

# The Independent.

VOL. XV.

LINCOLN NEB., NOVEMBER 19, 1903.

No. 26.

## ..History of Monetary Systems..

A Review of Mr. Del Mar's  
Book by the Associate Editor

Even in a review of more than usual length, one can give little more than a glimpse of the valuable historical data, and still more valuable conclusions, with which Hon. Alexander Del Mar has filled his "History of Monetary Systems." (Cambridge Encyclopedia Co., New York; 496 pp. and index; cloth, \$2.)

In order to give the reader a comprehensive view of the scope of this monumental work, it may be well to give the titles to the various chapters:

Bibliography. (This is an exceedingly useful feature of all of Mr. Del Mar's books.)

1. Rome.
2. The Sacred Character of Gold.
3. Pounds, Shillings and Pence.
4. Gothic Moneys.
5. Moslem Moneys.
6. Early English Moneys.
7. Moneys of the Heptarchy.
8. Anglo-Norman Moneys.
9. Early Plantagenet Moneys.
10. Later Plantagenet Moneys.
11. Evolution of the Coinage Privilege.
12. Saxony and Scandinavia.
13. The Netherlands.
14. Germany.
15. Private Coinage.
16. Statistics of the Ratio.
17. Bank Suspensions Since the Era of Private Coinage.
18. Existing Monetary Systems.
19. France.

Before taking up these chapters, it is advisable to give the reader some inkling of certain conclusions arrived at by Mr. Del Mar early in his investigation of the whole subject of money and the precious metals. Perhaps a quotation will best serve this purpose:

"Money is not the principal use to which the precious metals are devoted, (but) it is by far the most important one. It is a peculiarity of money that it cannot with propriety be treated in its functional capacity apart from other money, because, unlike physical measures, its function is affected by numbers. To increase or diminish the number of yardsticks or pound weights would have no effect upon the measurement of length or weight; whilst to increase or diminish the number of coins or bank notes would have a very decided influence upon the measurement of value. This is a principle which has not been left to modern discovery, for it will be discerned in the most ancient works which have been spared to us by time and proscription. In its relation to value, money therefore means all the money of a given epoch, or else all the money within a given jurisdiction.

"To admit that it is the quantity of the precious metals coined and in circulation which influences their value and not what it may have cost to produce them, is to admit that value is a relation and not an attribute of commodities; it is to admit that money is a measure or measurer of value; that like other measures it is a creation of law; and that to work equitably it should, like other measures, be defined and limited by law with precision." (Preface to "History of the Precious Metals," second edition.)

Mr. Del Mar, accordingly, insists that "the unit of money properly means all the money in a given state," commenting that "unit of money, or monetary unit, or unit coin, has acquired the meaning of the principal denomination of money, as the sovereign in England, the franc in France, the imperial mark in Germany, etc. This is misleading, because it assumes that the value of money is determined by the quantity of metal contained in the so-called unit; whereas it is in point of fact determined by the arithmetical denominations and aggregate volume of all the 'units,' including paper notes, no matter how much or how little metal the former may contain. This principle is admitted, but often forgotten, by all the leading economists and writers on money." (Hist. Monetary Systems, pp. 375-6.)

Concretely, Mr. Del Mar's position may be stated thus: To coin and add, say, a hundred million dollars to our present circulation would be an ap-

parent increase in the size of the true "unit" of money, comparable, say, to adding another inch to the yardstick, not, however, by actually increasing the linear extension of the yardstick itself, but by re-subdividing it so that 37 inches occupy the same space that was formerly occupied by 36. Apparently the yardstick is an inch longer; but it has not changed; it is the inch that will be found shorter than before. So while there has been an actual increase in the number of dollars, the total mass of dollars, assuming no change in velocity, does not change in its purchasing power; but each dollar has a smaller purchasing power than before. Supposing the total number of dollars to be 5, each is one-fifth of the whole or "unit." Add another dollar; each is then one-sixth of the whole or "unit," each dollar being of manifestly smaller value than it was before.

Mr. Del Mar begins his "History of Monetary Systems" by saying that since he wrote his "History of Money in Ancient States" (1881), "many

hoards of Roman coins have been discovered, and many important numismatic works have been published and discussed." These throw so much new light on the Roman monetary systems that he finds a revision necessary. "I must begin," says Mr. Del Mar, "by assigning a lower value to the monetary evidences contained in Pliny's 'Natural History' than was done in my former work. Pliny was far from being well-informed on the subject of Roman money. He wrote hundreds of years after the establishment of those earlier monetary systems of Rome, whose metallic remains have been preserved by the earth to the modern world, but of which no collections appear to have existed in his time. His observations on the subject are gathered rather from grammatical than historical works, of which, owing to the proscriptions of Augustus, but few were extant in Pliny's time."

"It has long been demonstrated," continues the author, "that the ecclesiastical and political history of

archaic Rome is fabulous. To this must now be added its early monetary history. That, too, is fabulous. It is quite possible that the earliest money of Rome was the ace grave, or heavy copper brick, held as a 'reserve' but 'represented' in the circulation by leather notes. It is also possible that this was followed by the ace signatum and afterwards by silver coins. According to Charisius, Varro wrote: 'It is said that silver money was first made ("conflatum") by Servius Tullius. It was more valuable by four scrupulums than it is now.' The denarius contained about 60 English grains of silver during the Augustan age, when Varro wrote, "but," adds Mr. Del Mar, "as he was a bookworm, who gathered his knowledge chiefly from ancient authors, these circumstances go for nothing."

After some discussion of the contentions of numismatists, Mr. Del Mar concludes that "the order of systems was . . . as follows: 1. Ace grave, with leather notes; 2. Ace signatum; 3. Silver (and copper) system mentioned by Varro, the silver coins (denarii) weighing each about 113 grains, many specimens of these coins being still extant; 4. A. U. 369, nummular system; 5. A. U. 437, gold, silver and copper system, the silver denarius weighing 78.34 grains."

"Both the examples of the Greek republics and the writings of Plato and other philosophers had taught the Romans the advantages of a limited and exclusive system of money issued by the state, and having little or no worth other than what it derived from its usefulness and efficiency in measuring the value of commodities and services. The proof that the Romans were familiar with such a system of money appears in the writings of Paulus, the juriconsult, who enunciated its principles long after the system had ceased to exist. Had no such system ever existed in Rome, Paulus would have had no warrant in the Roman law for the monetary principles he laid down. As felt paper was unknown, the symbols of this system could most conveniently be made of copper. Therefore, the means necessary to secure and maintain such a money were for the state to monopolize the copper mines, restrict the commerce in copper, strike copper pieces of high artistic merit, in order to defeat counterfeiting, stamp them with the mark of the state, render them the sole legal tenders for the payment of domestic contracts, taxes, fines, and debts, limit their emission until their value (from universal demand for them and their comparative scarcity) rose to more than that of the metal of which they were composed, and maintain such restriction and over-valuation as the permanent policy of the state. For foreign trade or diplomacy a supply of gold and silver, coined and uncoined, could be kept in the treasury. There are ample evidences that means of this character were, in fact, employed by the Roman republic; and, therefore, that such was the system of money it adopted."

This was the "nummular" system. Bronze nummi were issued by the state, which had monopolized the copper mines and regulated the commerce in copper. It strictly monopolized the fabrication of these nummi, the designs of which were of great beauty; they were the sole legal tenders for payment of "contracts, taxes, fines, and debts;" their emission was so limited that the value of a nummus was about five times as great as the same weight of uncoined copper "and for a lengthy period they retained this high over-valuation," but eventually the system broke down, probably and most likely because of the crafty work of those who have engineered monetary crimes in all ages—the usurers.

To avoid taking up too much space, we must come to the year A. U. 740 (about 13 B. C.), when the Roman coinage system was permanently organized under Augustus. "The coinage prerogative was divided between the sovereign pontiff and the senate, the former retaining that of gold and resigning to the latter that of silver and copper. In a short time, through



HON. ALEXANDER DEL MAR.

Alexander Del Mar was born in the city of New York, August 9, 1836. After graduating at a Polytechnic, he was educated as a civil and mining engineer. In 1857 he formed the design of writing a history of the precious metals. This led to his study of money. In 1862 he published "Gold Money and Paper Money," and in 1865 "Essays on the Treasury." In this year he was appointed director of the bureau of statistics, at that time a board of trade, with executive functions, among others the supervision of the commissioners of mines, commerce, railways, immigration, etc. In 1866 he was appointed the American delegate to the international congress which met at Turin, Italy and in 1868 delegate to The Hague. In 1872 ( Greeley campaign) he was nominated by Mr. Greeley's friends for secretary of the treasury. In the same year he represented the United States at the international congress in St. Petersburg, Russia.

In 1876 he was appointed mining commissioner to the United States monetary commission; 1878, clerk to the committee on naval expenditures, house of representatives; 1879, he published his "History of the Precious Metals," the labor of twenty-two

years; 1881, he published "A History of Money in Ancient States;" 1885, "Money and Civilization, or a History of Money in Modern States;" 1889, "The Science of Money;" 1895, his crowning work, "A History of Monetary Systems in Various States;" 1898, "The Science of Money," 2d ed.; 1899, "A History of Monetary Crimes;" 1900, "The Science of Money," 3d ed.; 1900, "A History of Money in America;" 1901, "A History of Monetary Systems," 3d ed.; besides several historical works and archaeological treatises of great interest, all of which have been reviewed with the highest commendations by English, French and American critics. Mr. Del Mar is likewise the author of numerous pamphlets and other minor publications chiefly on politico-economical topics.

For the past twenty years, Mr. Del Mar has given practically his whole time to original research in the great libraries and coin collections of Europe on the subject of the history of money and finance. His future works, both of which are well advanced toward completion, will be a new edition of the "History of the Precious Metals," in two volumes; and "The Politics of Money," in one volume.