

Appendix I

A Note on Money, Rates of Exchange and Values

This thesis presents values for the Caribbean transit trade via different entrepôts and port cities. The Spanish dollar, a silver coin, is used throughout this thesis as the common denominator for sums of money and for valuations of commodities and cargoes and overall trade statistics. This is because the Spanish dollar was the primary money of account in St. Barthélemy as well as many other Caribbean colonies. This meant that in an everyday transaction and bookkeeping entry of, say, 100 Spanish dollars, the onus was always on the debtor to produce enough coin of sufficient metal weight to equal the required sum in Spanish dollars, whatever real money was involved. I emphasize that all such values are understood to be current at the time they were given. Called variously the peso of eight reales, the piastra or piastre gourde, cob, dollar, and the piece of eight, the Spanish dollar was the universal money of the Atlantic world, as well as the primary mode of payment in Euro-Asiatic trade in the Far East. This had been the case since the early sixteenth century, and had spread outwards from the Spanish empire by force of the vast silver output of the Spanish colonies in Latin America, and of the perennial need for bullion and specie of traders everywhere. It was the relatively most stable and least debased coin in the Western world. The Spanish government debased the value of the Spanish dollar as a coin a few times during the seventeenth and eighteenth centuries with the result that it took greater numbers of reales to equal the nominal "piece of eight". As of 1772, the Spanish dollar was divided into 11 reales (also called bits or escalins), and every reale into 6 stivers (also called dogs or noirs). Other prominent coins which featured in the monetary circulation of St. Barthélemy were the Spanish doubloon (gold, worth 16 Spanish dollars) and the Portuguese moeda (gold, worth 8 Spanish dollars). Large remittances of money were of course transacted by way of cashless payments, primarily by bills of exchange, but also by bartering commodities. Swedish officials and agents of the Swedish West India Company usually resorted to the merchant house of Wilson & Son in London for their credit and remittances, but occasionally also to firms and bankers in Hamburg, Amsterdam, and Paris. Buying bills of exchange

from British, Danish and Dutch colonies in the vicinity was also not unusual to meet immediate liquidity needs.

The propensity for cheating and fraud, and the overall scarcity of bullion and specie, led to some serious problems in the colonial economies. "Clipping" coins by shaving, filing, or cutting metal from its edges was commonplace. It was very usual to cut a coin in not quite two halves by shaving and keeping a thin strip from the center. The list goes of techniques could go on, but the inevitable result of a these practices was a kind of profit for cheaters and a debased coinage for everyone. This explains the reliance of merchants on the weight of coins rather than accepting them by tale. A practical example is given by Euphrasén in 1788, who observed that the Spanish dollar in St. Barthélemy was usually in physical circulation as two or four cut pieces of a whole coin. Half a Spanish dollar was good for 5 ½ reales. A coin cut into four pieces, on the other hand, led to the problem that 2 pieces (two fourths of a coin) were always bigger than the other two pieces, which in practice led to the larger pieces being worth 3 reales a piece, while the smaller ones never went for more than 2 ½ reales each. Official measures by the St. Barthélemy council were enacted from time to time to combat abuse and to create a degree of monetary order, prohibiting underweight, cut, or otherwise debased types of coin and instituting the practice of countermarking coins for authenticity or value. There were even plans for an indigenous, copper colonial currency for the island in 1797, but these were never put into action as it was unrealistic. In an attempt to secure the supply of specie, the island council in 1797 fixed the value of Spanish dollars at a rate of 12 reales per dollar, instead of the usual 11. Still, the supply of specie and liquid assets remained an everyday problem. Administrative measures as a whole were never successful in regulating the monetary system of the island, which remained free and open to the whims and fluctuations of economic life at large.

Concerning the rate of exchange between the Spanish dollars and other currencies, it has to be conceded that there are no longer exchange rate series due to lack of sources. Exhaustive series are only available from 1820 onwards. However imprecise, I have adopted the practical exchange rate which was often referred to during the period covered in this thesis. The rate of exchange applied by the British to the Spanish dollar was calculated a relatively stable and precise £1 sterling = 4.44 Spanish dollars throughout the

Revolutionary period. For general and practical purposes, at least during the Napoleonic wars, the rate was sometimes rounded in contemporary sources to £1 = 5 pesos. The Spanish dollar and the U.S. dollar were held to be at par throughout these years. In comparison with these currencies, the monetary system of the Swedish kingdom was much more complex. During the 18th century, Sweden had both silver and copper currencies as well as a paper currency. After the insolvency of the *Sveriges Riksbank* in November 1776, the rixdollar specie of 25.70 was declared the monetary unit. Thus the silver standard was reintroduced. Despite of this, new paper money was issued, i.e. the rixdollar banco (or *bancosedlar*) and additionally the rixdollar riksgälds since 1789. Through these developments, the silver currency was more or less put out of operation at the end of the 18th century. Exchange rate quotations were done for the most part in or for rixdollar banco of 6 rixdollars specie or 48 shillings (*skillingar*) payable in bancosedlar. In the context of international trade, however, transactions were seldom made in Swedish currencies. Commercial centers such as Stockholm and Gothenburg were affiliated with international networks of cashless payment systems, but bills of exchange were rarely drawn from abroad on Sweden, and Swedish economic actors largely settled their commercial debts by drawing and remitting foreign bills.

Sources: John J. McCusker, *Money and Exchange in Europe and America, 1600–1775. A Handbook* (Chapel Hill, NC: The University of North Carolina Press for the Institute of Early American History and Culture, 1978), 3–23, 81–86, 98–107; Markus A. Denzel, *Handbook of World Exchange Rates, 1590–1914* (Farnham: Ashgate, 2010), 32–33, 307–11, 339–58; Frank Olrog, *Med svensk krona: Den svenska kolonien S:t Barthélemys mynthistoria 1784–1878* (Stockholm: Kungl. Myntkabinettet statens museum för mynt-, medalj- och penninghistoria, 1978).