coin money and to regulate its value (by giving it denominations) and by limiting or increasing the quantity of it in circulation, was the exclusive prerogative of the State. In 1604, in the celebrated case of the Mixed Moneys,[1] this prerogative was affirmed under such extraordinary circumstances and with such an overwhelming array of judicial and forensic authority as to occasion alarm to the moneyed classes of England, who at once sought the means to overthrow it. These they found in the demands of the East India Company, the corruption of Parliament the profligacy of Charles II., and the influence of Barbara Villiers. The result was the surreptitious mint legislation of 1666–7: and thus a prerogative, which, next to the right of peace or war, is the most powerful instrument by which a State can influence the happiness of its subjects, was surrendered or sold for a song to a class of usurers, in whose hands it has remained ever since. In framing the American mint-laws of 1790–2, Mr. Hamilton, a young man (then 33 years of age), and wholly unaware of the character or bearings of this English legislation, innocently copied it and caused it to be incorporated in the laws of the United States, where it still remains, an obstacle to the equitable distribution of wealth and a menace to public prosperity.

More than this: down to the year 1870 the Crown of England had the right, without consulting Parliament, to undo much of the mis-

[1] A copious Digest of the "Mixed Moneys" case appears in the author's "Science of Money," chap. VII.

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chief occasioned by the Act of 1666 and its logical sequel, the Act of 1816: that is to say, the Crown had the right and the power to restore the previous Monetary System of full legal tender gold and silver coins struck by the State for the convenience of the public and the benefit of trade; and not as now, merely upon the behest of the banking fraternity. In that year this supernal power was surreptitiously filched from the prerogatives of the Crown. The evil work was then carried to other countries especially to the United States of America, where in 1873 it was copied with a faithfulness to its model that could only have been born of design.

Upon the opening of trade with India in the 16th century a pound of gold metal could be exchanged or purchased in Asia for 6 to 8 pounds of silver metal, this being the ratio paid for bullion at the Indian mints. There was little or no silver in India; the natives of that country being ignorant of how to reduce argentiforous ores. Gold was comparatively plentiful, though it existed chiefly in the form of jewelry and other works of art. The currency consisted mainly of copper and billon coins, with a comparatively few gold pieces, the latter being chiefly used in and about the courts of the reigning sovereigns and the great commercial cities. Owing to these circumstances, the exchange of Western silver for Eastern gold became one of the chief sources of profit to Europeans engaged in the Oriental trade. In 1542 the Spaniards commenced shipping silver to China and India, from Acapulco in Mexico, by way of the Phillpines. When Potosí became prolific these shipments amounted to £200,000 a year. By this time the value of a pound weight of gold in the coinages of India had been raised to 9 pounds weight of silver; in other words, the coinage ratio between silver and gold was 9 for 1. The British East India Company, formed in 1600, at once sought permission from the Crown of England to export silver to India. The policy of England had always been opposed to the melting or exportation of any portion of its Measure of Value. Penal statutes, prohibiting such melting or exportation, had been enacted in 9 Edw'd III., c. 1.; 2 Hen. IV.,c. 5; 5 Rich. II.; 17 Rich. II.; 2 Hen. VI., c. 6; 17 Edward IV; 4 Hen. VII., c. 23; and 19 Hen. VII., c. 5.

Similar statutes were enacted by Henry II. and Henry V. Such prohibition was still in force. It embraced not only the coins of the realm but also those foreign coins, such as Spanish reals, to which the English laws had accorded currency, or legal-tender function, in

THE CRIME OF 1666. 9

England at fixed prices in English money. In accordance with this policy, Queen Elizabeth refused the request of the Company, although it apparently related only to the Spanish coins then circulating in England. However, permission was given them to import new silver from foreign parts, which silver might then be struck into coins at the Mint for their special use (after due payment of seigniorage), with further permission to annually export a limited sum of the coins thus struck. The pieces fabricated under this ordnance are known as "portcullis" coins, from the figure stamped upon them. They were of the same weight, fineness and general design, as the Spanish dollars, halves and quarters of the period. This was in 1601; the coinage ratios at that time being 15 for 1 in England and 9 for 1 in India. At a somewhat later date, the Company exported uncurrent English coins, chiefly the testoons (shillings) and other base issues of Henry VIII. and Edward VI., which, though still legal tenders in Ireland, were decried in England and sold for old metal[2]. Such export, however, appears to have been without any express authority from the Government.

In 1613 the Company obtained a charter with extended powers; and its numbers, wealth and influence having greatly increased, it made several attempts to enlarge its privilege of export, one of which attempts was discussed in the Star Chamber, 1639, but without success to the Company. With the downfall of Charles I., the Company was almost extinguished. Its aggressiveness and avidity had procured it many enemies, and rendered it so unpopular that in 1655, Cromwell annulled its exclusive privileges and declared the Oriental trade open to all Englishmen. Two years later the Company's influence with the Council of State was sufficient to induce the Protector to renew its monopoly. In 1662 Charles II. confirmed this renewal and, for a corrupt consideration, permanently established this Company of money-changers, privateers, fillibusters and bullies. From that year dates a new order of men in England. The Estates formerly consisted of the Crown, the Church, the Lords and the Commons. To these were now added the financiers, or Billoneurs, who have since almost entirely swallowed the others. Originally the financiers consisted of 215 monopolists under the title of the East India Company: they now comprise the entire world of money-changers and bankers. This cosmopolitan band threatens the peace of mankind.

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I propose in this treatise to relate at some length the history of their privileges and to indicate their mischievous influence. There is romance in the history and profit in the moral.

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History of silver. The systematic working of silver mines in Greece gave rise to the rivalry for the trade of the Orient, leading to the wars between Greece and Persia. In exchanging Western silver for Indian gold the Persians made 100 per cent, and the Greeks 50 per cent profit.

CHAPTER II.

SILVER.

SILVER is rarely found in the form of metal, but chiefly as an ore, from which the metal is obtained by complicated processes. Nor is the ore usually found on or near the surface of the earth, but mostly in quartz veins, or in lodes and pockets which lie deeply buried in the recesses of metamorphic rocks. Hence silver was the last of the two great precious metals obtained by man; and it could not have been procured in any but minute quantities before the discovery of iron and the fabrication of iron and steel tools of sufficient hardness to cut the rocks in which silver ores are concealed. As for the suggestion that copper tools, hardened with tin, were sufficient for deep mining, we leave the inventors of this hypothesis to account for copper and tin metal themselves in any great quantity prior to the advent of steel tools.

The dependence of silver upon steel enables us to fix its æra with some degree of certainty. The Indian Brahmo-Buddhists, the Babylonians, Assyrians and Greeks all agreed in assigning the invention of iron and steel to about the beginning of the 14th Century B. C.

The Greek date was that of Jasius and the Ten Dactyles of Mount Ida, B. C., 1406. This date marks alike the æra of iron metal and of quartz mining; whether of gold, copper or silver[1].

The earliest use of silver for coins must be assigned to the East Indians, who, in their ramtenkis, or rama-tankas, employed a mixture of both gold and silver, called by the Greeks, electrum.

The earliest silver coins of the West were those of Pheidon, King of Argos, who, according to the Parian chronicle, struck them in the Isle of Ægina, near Athens, about B. C. 895, from silver, probably

[1] A fragment of Philo Byblius ascribes the invention of iron to "Chrysor, who is the same as Heph-æstus, Molech, or Zeus Meilikios or Meilichios. From him descended Taut, whom the Egyptians call Thoth and the Greeks Hermes" Millichius (the Holy) was a surname of Bacchus. "Phœnicia," p. 340; and Noel voc. "Millichius." Iasus, the discoverer of iron, was another name for Bacchus. Hence all these names referred to the same deity. According to Polydore Vergil, the discoverer of silver was Erichthonius of Athens. This is again the same divinity. The æra of this mythos was B. C. 1406.

obtained in the mines of Laurium The punched stater of Miletus, now in the British museum, has been assigned upon artistic grounds to the period B. C. 800, but Mionnet contends that it is not older than Dàrius Histaspes. The electrum coins of Lydia are of a somewhat later date. The mines of Laurium were situated near Cape Sunium, about 30 miles from Athens. The surface deposits probably contained some native silver. There is reason to believe, from the archaic remains found at Tiryns and their resemblance to those of Byrsa (Carthage), that such surface deposits were originally worked by the Phœnicians.

However this may be, the mines were certainly known to Æschylus, Themistocles, Herodotus and other Greek writers of the fifth and fourth centuries B. C., at which last named æra the excavations were of some depth and the ores were of calamine and difficult to reduce. In the time of Themistocles the annual produce of silver amounted in value to that of the metal in about a million dollars of the present day.

The systematic working of these mines marks an epoch in the history of silver. It gave rise to that rivalry for the trade of the Orient which led to or kept up the wars between Greece and Persia.

Silver coins soon became common in all the Greek States; and specimens of them are still extant. The ratio of weight in silver and gold coins of the same value, at this period was, in India, 6 1-2 for 1, Persia 13 for 1 and Greece 10 for 1. In exchanging Western silver for Indian gold the Persians made 100 per cent. and the Greeks 50 per cent. profit.

1 2 9 305

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The iron moneys of Sparta, Clazomenae, and Byzantium prove that neither gold nor silver are necessary for money or commerce.

The conquest of Spain initiates the struggle for the control over Rome's mines and coinages; resolved when Caesar finally abolishes private coinage.

The use of gold and silver coins was not universal in the Greek States. The iron nummularies of Sparta under Lycurgus and the nummulary system of Clazomenæ and Byzantium were remarkable exceptions, which, in this place, can merely be mentioned, but which nevertheless, especially the first one, deserve the careful examination of all students of money. They serve to prove, if nothing more, that neither silver nor gold are indispensable for the purposes of money or commerce. From a passage in Varro, preserved by Charisius, viz., that "It is said that silver money was first made by Servius Tullius," there is reason to believe that the Romans struck silver coins at an earlier date than that mentioned by Pliny and that silver and copper coins were used for money down to the period of the Gaulish invasion. This system was abandoned, in A. U. 369 (B. C. 385), for a nummulary system consisting of highly overvalued bronze counters, which formed the distinguishing money of the Republic,

until B. C. 316, when the plunder of Magna Graæcia led to the issue of the scrupulum coins of silver and gold at the weight ratio of 9 for 1. The capture of Tarentum in B. C. 271 led in B. C. 269 to a new coinage of silver and gold, this time at 10 for 1. Other coinages followed, which it is not deemed necessary to further mention in this place. In B. C. 206 Scipio Africanus conquered Spain for the Romans. Here began a new æra in the history of silver. Down to this time, indeed, until the Roman patricians acquired such command of the Statė and its possessions as to render them the arbiters of its destiny, the Republic controlled the issues of its mint and regulated, in the public interest, their number and value. From the moment that Spain fell to Scipio there arose a struggle among the priviledged class, to which that hero belonged, to control its silver mines and coinages.

The Iberian mines had been opened in ancient times by the Phœnicians and afterwards worked systematically by the Carthagenians. They were so numerous and prolific that historical writers have with one accord assigned to Spain during the Roman æra the same relative importance that is claimed for America during the 16th and 17th centuries. The control of the Spanish mines lawfully belonged to the Republic; but Strabo proved—and there are other evidences, derived from the appearance of the private coins, technically known as coins of the gentes—that shortly after the conquest of Spain the patricians of Rome acquired control of the silver mines and the privilege, under public regulation, of coining silver; the State still retaining and excercising the exclusive right to mine and coin gold.[4] The gentes coins were struck at the ratio of 10 silver to 1 gold, until the time of Sylla, when their weight was reduced, so that the ratio stood at 9 for 1, and this continued until the accession of Julius Cæsar, when private coinage and meltage was abolished and the ratio was raised to 12 for 1. It was during the period from Sylla to Cæsar when most of the gentes coins, now extant, were struck. The silver denarius of this period weighed 60.6 English grains. Of these, 25 were valued at one gold aureus of 168.3 grains. Hence $60.6 \times 25 = 1515 \div 168.3 = 9$; which was the ratio between silver and gold between B. C. 82 and B. C. 45.

From the accession of Cæsar, to the sixth century, the principal supplies of silver were obtained by the Romans in Spain, as elsewhere, by means of slave labor. These supplies were then materi-

[4] Strabo, Geog. III., ii. 9.

1 3 8 343

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King of Portugal raises the value of gold against silver to increase the royal revenues

In my article "Silver," in the Encyclopedia Britannica, 9th edition, signed "A. DE.," I said that "the greater rapidity with which gold can be obtained (as compared with silver) has often influenced the legal relation of value between these two metals." For example, when in 1668 the King of Portugal found that large supplies of gold were coming into his coffers from the Brazilian placers, he raised the mint price of gold from 13 1-3 silver to 16 silver. Hence the origin —for such was the origin—of this celebrated ratio was purely arbitrary and entirely opposed to the natural order of things. Silver did not fall owing to plentifulness, nor gold rise owing to scarcity. On the contrary, gold rose because the royal dues in that metal were so vast that the King of the principal coining country of that period deemed it worth while to raise its mint value in order to still further enhance the royal revenues. By the year 1747 the sporadic product of Brazil was substantially exhausted, and the King of Portugal, finding that his dues were now chiefly paid in silver, arbitrarily raised that metal from 16 to its former weight ratio of 13 1-3 for 1 of gold But at this period Portugal was ruined, and it did not much matter what the king did. The cause of her rise was the Plunder of the

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Policy recommendations

I would not have it inferred from these remarks that I prefer silver to gold for a general Measure of Value. A general or universal Measure of Value is a chimera invented by the bankers of Threadneedle Street to foist their Metallic scheme upon the world and render their city the centre of a system of cosmopolitan Barter. A national Measure of Value, consisting of silver metal ("free coinage" system), is but little better than one of gold metal. No metal, as such, can measure value with precision or equity. This is what Money alone can effect; and if there were no question of policy in the matter, I should advocate a monetary system independent of metals. But the monetary question is a practical and political one. We cannot ignore history; we cannot ignore the status quo; and as the status quo is a complex metal and paper system based upon history, law and practical politics, the most that can be done is to reform it in the interest of the government, that is to say, of the people. For the present I would advise a return to the coinage laws prior to 1873 and the retirement of bank notes, to be replaced by greenbacks. These reforms will not only benefit the great mass of our people, they will save the commercial classes from what will otherwise end in widespread bankruptcy and perhaps even more serious results.

Unfortunately the commercial classes are too greedy to accept reforms that do not promise them unfair advantages.