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The History of the Jersey Currency. (From the *Guernsey Evening Press*.)

The currency question being today a burning one in Guernsey, it may not be uninteresting to consider the history of the Jersey currency, and how the same difficulty under which Guernsey is laboring has been happily long since solved in the sister isle.

Anciently the legal currency of Jersey was the French livre, pieces of ten sous, twenty six of which were equivalent to the English sovereign. With the advent of the nineteenth century, the Channel Islands came into closer daily communication with the Mother Country, and naturally English money came more into use. The curious admixture of the English and French systems which our grandfathers had to deal with were puzzling enough, and accounts being kept in the Jersey livre currency a considerable amount of confusion prevailed. The mode of paying debts was constantly a source of annoyance, particularly to the English resident, and even to the visitor of those days.

The French Government in 1832 called in its old silver coinage, and the pieces of six livres (5 francs) which formed larger part of the circulating medium in Jersey. The standard of the Jersey currency having thus disappeared, it became necessary for the States to revise the laws on the subject, and to declare what should here after be the legal tender in the Island. By law confirmed by his Majesty in Council on the June 1835, English currency was established the legal currency of Jersey. English gold and silver thus came into greater circulation, but though English money was the only legal tender, and the States refused to accept any other in payment of the duty on spirituous liquor, the Island currency was still retained by merchants and others, much to the detriment of the Island's interests.

The States had decreed that the English sovereign would be worth 26 livres old French currency. The result was that the English shilling passed for 13 pence, and the sovereign for 21 shillings and eight-pence, Jersey currency. The state of affairs was not therefore much bettered. Moreover, the confusion was accentuated by the issue by the local banks, by the parishes, and by private individuals, of local one pound notes. This paper currency was in no wise restricted by any act of the legislature. No security was demanded from those who issued these notes that they would be met on demand by coin of the realm. This paper currency naturally did not obtain much public confidence. People preferred making their payments in these notes, and the result was that in few years English money became scarce. The excess of paper currency had, of course, driven away gold and silver.

In 1841 the States of Jersey issued the first local copper coinage, of thirteen pence to the shilling. From about this date there began the battle of money and currency. French silver and the Jersey notes were almost the only medium to be seen. In the struggle the French five franc piece remained the master of the field. French money gained the supremacy and everyone was compelled to take it. Necessity bound the people. The cause of the trouble was scarcely understood; no sound opinion on the subject seems to have prevailed. It was suggested that French money should also be made legal tender at a certain fixed rate. Had this been done the confusion reigning would probably have been increased, for the banks could then have met their engagements with the currency which would be most convenient to them, not with that most advantageous to the public. Had Jersey admitted the currency of the two nations as a legal tender a variation in the standard of value the coins of either would

have produced an incalculable mischief.

The condition of affairs above depicted continued down to 1873, when the crash of the Mercantile and Joint Stock Banks came. The reprehensible conduct of the directors of these banks in putting in circulation enormous quantity of notes entirely out proportion to the commercial requirements of the community coupled with the fact that they had been conducting for years the most hazardous and illegal speculations, brought about this terrible disaster, which spelt ruin for many Jersey families. The banks were found absolutely without gold or silver to meet their requirements.

Adversity taught its severe lesson. When the Island recovered from the blow, a more healthy system of banking obtained, and since those days the monetary transactions of Jersey have been conducted by the banks in satisfactory manner and sound principles of finance. With the disappearance of the Jersey bank note (only few parish ones now remain) English gold and silver flowed in, and the only nuisance to be still removed was the local copper coinage of 13 pence to the shilling.

The Jersey 'thirteenpence to the shilling' coinage was abolished three years later, in 1876, upon a petition to the States by the principal merchants and tradesmen of St. Helier's. In their petition they set out the inconvenience resulting from the use of two currencies and the annoyance caused thereby to visitors. They considered it acted as a drawback to the prosperity of the island. Visitors could not comprehend the exact price of articles, whilst in the hotels and markets they were always asked to pay British money.

There can be no doubt that the old Jersey copper coinage was an intolerable nuisance. Of course as in every other question when a change or a form is proposed, there are to be found persons who fear that the ship of State may founder. In Jersey in 1876 such were not wanting. The main, indeed perhaps the sole argument advanced for the preservation of the Jersey copper coinage of 13 pence to the shilling was that the poor, laying out money to great extent in single pence, would lose by the substitution of 12 for 13 parts to the shilling. The supposition is of coarse ridiculous. It was based on the idea that the more you divide the shilling the more you can buy with it. If that were so, then it would have been desirable to increase the number of pence in the shilling. Nothing more silly could well be imagined. You may divide a shilling by many pence or pound by many shillings as you please but add to it's value you cannot. The Jersey States saw the matter in the right light and abolished the objectionable currency.

The competition which had adjusted penny worth's to Jersey pence has adjusted them equally to British pence. The Jersey pound and the Jersey shilling – idle creations of the local imagination, conjured up Heaven knows why, except it were to make a pound or a shilling appear something bigger than they really were – have disappeared. The poor did not suffer; and Jersey's currency has ever since been most satisfactory.

Almost the whole circulating medium in Jersey today is English; a very small amount of French money is naturally in use; it must be so where there is large French population and constant relations with France. This French money is received at the usual discount.

Guernsey might well and to her great advantage copy a leaf from the Statute book of the sister isle and adopt the English standard as the only legal currency of the island, retaining, Jersey has done, its bronze coinage of twelve pennies to the shilling. The convenience which would result from this change must at once strike every man who will take the trouble to think over the matter for five minutes. I shall be happy if these few notes on Jersey's experience will assist Guernseymen in forming correct view on this important subject.

Ed. Toulmin Nicolle.