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A British Merchant

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SOME MORE REMARKS

ON THE

## Currency of Malta in 1851.

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ALTHO' a very few days have elapsed since the publication of No. 6 on this subject, two tiny pamphlets, and one long article in the MALTA MAIL have been brought before the public, and it is said that others will appear;—if any delay take place in answering those already published, the task may become too formidable; it is not so, at present, for it will not be difficult to shew, that they contain erroneous statements and illogical arguments.

The OPUSCOLO is supposed to be either written or inspired by a Merchant, who enjoys great popularity and influence in this community; the former is well merited, because it has been obtained, no less by his affable manners, than by many essential services, which he has frequently rendered, and is ever ready to profer to his fellow Traders, whose position is less fortunate than his own. I think it will strike those who read the OPUSCOLO, that in tone and in language it is superior to the writings above mentioned of my compatriots, the former arising probably from the better feelings which prompted it, the latter from the greater harmony of the Italian Tongue. Its expressions indeed indicate rather sorrow than anger, and its author probably feels, as do his well wishers, that it is matter of regret, that one who was so near becoming a loyal subject of QUEEN VICTORIA, should somewhat hastily have opposed and induced many others to set at nought, the orders in Council of Her Majesty.

Beyond these general observations, the OPUSCOLO requires very few remarks. The author prefers the following definition of a Scudo to that suggested by Sir Robert Peel. *Chiunque conosce la piazza di Malta la trova (cioè la definizione) nell'idea generalmente riconosciuta e nei fatti per lo addietro incontrastati.* This is very similar to a definition noticed by Sir Robert Peel that a pound might be defined to be a sense of value in reference to Currency as compared

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It is hardly necessary to notice the word "minaccia" as it is an imaginary interpretation of another feeling; the President of the Anglo-Maltese Bank could give no other order to the Cashier, than to obey H. M. Proclamation.

The Bank of Malta thought, that the old convention ought to continue for a time, in order to allow every one to regulate his outstanding Debts and Credits; which means, and can have no other meaning, than to allow Debtors and Creditors to change places: to allow A, who has more Scudi to receive from B, than to pay to him, to incash the same, and to take care, that he contracts no new engagements in that denomination of currency, he A, believing that Scudi are, by the effect of the Proclamation depreciated: this might suit A, very well, but it could hardly suit B. It might be the interest of the Banks for similar reasons, but that does not prove the justice of the measure. When the Proclamation of 1844 was published, a period of 12 or 13 days was given, before the enactments were enforced; did any benefit accrue therefrom? did not lawsuits arise? A change in Currency renders a simultaneous promulgation and execution, absolutely necessary.

I need not enter into the philanthropic part of the subject, which some have endeavoured to bring forward with grave faces, otherwise than by saying, that those who are sincere and believe that the Creditor is injured, have to ask themselves, which are more numerous in a community, the Debtors or the Creditors? if the former, and that they are also usually less opulent than the Creditors, does not the maxim apply, that in legislation the greatest good of the greatest number must be considered.

The Editorial article of the *Malta Mail* of 21st. March comes before the public with the Royal Arms, extracts from Proclamations, and an array of figures enough to alarm even those who have given some attention to the "Hydra" called Currency. Simple persons like myself, would hardly expect that QUEEN VICTORIA'S Shield would be blazoned at the head of an article, endeavouring to prove that Her Majesty, under the advice of ten grave Senators, her privy Counsellors, has signed an act, wanting in equity, and therefore injurious to her faithful subjects in Malta; advice founded on ignorance of the true principles of Currency, which principles are unknown any where, except at the corner of one street in Valletta! I hope to prove, that the light of day, does sometimes shine in Downing Street, and that



Her Majesty has not been betrayed. The error of the writer, lies herein. He supposes that 20 British Shillings and one Pound Sterling are the same thing; they are not so, neither in realty, nor for the purposes for which coins are made; they are no more so, than a measure of 20 inches and a measure of 18 inches are the same thing; they are no more so, than 240 pennies are a pound sterling. (a)

The pound sterling is 113 grains of pure gold—three times that weight of Gold or 60 shillings, has for many year past, purchased 12 ounces of Standard Silver, containing 5328 grains of pure Silver; these 12 ounces have been since 1816 invariably coined into sixty six shillings—therefore the intrinsic value of 20 British shillings has been and is 18 shillings and no more; for coins like Men, do not in the long run, pass current for more than they are worth, tho' for a time they may impose on mankind.

I purpose to point out a few of the writer's mistakes in figures, before I speak of his erroneous reasoning; he says:

1st.—The Crown contains  $403 \frac{6}{10}$  grains of pure Silver, which is a verity; but if there be truth in the Rule of three, its real value is 4s. 6d.  $\frac{1}{2}$  and not 4s. 8d. for grains 5328 are 60 shillings or 720 pence, therefore  $403 \frac{6}{10}$  grains are  $54 \frac{1}{2}$  pence and not 56 pence or 4s. 8d.

2nd.—The value says the writer of an ounce Troy of Silver which contains 480 grains is 67 pence and not 65 pence as stated in the pamphlet. He confuses Standard Silver, with pure Silver; The value of an ounce or 480 grains of Standard Silver is neither 67 nor 65 pence; it is 60 pence, and as an ounce of Standard Silver contains 444 grains of pure Silver; arithmetic is wrong, if 65 pence is not the value of an ounce of pure Silver, and Mr. James W. Morison Deputy Master of the Mint was wrong, when on 24th. January 1845 he stated such to be the case, in his report of his assay of the Neapolitan Dollars of seven different periods. (b)

3rd.—Standard Silver does not bear a title of O. 920—but of O. 925 or again arithmetic is wrong—for 12 Oz. of Standard Silver contains Oz. 11, 2 dwts. of pure Silver and 18 dwts. of alloy—and that authentic little French book called the "Annuaire" published by authority of the French Government and "rédigé" by the most scientific men

(a) One Pound or 240 pence in Copper Coin is now worth seven shillings and six pence.

(b) See printed correspondence on the Currency of Malta laid before Parliament 28th. March 1845.





of France, states: that the Crown and shilling, since 1818 have the "titre légal" of O. 925.

4th.—*It is equally established* says the writer, *that Standard Silver bearing a title of O. 920 is worth not 60 pence an ounce but 62 pence, and this not only in England, but all over Europe.* He need not however go further than the Borsa of Valletta to see, that here again he is wrong—a reference to Prince's Price Current will shew him, that from the 1st. January to September of last year, the value of said Standard Silver was from  $59 \frac{1}{2}$  to  $59 \frac{7}{8}$  pence per ounce: in October and until the 15 November it was  $60 \frac{1}{8}$  to  $60 \frac{5}{8}$  pence per ounce, from the 22nd. November to 27th. December it was  $61 \frac{1}{4}$  to  $61 \frac{5}{8}$  pence per ounce. The order in Council is dated 13th November—these dates answer the enquiry as to the time, when it was under deliberation. How the writer estimates the value of Standard Silver in Sterling in other parts of Europe I leave him to explain; for myself tho' I should be able to ascertain its value in Francs, in Ducats, or in Roubles, it would puzzle most men to fix the precise Sterling value, where Sterling is not the Currency of the country.

5th.—The five Franc piece weighing 25 grammes, contains  $22 \frac{1}{2}$  grammes of pure Silver, the "Annuaire" states, an ounce Troy to be equal to grammes 31. 09. The Commercial Report of Mr. George Villiers and Dr. Bowring to the Privy Council in 1834, makes it 31 grammes, rejecting small fractions;—therefore, if 65 pence be the value of one ounce of pure Silver 47 pence or 3s. 11d. is certainly the value of the five franc piece, because  $347 \frac{3}{10}$  grains are the contents of pure Silver in the five franc piece, on the above comparison of the weights of the grammes of France with the Troy weight of England; authorities certainly as good as that of Mr. Macculloch. It is not therefore an error of the press, nor *was it necessary*, as the writer intimates to state a falsehood *to arrive at the desired result.* Will the writer take Mr. Macculloch's authority for the value of the Dollar of 30 tari of Malta? he states it to be 47 pence and eleven hundredths of a penny, which I think makes the value of the scudo to be pence 18. 844 or one shilling and six pence, ten grains and 1 eighth of a grain, instead of 20 pence.

6th.—The Sicilian Dollar says this gentleman is 353. 5 grains; it is so; he adds *these at 67 pence per ounce are worth 49. 3 pence*: this calculation of figures is correct, but as pure Silver is 65 pence per ounce, the real value of the Dollar is forty eight pence or four



shillings, and the Sicilian Dollar is rated, and rated properly in the order in Council of 13th November on the value of 65 pence the ounce of pure Silver, equal to 60 pence the ounce of Standard Silver; its market and current price on that day.

7th.—The writer's comparison of Gold with Silver is as erroneous, as his other statements. Standard Gold is £3 17 10 1/2 the ounce Troy, and Standard Silver down to the date of the order in Council, was and had been for many previous years under 60 pence the ounce, therefore it is as 1 to 15.6 and not as he says as 1 to 15.2. His mistake here arises no doubt from having obtained his information from antiquated books or Macculloch, who in his Table of Silver coins gives their value from the old *Mint* price, fixed in the time of Queen Elizabeth; and not on the real value of Silver.

It is therefore five Sicilian Dollars, which intrinsically and therefore justly and legally represent a Pound Sterling or Sovereign, and not four dollars with the addition of any number of decimal or vulgar fractions of a dollar: if this be true, it is equally so that the Scudo is now, as it has been for many years, neither more, nor less, than the two fifths of a Sicilian dollar; and therefore, if compared with Sterling money, neither more nor less, than the two fifths of four shillings, which is nineteen pence and one fifth of a penny. If this be true, where is the *real* injury done to the Creditor, in settling past Contracts or out-standing accounts, at the rate of twelve and one half Scudi the Pound Sterling?

The Scudo never really was one twelfth of a Pound Sterling, because that which *was called* a Pound Sterling was intrinsically only eighteen shillings, the Scudo estimated in British Silver only, was eighteen pence! true it is, that this nominal Pound, had some additional extrinsic worth, because it was the only coin which could be used without loss in payments to the Commissariat and for the dues of the local Government.

Will the Writer now say that I have *ignored* any part of the subject? if he should continue of opinion that Her Majesty has been advised to perpetrate an "iniquitous" act, I should despair of proving to him that the three angles of a Triangle are equal to two right angles. I am loath to give advice without a Fee, but for once I will, here is my prescription,

"Ne sutor ultra Crepidam."

I have still to notice the small Pamphlet entitled "Malta Currency." This writer (a *ci-devant* Merchant, it is said) agrees with me not only in the benefit of the limitations of the tender of British Silver to forty



shillings, but also in an opinion which I formerly advocated and still hold, that a *Colonial Dollar* of equal intrinsic value with the Spanish pillar Dollar or with the Sicilian Dollar or with the five franc piece or in proportion thereto, would have been better than two measures of value, namely Gold and Silver, the proportions of which however accurately estimated when an Order in Council is made, will be subject to variation from various causes which may arise.

I have also the benefit of his acknowledgement that my calculations are correct, his testimony is certainly of more value, as a practical man, than the contrary assertion of an M. D., but there are some Errors in his Pamphlet which I have not now time to point out. I cannot however omit to deprecate the bad taste of applying the word *Empiric* to a Gentleman, who certainly thoroughly understands the subject, and who has advocated the late enactment from the purest motives.

Before I conclude, I would say a few words on the great confusion which prevails in Men's minds on matters of Currency; from what cause arises this perplexity? is the subject incomprehensible? my belief is, that it is so far otherwise, that any *young Lady*, who has sufficient intellect, to acquire a knowledge of the grammar of her own language or of any other, or can comprehend the theory of Music with its complications of Notes, Tones and Scales, may be taught the true principles of Currency in a couple of months. With grown men I acknowledge, it would be much more difficult, because they would have much to unlearn, before they would be in a teachable disposition. They would have to dismiss from their minds the ideas they have attached to the terms, Pound, Dollar, Scudo, Franc, Florin, Lire, Rupee, and going back to primitive notions, must possess themselves with a clear idea of that, which in the shape of Coin, they give or receive for the material things they acquire or part with, or, with which, they reward the services rendered to themselves, or obtain, for those they give to other Men. These primitive notions, which are founded on common sense, and fair dealing, did once exist.

“Abraham *weighed* to Ephron the Silver, which he had named, in the audience of the sons of Heth, four hundred shekels of Silver, current money of the Merchant.” Gen. chap. xxiii. v. 16. If from the time of the Patriarch to the present day, we had continued to give so many pounds, ounces, penny weights, grains, marcs, grammes, or kilogrammes or any other *weight* of pure Silver or Gold (or with a determined and known alloy) for an agreed quantity of Corn, Sugar, Coffee Cotton, Silk or Broad Cloth, or in recompence of services rendered,



Currency Pamphlets would never have been written, and Men in high stations, who are called upon to legislate on such matters, would not have said in despair, this is an incomprehensible subject: nor have resigned their judgement to the dictation of those, who rightly or wrongly assume, that they understand it. Nor need we go so far back as to the time of the Patriarchs, to find that the Sign and the thing signified were formerly, one and the same. When the Norman Conqueror subdued our ancestors, the Pound of Account was a Pound (twelve ounces) weight of Silver, these 12 ounces purchased an agreed number of bushels of Corn—and one penny weight or the twentieth part of an ounce, bought a certain weight of bread, and one grain or the two hundred and fortieth part of the ounce, was given for some minor weight, or measure of an article, of less value. Successive Monarchs diminished the weight or augmented the alloy of the original Pound or Ounce, so that in the time of Queen Elizabeth, the Pound weight of Silver and the Pound of Account, was in the proportion of One to Four. Mystification is no longer the order of the day. Men are now returning, in their monetary dealings, to the simplicity of ancient times.

The Emperor of Russia has I believe the honor of the initiative. The Gold and Silver Coins now issued from the Mint of St. Petersburg, have stamped on them, their weight and fineness, the King of Naples has done the same on his Gold Coins; other Nations will follow the example. Men having at length discovered, that in Currency as in Morals, Honesty is the best Policy.

*A BRITISH MERCHANT.*

*28th March 1851.*