MONETARY CRIMES

A Review of Del Mar's "Barbara Villiers."

Those populists who have never read the works of Alexander Del Mar, but who began their study of the financial question by reading the "Seven Financial Conspiracies," will no doubt be astonished to know that the "crime of '73" was by no means an invention of the astute men of that day, but was rather an adaptation of a trick that is older than Christianity itself. Mr. Del Mar's investigations along this line give added force to the aphorisms: "History repeats itself" and "There is nothing new under the sun."

"Barbara Villiers; or a History of Monetary Crimes" is a book of 101 pp. and index, giving, in Mr. Del Mar's inimitable style, a succinct history of the four greatest monetary crimes of which any considerable record may be found—the crimes of 1666, 1742, 1870, and 1873. "The insidious crime of secretly or surreptitiously altering the monetary laws of a state," says Mr. Del Mar, "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 offense. 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 authorized private coinage 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."

THE CRIME OF 1666.

"From the remotest time," says the author, "to the seventeenth century of our era, 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 (see "Science of Money," chap. VII.) 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," he continues, "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. Del Mar adds, "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."

But this is not all. "Down to the year 1790," says Mr. Del Mar, "the crown of England had the right, without consulting parliament, to undo much of the mischief occasioned by the act of 1666 and its logical sequence, 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 (1870) 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."

When European trade opened 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 but little silver in India because the natives were ignorant of how to reduce silver-bearing ores. There was considerable gold, mostly in the form of jewelry and other works of art. The currency consisted chiefly of copper and "billon" (or plated) coins. "Owing to these circumstances," says Mr. Del Mar, "the exchange of western silver for eastern gold became one of the chief sources of profit to Europeans engaged in the Oriental trade." The Spaniards, in 1542, began shipping silver to China and India from Acapulco, Mexico, by way of the Philippines. Presently these shipments ran up to a million dollars a year, when Potosi became prolific, and the Indian ratio was changed to 9 for 1.

Now, the policy of England had always been opposed to the melting or exporting of any of her coins. Penal statutes had been enacted, beginning with Edward III, and down to Henry V. The prohibition was still in force down to the time of Charles II. It embraced not only English coins, but also those of foreign fabrication which were legal tender by statute in England. The East India company was refused permission by Queen Elizabeth to ship out any of the Spanish coins then circulating in England, but finally gave permission to bring in foreign bullion, have it coined, and then exported. The "portcullis" coins (identical in weight, etc., with the Spanish coins) resulted from this.

As the coinage ratio in England was 15 for 1, the East India company was loth to be prevented by statute from exchanging a pound weight of gold in England for 15 pounds weight of silver, then shipping the silver to India, where it could be exchanged for 1 2-3 pounds of gold; which, when brought back to England, would command 25 in silver. Sixty-six per cent profit was too much to be cheated out of by foolish monetary legislation! The law must be changed. And how?

Charles II., a sensual weakling, had on the very first day of the restoration (according to Bishop Burnett), May 21, 1660, begun an intrigue with Barbara Villiers, a beautiful and vivacious, but depraved and sordid young woman. It is not the purpose of this review to enlarge upon the character of Barbara Villiers; that has been sufficiently laid bare in the writings of Bishop Burnett, Harris, Defoe, Evelyn, Clarendon, and others. Suffice it to say she was used as an instrument in the hand of the goldsmiths and bankers of Lombard street to secure the repeal of the obnoxious laws which prevented the East India company from making cent per cent, but which gave the people of England a tolerably stable monetary system.

"Three months after her relations began with the king," relates Mr. Del Mar, "she was granted by letters of patent 'two pence by tale out of every pound troy of silver money which should thencefor be coined by virtue of any warrant or indenture made and to be made by his majesty . . . from the 9th day of August, 1660, for 21 years.'"

"The movement which culminated in the coinage act of 1666," continues Mr. Del Mar, "though it apparently originated with the East India company, had long been supported by the landlord class, whose interests had caused them to view with alarm the influx of the precious metals from America which began with Potosi. According to Brantome, the fears of the French landlords from this source had amounted almost to phrensy. The Marquis de Tavannes even proposed to demonetize both the precious metals, and employ in their stead coins made of iron; in other words, of some substance that capital could control." In France the creditor class tried to exact payment in ecus and other special kinds of coin, but Henry II. circumvented this by a stringent penal statute. The English creditor class, however, was more resourceful and saw that if permitted to melt down and ship to the antipodes the coins of the realm, they could keep coin scarce and, therefore, of great purchasing power.

"Let us commence with 1663," Mr. Del Mar says. "The object of the East India company, their backers, the landlords of England, their colleagues the goldsmiths of London, and their agents in parliament, assisted by the (Barbara Villiers) Countess of Castlemaine's faction, was first, to remove the restriction upon the exportation of coins and bullion; second, to get rid of the state seigniorage upon the coins; and, third, to usurp the prerogative of coinage for themselves. These objects they accomplished by means of separate measures. And here it is to be noticed that the mint laws of 1816 and 1870 in England and of 1873 in the United States of America, were likewise altered by means of separate measures. By this device the extent and importance of the alteration escaped notice."

The first act (1663) required a duty of 20 shilling per head on all cattle imported from Ireland, Wales or Scotland into England, between July 1 and December 20 in any year and—repealed the various provisions forbidding the export of coin or bullion from the kingdom! Prior to this the "portcullis" coins exported amounted to some £40,000 or £50,000 a year. Afterward, in a single bound, the restriction taken off, the export of silver to the Orient rose to £400,000 to £500,000 a year—but Pollexfen says six hundred thousand pounds. Macaulay entirely overlooks the cause of the scarcity of coin in England, the clipping of hammered coin, and the great recoinage of 1696, which followed as a natural result of the act of 1663.

The next steps were easy. Charles was shown that the great scarcity of coin was because of the Spanish and Dutch mints being thrown open to "free coinage," while in England the seigniorage and Barbara Villiers' tax kept bullion owners from bringing their wares to England for coinage. In lieu of the "tuppence" for Barbara, these great-hearted philanthropists were willing to submit to a tax on imported spirits, wines, beer, cider and vinegar out of which should be paid her £600 a year pension! The seigniorage was to be abolished altogether. Like the statements made by Cleveland and his clique in 1893 anent the repeal of the purchasing clause of the Sherman act, prosperity would follow as the day follows night. So the act of 1666-7 was passed. But like the legislation of 1893, "the act of