

Memorandum on Spanish, Portuguese, Dutch and Imperial denominations and on the new French louis d'or of May 1709.

Author: Isaac Newton

Source: MINT 19/2/6, National Archives, Kew, Richmond, Surrey, UK

<6r>

Observations upon the valuation of Gold and Silver in proportion to one another.

A Spanish Pistole coyned for 32 Reaus or four piece of eight & is the sixteenth part of the weight thereof & of like allay.

A Doppia Moeda or Moyder of Portugal was coyned for 4000 Res or ten Crusados, & is the sixteenth part of the weight thereof & of like allay.

Gold is therefore by the standards of Spain & Portugal, of sixteen times more value then silver of like allay & equal weight. And at this rate a Guinea is worth so much fine silver as is contained in 22^s 1^d of English money of just weight and allay. Now this high value carries away the silver from Spain as fast as it comes from the west Indies, & the scarcity of silver in that kingdom (& I think also in Portugal) puts them upon making their payments at home in Gold & refusing to pay in silver without a premium of six per cent. At which rate a Guinea is worth 20^s. 9^d.

In France by the Edict of May 1709 a new Lewid'or was coyned for 20 Livres or four new Lewises of silver & is the fifteenth part of the weight thereof & of equal allay. And by the same Edict fine Gold is valued at fifteen times its weight of fine silver. At which rate a guinea is worth 20^s 8^d $\frac{1}{2}$ in silver

In Holland the Ducat of Holland & that of the Empire is current at 5 Guilders & 5 stivers, that is, at so much fine silver as is contained in 9^s 1^d $\frac{1}{4}$ English. At which rate a Guinea is worth 20^s 7^d $\frac{1}{2}$.

At Hannover the Ducat is valued at two old Rix Dollers or four Guilders, that is, at 9^s 1^d English. And Gold bears much the same proportion to silver in Italy as in Germany.

In England therefore that Gold & Silver may have the same proportion to one another as in the neighbouring parts of Europe, a Guinea should be valued at twenty shillings & 7^d & 8^d or at the most, one pound weight of fine gold should be valued at fifteen pounds weight of fine silver, whereas one pound weight of fine silver Gold is at present valued at fifteen pounds weight six ounces seventeen penny weight & five grains of fine silver, which is almost four per cent too high.

[1]

[1] Mint Office
Apr 29. 1714
