

6 (5)

COPIES OF A LETTER

CONTAINING

QUERIES

RESPECTING THE STATE OF THE

Silver and Copper Coins in Barbados,

AND OF

AN ANSWER

DESCRIBING THE SAME,

AND

RECOMMENDING MEASURES NECESSARY TO BE

ADOPTED FOR FURNISHING A FULL

AND PERFECT SUPPLY TO ALL THE COLONIES.



BY THE AGENT FOR BARBADOS.



LONDON:

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1816.

COPIES OF A LETTER

CONTAINING

QUERIES,

&c. &c.

LETTER.

It has been frequently observed, that the coins now circulating in most of the British Colonies in the West Indies, and on the continent of America, are in a very depreciated and defective state, and that great loss and inconvenience are experienced in consequence thereof, in the money transactions of those Colonies; it becomes a question therefore, how far it may be practicable to remedy this evil, and to introduce one common and uniform system of coins into circulation in the different Colonies. With this view I take the liberty to transmit to you the accompanying queries, and to request that you will furnish me with the best answers you can procure, by reference to the Island of Barbados, or from other sources, on the several points to which these queries refer.

Although these queries are confined principally to the silver coins, I shall be glad to receive any information or remarks you may have to offer with respect to the state of the copper currency, the usual extent of demand for it, and the fluctuations which occur in the price of copper in the Island of Barbados.

QUERIES.

What are the denominations of silver coins current in the island for which you are agent?

What is the rate in British money at which each is valued in commerce?

Are not the pieces of silver current in your island, much worn and damaged, and reduced in weight below their original value?

What do you consider to be the average weight of each denomination of them at present?

What do you conceive to be the amount of such coins now in circulation in the Island of Barbados?

What is the general rate of currency established in your island?

If it should be deemed advisable to coin silver for the use of the Island of Barbados, what are the kinds of coins which you think would be most useful ?

Do you know of any objection to the fixing a certain established standard weight and fineness for the silver coins of all the West India Islands, and at the same time fixing a certain rate at which such coins shall be current in all of them ?

Do you see any objection to the adoption of the dollar standard, as the standard of fineness for such silver coins ?

ANSWER.

SIR,

I have not failed since the receipt of your letter, to give my best attention to the matters contained therein. The references recommended have necessarily occasioned delay, and I now submit, for your information, the result of my inquiries and reflections, aided by some little practical knowledge and experience in these subjects.

When a Government by coining undertakes to weigh and to mark, to establish the standard fineness, and to declare the value of the metal by its

impression or marks, guaranteeing all these, and preserving the coinage from injury, it prudentially excludes all other persons from coining for themselves or others, and at the public expense not only coins for all persons the metals they may offer for coinage, but necessarily supplies, if wanted, the metals required for the purposes of domestic circulation. Conformably to this principle the British Mint acts, not only by exchanging bullion of the standard quality and coined metal against each other, weight for weight, but by purchasing the metals, coining, and emitting them thus coined, as the necessities of the realm may require.

The supply of coined metals for the British Colonies, has however been left to themselves. The nations who possess mines have long been accustomed even at the mines, to give to the metals the forms of coins, and have thus rendered them at once of more convenient use to themselves, and to the nations who draw them from them as articles of commerce. Even Great Britain has in time past availed herself of, and permitted the use within the realm of the gold of Portugal, as a coinage which was sufficiently approximated to her own standard; and the Colonies have supplied themselves with a coinage, by the direct purchase of the metals in the forms of moidore, and Johannes,

and doubloon-ingots of gold, and of dollar-ingots of silver, and of ingots parts of these.

Had all the Colonies duly understood the principles which regulate a currency of metals, or of any other circulating medium, and had they adopted proper measures for preserving the coinage, and punishing the mutilation of the good, and the introduction of the bad, all would have been well; but in most, the recommendations of ignorant or interested persons have repeatedly prevailed upon governors, in direct contradiction to their instructions, and upon the people and Governments of the Colonies, with considerable injury to their respective interests, not only to admit and receive a debased and diminished coinage, but even to mutilate and diminish by direct operation the good, and to produce at once all the combined effects of debasement of quality, and diminution of quantity, by that nefarious, depreciatory measure of increasing the nominal value of the current coinage. Under these malign influences, that has been done in one Colony, which in another better regulated and better legislated for, would have subjected to criminal charge, and the pains of death.

In ordinary times, the supply of coinage in the Colonies depends upon the prices of bills of ex-

change, and is well effected by means of bills. The Planter must draw upon his market in the United Kingdom, for the net proceeds of his crops; the Army and Navy require money for Government Bills—these causes tend to fill the West-India market with bills, and to diminish their prices. When bills have sunk to prices that will pay for the importation of the coined metals, at no great expense of freight, and with nearly a triple return within the year, of capital; monies come in to increase the demand for, and raise the prices of bills, and again, when bills are high, money will be preferred, and may go out as a remittance. These causes fairly operate in a Colony when the circulating medium is properly regulated, and duly protected by law, and there no inconveniencies can be felt, but by an extraordinary increase in extraordinary times, of the prices of the metals in the Bullion Market of the United Kingdom.

Under these circumstances, the Colonies have proceeded from their first settlements happily, or otherwise, exactly in proportion to the due arrangements and establishments of their monetary systems, and to this mode of supply they may be safely left, requiring from all who have them not, due legal regulations for the protection and preservation of their current coinage against every species of diminution, degradation or depreciation.

A general failure indeed of this supply can only happen under circumstances such as occurred during these later periods of the French revolution, and the usurpation of Buonaparte, and these, or such as these, will always render it impossible even for Great Britain to furnish a supply. In the Colonies even then, although some diminution was produced of the quantity of circulating medium in each; yet the principal inconvenience sustained was, the considerable reduction of the prices of bills and the consequent loss upon them, to the Planters and to Government. In these and similar cases recourse can only be had, and only while the necessity lasts, to the substitution of paper money for the more valuable metals and for the less valuable metals, and the smaller species of coins, to a system of tokenage, formed of silver, in order to ratify popular habits by the continued use of the same metal, and possessed of value sufficiently near to the nominal, so as not to outrage public feeling by obvious diminution of quantity, whilst the full current value is otherwise duly guaranteed to satisfy calculation, preserve estimation, and ensure undepreciated circulation.

A partial failure of supply of the minor species silver coins, may indeed happen at all times, in consequence of the countries of the metals coin-
g only limited quantities of these for their own

domestic circulation. In this case, Great Britain may do for the supply of the Colonies, what would in vain be expected from the mines and mine countries, coining for her Colonies, the minor parts of dollars or portions equal thereto of dollar silver and to every Colony which may require the supply, disposing of any quantities that may be wanted on Colonial account, on conditions however, and under regulations prescribed by the several public interests to be considered, and the circumstances of the several Colonies.

A supply of this nature, it is understood, is at this time required by many, is necessary for most and would be convenient to all the Colonies. The considerations incident to the due and effectual execution of such a measure, respect in the first place, the nature of the supply; secondly, the costs of fabrication; thirdly, the monetary condition of each Colony; and fourthly, the laws existing in each, for the protection and preservation of the coinage.

In the first place, then, the supply required would consist of silver coins, being various parts of the dollar, and of copper coins as suppletory to the

The smaller silver coins of the Colonies consist principally of divisions of the dollar, Pisterees

Pistereen bits, French isle du vent bits; Pistereen, French, and dollar half-bits, and are either halves, fourths, fifths, tenths, twentieths of a dollar, or nearly equivalent to these. These parts of dollars, and these alone will be required. The Spanish pillar-dollar then of 17 dwts. 12 grs. being the unit: the parts of these must be of the dollar-silver, and of the full exact several weights, the quotients of 17 dwts. 12 grs. divided by the number that expresses the part. Half-dollars of British fabrication then will weigh 8 dwts. 18 grs.; fourths, 4 dwts. 9 grs.; fifths, 3 dwts. 12 grs.; tenths, 1 dwt. 18 grs.; twentieths, 21 grs. These weights must not be diminished or abridged upon any pretence or consideration whatsoever, otherwise the whole plan will fail, and one more corrupt system will be gathered to all the preceding.

The impressions and figures with the following changes, may be those of the Bank 18 penny-pieces now in circulation, within the oaken chaplet, on one side for the word "Bank" may be substituted the fractional part in figures, $\frac{1}{2}$, $\frac{1}{4}$, $\frac{1}{5}$, $\frac{1}{10}$, $\frac{1}{20}$, immediately below this instead of "*token*" the word *dollar* will be inserted, and in the third line instead of the value, "1s. 6d." the weight 8 dwts. 18 grs. 4 dwts. 9 grs. &c. will be exhibited. The year will retain its place; in every thing else the resemblance of the Bank pieces will be preserved.

One observation only occurs to be added which respects the half-bit pieces. Very few dollar half-bits have appeared in the islands, and immediately from their novelty and beauty they have been hoarded. Half-bits of regular fabrication are indeed scarce, whilst the want of them has been supplied by the irregular act of dividing the bit into two parts. Originally the British silver penny had a construction adapted to this operation. A cross in the middle marked the lines of division, for separating the penny into four-things or farthings. In these divisions of bits the operation is regulated by the discretion alone of the operator, and has been grossly abused, as might be expected, and the practice being extended to pistereens and dollars in Barbados, the abuse also was extended, until all these divided parts were refused and rejected.

It might be advisable to prevent these irregular practices, and to save the bits from this destruction and mutilation by an adequate supply, and a construction of half-bits, which might extend the diameters of their external circumferences to nearly those of the bits. Mechanically this perhaps cannot be effected, but by an unadvisable extension of substance, or by taking a central portion from the metal, and marking its internal edges by a well defined line, which should indicate any internal violation of that circumference. To both these

modes there are exceptions perhaps as weighty, as to the addition of an alloy to the full weight of silver which might give a more convenient size to the coin, preserve it against the more frequent uses of transfer, to which it would be applied; the coin preserving its intrinsic value, and being made to bear upon its face a specification of its components.

The copper coinage of the Colonies consists principally of farthings, which seem better adapted even than halfpence, to the circumstances and dealings of the numerous bodies of slaves, their habits and wants.

Of farthings and halfpence, 300 of those and 150 of these to the dollar, the whole cost including the metal, the expenses of fabrication, the charges of transport, and amounting in value to one dollar, the coinage and supply is recommended for all the Colonies, subjected to the same conditions to be required to precede any sale and delivery on Colonial account, as in the case of silver.

With respect to the costs of the supply of silver, that the Government at home should at the public expense, as is done for the United Kingdom, furnish the Colonies with this or any portion of their coinage, is neither conformable to former practice,

particular manner, the several queries addressed to me.

To the two first queries, which require the names and values of the silver coins in the Island of Barbados, I answer, that the silver coinage consists of dollars current at 6s. 3*d.* currency, or 10 bits; half-dollars current at 3s. 1½*d.* currency, or 5 bits; quarter-dollars at 1s. 6¾*d.* currency, or 2½ bits; pistereens current at 1s. 3*d.* or 2 bits; pistereen bits current at 7½ currency; Crimbal or Isle du Vent bits, (French coins, made for their Windward Islands, and called crimbal, as I understand from the name of the person, who first introduced them into circulation in Barbados,) current at 7½; dollar half-bits, pistereen and Crimbal half-bits, and cut half-bits formed by the cutting of bits into halves, current at 3¾*d.* currency.

The third query inquires the condition of these. It is generally good. In 1791, it became necessary to reform the gold and silver monies of the Island, to make the clipped gold pass by weight at 2¾*d.* the grain, and the clipped silver money at a given price, according to former established practice derived from the time of Queen Anne. The quantity of silver money thus brought to the scale including almost the

whole of the silver money in the Colony, the inconvenience of making these payments was in 1799 removed by calling in and purchasing all the clipped silver money at the current weights and prices, paying for it by Treasury Bills of eight months' date, and for ever putting down and forbidding the use, circulation and tender of clipped silver money. Since that period the silver money has been as good as could be wished, the pieces being generally perfect, very few occurring of which the impressions are not distinguishable, none, of which they are entirely defaced. The only exception to this observation is the cut half-bit, which being derived from the bit by a division not duly regulated, is more frequently a third than one-half thereof. The convenience of this small piece of money to the lower classes, passing in small payments for 15 farthings, tolerates its use, and recommends it to particular attention in any plan for regulating the silver and copper coinage. These particulars supersede the necessity of any estimation of average weights of the silver pieces as required by the fourth query, except for a comparative estimate with the circulating coins of other Colonies, and the experiment will be made as soon as the means shall be supplied of making it.

In answer to the fifth query, I have not been

able to obtain any satisfactory information, nor do I possess any *data* that will enable me to form any probable statement of the whole amount of the circulating metallic monies of the Colony. Some conjectural estimate may be formed from a comparison of the population, consisting of nearly 90,000 persons, 20,000 free inhabitants, and 70,000 slaves, with that of Great Britain; and allotting to the Colony even a less proportion of circulating money than its population would warrant.

The sixth query inquiring into the established rate of currency in the Island of Barbados, renders a statement necessary of the nature of exchanges, and of the causes to which their considerable variations of nominal value in different Colonies are to be referred.

In every market of the commercial world, money of and in another market, is a commodity which is sold, like every other commodity, at a price varying directly as the demand, and inversely as the supply. The rate or price at which it is sold is called the exchange, and a bill of exchange is an order for delivery to the buyer of the sum purchased. In the West India market, he who wants money of and in the London, or any other British market, agrees for the purchase of the sum wanted,

pays for it as for any other commodity, in money of the Colony, and receives an order for the delivery at a place and time agreed on, that is, in mercantile language, takes a bill of exchange on London or elsewhere for the amount.

The price of this commodity, or of the order for its delivery, or in common parlance, of bills thus regulated by the supply and demand, reacts upon, and in its turn regulates them by its depression or advance in a course of speculation relating to money and to bills, whilst money comes in to purchase bills, and bills come in to purchase money. The cost, attendant expenses, mercantile charges, and profits of remitting, determine on both sides the course of the money going or coming, or the person on whose account it is remitted. In the former case it may be matter of general speculation and trade; in the latter the holder of bills may choose to import money himself rather than lose by selling at an undervalue, or for less money than he could import by sending on his bill. In ordinary times ten per cent. is more than double the whole cost of remitting money to any Colony; and therefore in Colonies, if any such there now were, in which the nominal values of their circulating monies were the sterling values of the same, the prices of bills varying on both sides of sterling sums as they bore premium

or discount prices, might be quoted at from 90*l.* to 110*l.* currency for the 100*l.* sterling. Such, undoubtedly, was the state of things at the beginning in all the Colonies, and it still exists, I understand, in some, or all of the British provinces of North America. Such in all it would and ought now to have continued to be, but for the mistaken apprehensions and the interested representations of persons; those in the hope of retaining the money, and these for the purpose of increasing their gains at the public loss and expense. By these causes the nominal values of the current monies of the different Colonies have been so much increased occasionally, that by degrees, and by the operation of successive changes made, in despite of experience which clearly exhibited their fallacy, the exchanges have risen in some Colonies to 200 per cent. and in none to less than 40. To this monetary state they might all unquestionably be brought back of equalization of the values of metallic monies, sterling with currency, sterling and currency only varying as bills should bear a premium or a discount; but the adjustment of other things to these changes would produce considerable confusion, and perhaps losses not to be justified by the object to be attained, which after all would be only an approximation by numerical figures of smaller value to sterling computation, and could not after all produce contemporaneous

or any but accidental coincidence of equality in the exchanges of different Colonies, whilst that of each would vary in every Colony.

After all nothing has been effected by these ill advised measures, by or for themselves, but a change in computation; and to that mode of computation therefore, which they have chosen, they must be left. To this, however, as it at present exists, they must be for ever strictly confined; they must confine themselves by known positive law, which all persons under due sanctions, shall be bound to know and to respect; and in whatever is done for them, they must be referred to sterling values and measures to be reduced to colonial, never again to be changed.

Conformably to these observations there is not in Barbados, there can in no Colony be any established or fixed rate of currency. In one Colony an attempt was made to fix it by positive law to 140l. per cent. It would be equally practicable to fix the price in the same colonial market of any other commodity, as of money in the London or any other market. The price varies on either side of the 140l. under the names of discount and premium. In every Colony indeed there is a money par, upon which the exchange

depends for its amount. This is the proportion which the nominal values of the coins in circulation, bear to their sterling values. This regulates the prices of bills in ordinary cases, by encouraging or forbidding the importation of money as a profitable or unprofitable speculation. On either side of this money par, the exchange may vary, increased or diminished by the whole cost and charge of importing the coined metals, and these charges may vary from 5 to 10 per cent. In Barbados this money par is not exactly the same upon all the coins. On the dollar, moidore, jo, doubloon, estimated at 4*s.* 6*d.* 1*l.* 7*s.* 1*l.* 16*s.* 3*l.* 7*s.* sterling values; and current in the Colony at 6*s.* 3*d.* 1*l.* 17*s.* 6*d.* 2*l.* 10*s.* 4*l.* 13*s.* 9*d.* Colonial values; it is respectively 139 +, 139, 139 —, 138, giving as an average of the whole nearly 139 per cent. as the money par of the whole; which may therefore be stated as the middle point of vibration of the exchanges, which I have known to rise, but not often, to 145, and which in ordinary times fluctuates from 130 to this point. Upon the arrival of an armament in the port of Bridge Town, as of that for St. Domingo in a former war; bills sunk to 110*l.* currency for 100*l.* sterling. In consequence of the late advanced prices of the precious metals in the British bullion market, they were at from 110*l.* to 125*l.*, and so continued. At that time I proposed a plan for the adoption and

conversion of bank-notes into island tokens, which intrinsically and primarily secured by the Bank, and subsequently by the guarantee of the Island Government for every excess of Colonial value at which they might have been put into circulation, upon the bank-notes being called in after 7 years, would have defrayed all its own expenses, and saved considerable sums to the island, and to his Majesty's Government.

The rate of currency then within the Colony may be considered, either as it is established in the metallic monies, or as it varies with the prices of bills of exchange. The average money currency calculated upon the gold coins of Portugal and the Spanish pillar-dollar, is, as before stated, about 139% currency for 100% sterling. The prices of bills may vary on both sides of 139% but the supply is generally such as to keep them at about from 132% 10s. to 135%. The power and benefit of importing money rather than selling bills, keeping them from sinking permanently to lower prices.

The 7th and 8th Queries have been already answered by a recommendation of the dollar standard, for a general coinage of silver money for Colonial uses; and I repeat that the coins which I think it would be most advisable to coin for Barbados,

and for all the Colonies, are halves, quarters, fifths, tenths, and twentieths of the dollar, of full weight and perfect fineness.

The general rates at which these coins should be current, it would be advisable to express in sterling values, and to cause the sterling values of the several pieces to be reduced severally in each Colony, into current values, bearing the same proportions to their sterling, as the current value of the dollar in each Colony bears to *4s. 6d.* sterling. To express the values in equal terms of value in every Colony, would require an assimilation or equalization of currencies to one given, or to sterling value and various other adjustments, leading through inextricable confusion to no real or permanent advantage.

Antecedently however to any supply, independently thereof, and whether any supply shall be provided or not, and as matter of general necessary regulation, imperiously demanded by existing circumstances, every Colony must immediately be required to reform the whole of its coinage of gold and silver and copper, after the following manner:

All the gold coins of undebased metal, must immediately be declared current by weight at *4s.*

sterling the dwt. and 2*d.* sterling the grain of the gold, reduced by calculation to standard ; the 4*s.* and 2*d.* to be reduced into current values, at the money pars of each respective Colony, in the proportion of 4*s.* 6*d.* sterling to the current value of the dollar ; or as the average of 4*s.* 6*d.* 1*l.* 7*s.* 1*l.* 16*s.* 3*l.* 7*s.* to that of the current values in each Colony of the dollar, the moidore, half jo, and doubloon.

All the clipped and debased silver monies must be called in. The expense of calling in or crying down diminished or debased monies, is not usually borne by States, and upon principle can only be expected for due wear of originally good coin. Of a debased or mutilated coinage, the fabrication, importation, circulation, acceptance or transfer, are all crimes against a Government.

To assist the innocent holders of this money, and to form a fund for its repayment, it might be received at the public treasury of each island, and bills payable in eight months, given for the amount of the value of the silver contained ; but the notice of calling in must be sudden and short, and it must be for ever after excluded from circulation. The plan adopted in Barbados for calling in and putting out of circulation the clipped monies passing by weight within the island, is recommended for adoption or imitation.

The importation, circulation of clipped or debased coins, the mutilation, imitation, circulation at higher than the declared values, of all the current coins, gold, silver or copper, must be by law prohibited under sanctions, penalties, and punishments proportioned to the offence, and as near as may be agreeable to the laws passed in Great Britain in similar cases.

All these things being duly executed and effected, a supply of coins adequate to the internal uses of each Colony may fairly be expected from its external commerce, and the action and re-action of the metals, and of bills of exchange on each other. In the last necessity, however, it is the duty of the Public Government of the Colony, to purchase from the British Government for the public use. This extremity will probably never arise. In every Colony, independently of the dealers in money and the general merchant, there exist two great interests, the Planter and the British Government, who being naturally vendors rather than purchasers of bills, ought for their own benefit to establish so full and constant a supply of money in the market as shall keep up the prices of bills. The Planter and the British Government should always be prepared to remit money to every Colony, whenever the prices of bills sink below a given per centage. The course to be pursued by Government in these transactions is particularly to be looked to as an

agency, whose energy, unity, due consideration and calculation of means and power of effecting its objects may be depended upon.

The coinage being duly regulated and protected, and the British Government holding a quantity in the British market, always applicable to Colonial demand, may dispose of any quantities to its respective Commissariats upon its own bills. The supply thus to be obtained, beneficially for all, may be sufficient for all.

The adoption of these measures, therefore, as for ever putting an end to monetary systems, disgraceful and injurious to all, the duties and interests alike imperiously demand both of the General and Colonial Governments.

So essentially necessary is it that governors amid their successions and changes, and that the legislatures and communities of the British Colonies should be informed and restrained, and by some public monument recalled and referred to principle and to right, that it is not only advisable that an Act should be passed, forbidding under appropriate penalties, the introduction of debased money, the mutilation of the good, the circulation at higher than the established value ; but the principal clauses also of this Act should, under penalties

on the treasurer, be for ever exhibited openly in his office, and a copy affixed on the outside of the door of the Establishment of every public treasury in the West Indies.

Annexed hereto are figures marked A and B, representing the quarter-dollar and twentieth of a dollar-piece, and 1, 2, 3, 4 representing the actual breadths of quarters, fifths, tenths, and twentieths of dollars. To the quarter dollar, halves, fifths, tenths of dollars will conform, *mutatis mutandis*, and so may the twentieth of a dollar-piece, should it be decided to make it contain 21 grs. of silver, rather than 19 silver and 12 alloy. The vacant circles are intended to represent the actual breadths of fourths, fifths, tenths, twentieths of dollar-pieces. The British half-dollar will be of the breadth of the Spanish half-dollar.

I remain, Sir,

Your very humble Servant,

G. W. JORDAN,

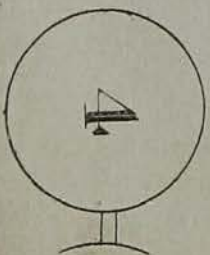
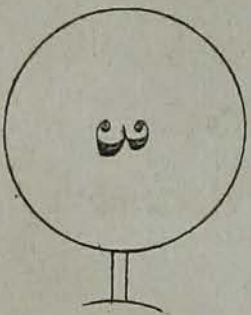
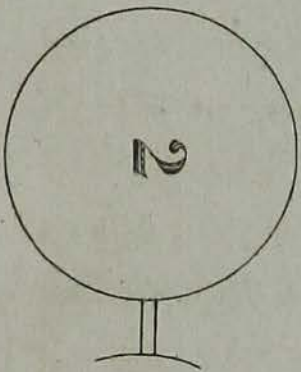
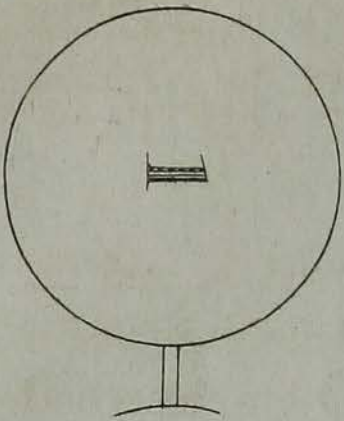
Colonial Agent for Barbados.

March 6, 1816.

THE END.



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