TRANSATLANTIC MAIL STUDY GROUP

of the
British North America Philatelic Society

Newsletter No. 30 Jack Arnell, Chairman August 1992

RANDOM THOUGHTS

I want to thank the various group members who have taken an interest in supplying me with material for the newsletter; it is heartening to have this support after the first years of the group, when I depended almost entirely on my own collection and Allan Steinhart's contributions to give you something to read. In this regard, I must mention particulalrly Malcolm Montgomery, who, having got his B.N.A. transatlantic reference tome out of the way, is now sending along a number of very interesting items which have generated some feedback , and Ron Saint, who sent me a mass of photocopies of his album pages to pick whatever I wanted for future newsletters; I use these as a reserve.

In a slightly different context of contributions, Don Wilson first sent me a note to say that he had three 'professionals' working on the question of how Edward Wrottesley met his death so soon after he wrote the letter which was transcribed in Newsletter No. 27. Since my return from BNAPEX, I received a photocopy from him of the 'Offbeat History' column in the St. John's *Evening Telegram* of 8 September. Don had given the correspondent a copy of the newsletter, which was quoted extensively in the column. As its conclusion was a request for further information of the fate of Wrottesley, if anyone could provide it—so perhaps we shall get an answer as to how he died.

There have been other letters transcribed in other newsleters, because of their interesting contents, from people whose names mean nothing special to me. Perhaps one of the group recognizes one or more of them and could provide some background information—look back through the newsletters and see if you can help.

Should any of you happen to visit PHILITEX 92 in New York from 28 September to 2 October at the Collectors Club, 22 East 35th Street, you may see an exhibit of the group's Handbook No. 1 and the 1991 Newsletters. It was suggested that I submit entries and, supporting the concept of an international literature exhibition, made application, which was accepted. My wife and I had earlier thought that we might take in the show, but as we are both having a cataract removal and plastic lens replacement in our right eyes in Torornto ten days before BNAPEX in St. Charles, and are going to England for Christmas with family, we decided to skip New York in between. It will be interesting to see what the judges think of our efforts!

When group members move, I wish they would send me their new address. While these theoretically appear in *Topics* in due course, it is usually too late for me and anyway I do not normally check for this. Having just had another newsletter returned as undeliverable—I think this time it had the wrong forwarding address, I am making the request. In this case, I know the addressee will be at St. Charles, so I shall deliver it in person. If you all remember to send me any change in address, this should be the last undelverable return.

Although I had hoped to get this in the mail before BNAPEX, other matters intervened, so it will be a little late reaching you. The eye operations were a complete success and eight days following the surgery, my wife and I flew to Chicago for the meetings. It was great to see all our old friends again.

BRITISH NORTH AMERICAN CURRENCIES

From time to time, we have all been concerned with trying to figure out the correct conversion rates between sterling and the various currencies in British North America. Malcolm Montgomery has raised some anomalies in the conversions in the late 1840s, which has prompted me to look into the subject once again.

When I prepared the section on B.N.A. currency for the Study Group Handbook No. 1 (see pages 14-15), I based it on an article by A.B. McCullough, which had been called to my attention. Since then, having read a review of his definitive study, *Money and Exchange in Canada to 1900*, I was able to obtain a copy of this book at the publisher's distribution office in Toronto last year. Here McCullough follows the many changes in the exchange rates between sterling and the various coins used in the local currencies, caused mainly by the necessity of having available coinage to meet payments on external accounts, enlarging on the bare facts with explanations and discussion.

In one sense, the postal historian can ignore the changes, as they were not applied to postage, except when the currencies of the Maritime Provinces were significantly devalued in the 1830s. Nevertheless, the concurrent parallel systems of accounting used by different organizations and agencies at different rates of exchange may help explain the seeming anomalies in the postage collected on some letters. With this in mind, I have prepared the following précis of the sections of McCullough's book dealing with coinage. The book contains a considerable amount of information on paper money and other means of account, which, having no direct bearing on postage, is not included.

During the 18th and early 19th century, Britain being a net importer of silver and gold, was unable to supply its early colonies in the West Indies and North America with sterling coinage. In the years of military government in North America, army pay and army purchases were the principal source of coinage. To meet the need for coins in the market place and to pay the military garrisons, etc., Spanish silver reales ('pieces of eight'), commonly known as 'dollars', were established as the usual medium of exchange. To this end, Britain established the conversion rate for a Spanish dollar at 4*s*. 6*d*. sterling, and, depending on local availability, the various North American colonies set different rates. This of course caused confusion and difficulty in the settlement of trade accounts, at the same time prompting the movement of coins to areas offering the highest conversion rate.

The British army, with troops in all the colonies, had a major problem over their pay, which was supposed to be the same wherever the troops were stationed. To overcome this problem, the British Treasury in 1757 directed that the local currency systems were to be ignored by the military, and that all troops were to be paid in coins valued at the same rate. To this end, the Spanish dollar was established as the standard at a rate of 4*s*. 8*d*. sterling, with the other silver and gold coins—French, Portuguese and Spanish—rated in proportion to their metal contents. This meant that 'Army Sterling' was converted to British sterling at the rate of £103 14*s*. 1*d*. to £100 sterling. Needing a source of coins, the army paymasters imported Spanish dollars and Portuguese gold johannes from New York and London.

To complicate matters still further, the army dealings with civilians in North America were on the basis of the local currencies, which were most commonly based on 'Halifax Currency', where the Spanish dollar was rated at 5*s*. 0*d*. , equivalent to a rate of £111 2*s*. 2$^1/_2$*d*. currency to £100 sterling or £107 2*s*. 10*d*. currency to £100 'army sterling'. These conversions appear to vary depending on which direction they were made.

The Canadas

When the British took over Quebec in 1760, General Murray established ratings for the principal coins in circulation there. As he had come from Halifax, he used Halifax values based on the 5*s*. Spanish dollar, or 11.11% above the 4*s*. 6*d*. sterling value. Generals Amherst at Montreal and Burton at Three Rivers had come overland from New York, where the local currency rated the Spanish dollar at 8*s*. or 77.7% above the sterling value. This not only led to inconvenience in trade, but also speculation in available coinage, as coins were shipped as specie to the town where they had the highest value.

This problem continued until Murray was appointed the civil governor of the whole area in 1764 and issued an ordinance, effective on 1 January 1765, setting the value of the Spanish dollar at 6*s*. currency or one-third above the sterling value. It was the traditional New

England rate and was the maximum allowed under the earlier Queen Anne proclamation of 1704. This was not a mandatory rate, as private accounts could be kept in Halifax or New York currency, or parties to an agreement could set any other exchange rate to their satisfaction. To further the exchange rate and prevent excessive importation of copper coinage, the dollar was undervalued and a limit of one shilling put on the maximum payment in copper; also the cutting of dollars into pieces ('bits') for change, as was done extensively in the British West Indies, was forbidden.

The 6*s*. dollar, being a compromise between Quebec and Halifax currencies, satisfied none of the merchants, who favoured the use of the latter. In response, Murray issued a 15 May 1765 ordinance setting this as the only legal currency from 1 July of that year, which remained in force until Sir Guy Carleton, the new governor, revoked it, allowing merchants to keep their accounts in any currency they wanted. For at least the next fifty years, accounts were kept in all the currencies—most private accounts being in Halifax currency; many government agencies using Quebec currency; and others, New York ('York') currency.

During the American Revolution, Canada adopted the 5*s*. dollar of Halifax currency throughout the province under a 1777 ordinance. This rating persisted until 1796, although there was gradual decrease in the amount of available coinage due to the withdrawal of many British regiments, which had been the main source of imported coins, with the return to peace. The lack of coinage resulted in most transactions being completed by barter, book credits or notes issued by merchants. These latter were generally discounted by up to an eighth, when the holder tried to convert them to specie for external transactions. After the War of 1812, American bank notes became a common medium of exchange. Even as early as 1792, the shortage of coins or reliable notes became a serious hindrance to trade.

An additional problem was that of light coinage, due to normal wear or deliberate debasement—that is clipping or sweating—which reduced the amount of silver or gold in a coin. The relative values of the different coins were based on standard weights. For example, under the 1764 ordinance, a Portuguese gold johannes was standardized at 438 troy grains and equivalent to £4 16*s*. currency, and a Spanish dollar at 420 grains of silver and equivalent to 6*s*. currency. The 1777 ordinance lowered the johannes to £4 0*s*. currency at 438 grains, and the dollar to 5*s*. currency at 417.6 grains. This underrated the gold coins, so that they were exported to get better exchange rates elsewhere; this became so serious by the 1790s that new ratings were established in both Upper and Lower Canada in 1796 to raise the value of gold coins and effect a better balance. The dollar was unchanged, while the standard johannes' weight was reduced to 432 grains at £4 0*s*. currency, thus raising its value by over one and a half percent. Other gold coins were left undervalued, and subsequent revisions in 1808 and 1809 brought them more nearly into balance, but silver remained overvalued and therefore dominant. These three acts all provided a correction for over- and under-weight coins—2.25*d*. currency/grain in 1796, reduced to 2.2*d*. currency/grain in 1808/1809.

In the 1820s, the British government sought to impose some uniformity in the Empire by encouraging the use of British coinage. In 1825, all troops serving in the colonies were to be paid in British silver or copper, but where Spanish dollars were legal tender, they could be used at a rate of 4*s*. 4*d*. This amounted to a four percent inflation of Halifax currency, but even more serious for the Canadas, it eliminated 'Army sterling' at 4*s*. 8*d*. to the dollar.

However the Canadian currency laws could only be changed by the local legislatures, and Upper Canada responded in 1826 by increasing the rating of British silver to about fifteen percent above its sterling value. This raised the value of the British crown from a 1796 value of 5*s*. 6*d*. to 5*s*. 9*d*. currency, and the shilling from 1*s*. 1*d*. to 1*s*. 2*d*. currency. This change did not bring much British silver into general circulation, and the dollar remained the common coin. At the same time, most accounts continued to be kept at the Halifax currency rate of £111.11 currency equal to £100 sterling.

Lower Canada refused to change its currency laws, arguing that British silver was already overrated under the 1796 act, because when making remittances to Britain it was treated as bullion at a market price of 5*s*. per ounce. This meant that the new 5*s*. crown at

436 grains was only worth about 4*s*. 6*d*. sterling when handled in bulk. In addition, the Legislative Council pointed out that the dollar was convenient for paying seigneurial dues, calculated in livres, as it was valued at six livres.

During the first third of the 19th century, trade between Upper Canada and the United States led to a close relationship between their monetary systems. In 1792, when the U.S. coinage was established, the Spanish dollar was taken as the standard and the U.S. dollar minted with the same average silver content as the Spanish counterparts in circulation. Over the next decades, the price of silver fell, upsetting the gold/silver ratio of the coin values. An attempt was made in 1834 to restore the balance with the reduction of the gold content of the U.S. $10 eagle, followed by a further minor adjustment in the amounts of silver and gold in the dollar and the eagle. All this upset the Canadian monetary situation, as what little gold in circulation in Canada was moved to the United States to take advantage of the higher value there.

In response, Upper Canada completely revised its coinage rating system in 1836. All gold coins, except British and American, were demonetized—the sovereign being set at £1 4*s*. 4*d*. currency and the eagle at £2 10*s*. currency—and the rating of British silver increased appreciably, while the several dollars were left unchanged. The shilling was now rated at 1*s*. 3*d*. currency and the crown at 6*s*. currency. These changes worsened the monetary situation in Lower Canada, but no action was taken until 1841, when, after the 1840 Act of Union, the Province of Canada adopted a uniform coinage for the whole province.

The 1841 currency act made dollars, British silver and American fractional silver the dominant coins in Canada. Effective 27 April 1842, the new values of the coins were:

all dollars	5*s*. 1*d*. currency
shillings	1*s*. 2.6*d*. currency
crowns	6*s*. 1*d*. currency,

while the sovereign and the eagle were unchanged. Much of the silver coinage was overrated, because some, like the shilling, had lost one or two percent of the original weight through wear. In comparison, the $10 eagle was underrated by over one and a half percent against the dollar.

To add to the difficulty, or confusion, was the traditional par value of Halifax currency based on the dollar. This had been 5*s*. currency or 4*s*. 6*d*. sterling, i.e £111.11 currency to £100 sterling. The several changes noted above had altered its par value to £115.38 currency in 1825 and to £120 currency in 1838. In 1841, with the dollar reduced to 4*s*. 2*d*. sterling and increased to 5*s*. 1*d*. currency, the par value of Halifax currency became £122 currency to £100 sterling.

There appears to have been no agreed rate used by the various government agencies and mercantile community after 1842—some adopting a new par of £121.67, while the newspaper exchange rate and the provincial accounts continued with the old par of £111.11 currency to £100 sterling. In time, after government failed to set a new par, the old Halifax currency was generally accepted in Canada until decimal currency was adopted in 1858. The 1*s*. 2.6*d*. currency value of the shilling, based on the 6*s*. 1*d*. currency crown, caused trouble at the retail level, prompting merchants and bankers to use $7^1/_2$*d*. currency for sixpence, 1*s*. 3*d*. currency for the shilling, and 6*s*. currency for the crown at least until 1852.

In 1850, the U.S. government reduced the rate on Spanish and Mexican fractional silver by twenty percent, and two years later reduced the silver content in its own subsidiary silver coins. Canada had to respond, lowering the rate of the former quarter dollars from 1*s*. 3*d*. currency to 1*s*. currency and of the American dollar from 5*s*. 1*d*. currency to 5*s*. currency.

In 1851, representatives of the provinces of Canada, Nova Scotia and New Brunswick agreed to work towards a common currency based on the decimal system, with a dollar equal to 5*s*. currency and the pound sterling equal to £1 4*s*. 4*d*. or $4.866 currency, while the British government tried to persuade the provinces to keep the pound–shilling–pence system. Finally in 1853, a compromise act was passed incorporating the pound, dollar, shilling, penny and cent, with £1 currency defined as equal to 101.321 grains of gold, compared to 123.27 grains in £1 sterling. The sovereign remained legal tender at £1 4*s*. 4*d*. currency and the new U.S. eagle at £2 10*s*. or $10 currency. Public accounts were kept in either dollars or pounds.

Nova Scotia

The early British military and naval presence at Halifax in the 1750s resulted in a strong link to Great Britain and a local decision to rate the dollar at 5*s*. currency, rather than at 6*s*. as in New England. In 1758, this rating was given legal sanction by the first Nova Scotia legislature, but disallowed in 1762. This had little practical effect, for this rating formed the basis of the Halifax currency adopted concurrently in Upper Canada and used for many years. Although the 1758 act only included the dollar, the ratio of its sterling value of 4*s*. 6*d*. against the 5*s*. currency value of 9:10 became the basis for the entire currency system. The accepted way of converting sterling money of account to Halifax currency was to add one-ninth to the sterling value, and in the other direction to subtract one-tenth of the currency value. Hence the British crown worth 5*s*. sterling was usually valued at 5*s*. 6*d*. currency. This finally became the legal rate by the 1787 act, with the shilling rated 1*s*. 1*d*. currency.

As already discussed, in 1825 the British government attempted to impose the use of British silver in its colonies, and two years later the Customs regulations required British silver or full weight dollars at 4*s*. 4*d*. sterling in payment of duties. This put a premium of 12-13 percent on such coinage because of its scarcity. As a result, the Customs regulations were never implemented.

Following publication of the 4*s*. 4*d*. sterling rate for the dollar, there was confusion as to the proper currency rating for British silver. The 1787 act had rated the crown at 5*s*. 6*d*. currency against a 5*s*. currency dollar. Reducing the value of the dollar implied increasing the value of the crown to 5*s*. 9*d*. currency, and therefore the shilling to 1*s*. 2*d*. currency. The legislature attempted a compromise by repealing the British silver rates 'so that in future such coin may pass current in this province according to the actual value'. The result was shillings being accepted at 1*s*. 1*d*., 1*s*. $1^1/_2$*d*. and 1*s*. 2*d*. currency. Finally in 1830, to solve the shortage of silver, merchants began to accept shillings at 1*s*. 3*d*. currency. This led to the gradual revaluation of British silver in Nova Scotia, with the crown moving up to 6*s*. 3*d*. currency and the 1*s*. 3*d*. shilling being given legal status in 1834. Thus Halifax currency now had a 1.25:1 ratio to sterling, instead of 1.11:1, as it was still tied to the 5*s*. currency dollar. Although Nova Scotia participated in the discussions aimed at a common currency, which Canada and New Brunswick adopted common ratings in 1854, no change occurred in Nova Scotia until 1 January 1860, when decimal currency was adopted—the crown becoming worth $1,25 currency and the shilling twenty-five cents.

New Brunswick

New Brunswick did not become a separate colony/province until 1784, and its first currency act in 1786 adopted the Halifax currency system of valuing the various coins at one-ninth above the sterling values; this remained in effect until 1852. Here the British guinea was established at £1 3*s*. 4*d*. currency, the crown at 5*s*. 6*d*. currency, the shilling at 1*s*. 1*d*. currency, and the Spanish dollar at 5*s*. currency. When this act was revised in 1818, the British sovereign was made legal tender at £1 2*s*. 3*d*. currency and other British gold related to it; British silver was unchanged. The US. $10 eagle was rated at £2 10*s*. currency and the US. dollar added at 5*s*. currency; while the Spanish dollar was appreciated to 5*s*. 4*d*. currency, which grossly overvalued it. This almost certainly resulted in British silver circulating at a premium; however by 1826, the Spanish dollar had dropped again to 5*s*. currency in the market place.

When the British government sought to introduce British coinage in 1825, the local legislature refused to take any implementing action, arguing that the current ratings were adequate to keep British silver in circulation.

The meetings in 1840 seeking a common currency standard led to an increase in the rating of British silver, as elsewhere, with the shilling being raised to 1*s*. 3*d*. currency. In 1842, this was modified with the sovereign being set at £1 4*s*. 6*d*. currency, the pound sterling at £1 4*s*. 2*d*. currency and the shilling at 1*s*. $2^1/_2$*d*. currency. Two years later, the sovereign was reduced to £1 4*s*. currency and the crown to 6*s*. currency—the shilling being unchanged.

After meeting with Canada and Nova Scotia in 1851, New Brunswick passed an act the following year rating the sovereign at £1 4*s*. 4*d*. currency, the crown at 6*s*. 1*d*. currency and the new U.S. eagle weighing 258 grains at £2 10*s*. currency. It also established the optional use of dollars and cents in accounts on the basis of $4.866 currency equal to £1 sterling.

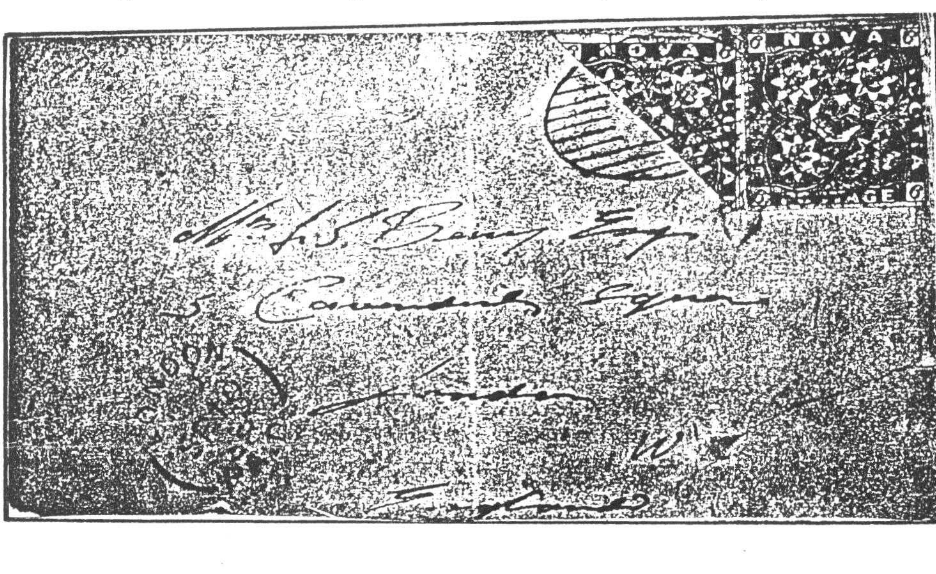
Prince Edward Island

Prince Edward Island did not effectively establish a formal rate of exchange for its currency until 1813, although since 1785 provincial duties could be paid in Spanish dollars at the 5*s*. currency rate. An Executive Council decision in 1813 provided rates for the principal coins in circulation, which resembled those of Halifax currency, but had anomalies. The introduction of paper notes in 1825 led to a depreciation in the currency, so that two years later the dollar was being accepted at 6*s*. currency and, due to the shortage of British silver, the shilling at 1*s*. 6*d*. currency. At the same time, the official rate for the shilling was 1*s*. 3*d*. currency. This situation persisted until 1849, when a currency act increased the value for the sovereign to £1 10*s*. currency, the eagle to £3 currency, the crown to 7*s*. 6*d*. currency, the dollar to 6*s*. 3*d*. currency and the shilling to 1*s*. 6*d*. currency.

Prince Edward Island did not adopt decimal currency until 1871.

A QUESTION OF POSTAGE AND ROUTING

J.J. MacDonald sent me a couple of photocopies of covers that perplexed him. One of which was quite straightforward, while the second is below with an inv itation to all to offer comments. It was mailed at Barrington, N.S. on 25 August 1858, as shown by a backstamp.

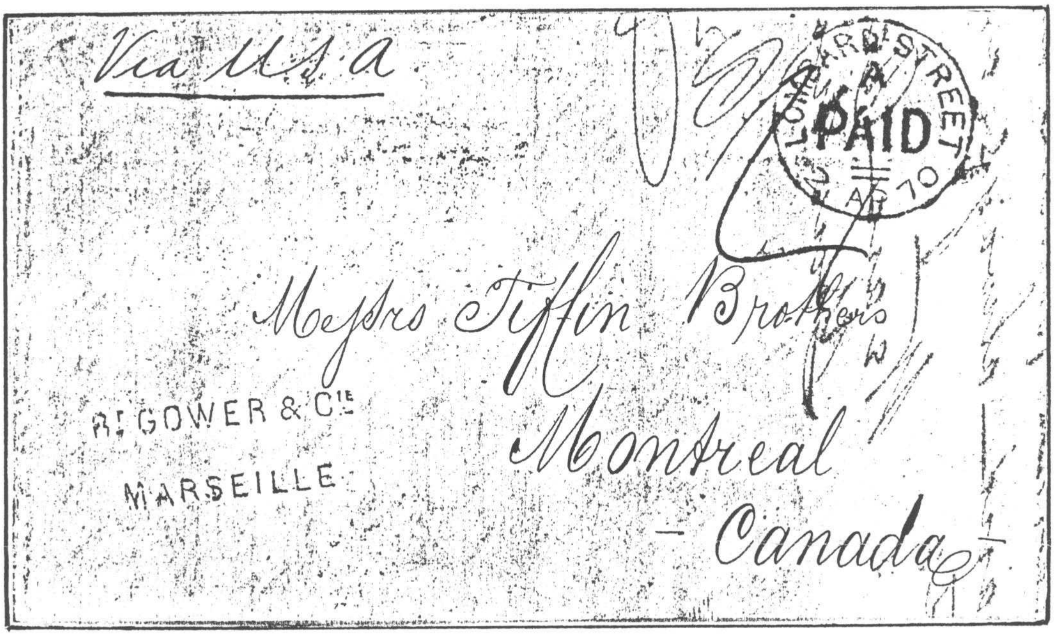


The first question relates to the affixed postage–9*d*. currency in one and a half Nova Scotia six pence adhesives. On the assumption that the letter went by the Allan Line or Cunard out of Halifax, requiring $7^{1}/_{2}$*d*. currency, he asks whether the cover is a fake or did the sender not have a three penny stamp to bisect and cut a six pence in half instead? I suggest the latter because the two adhesives are tied together and to the cover with a single canceller; however, I know nothing of the handstamps available to outlying N.S. post offices, so do not know whether this one was a pattern used by them.

The second question, which I raise, is related to the routing of the letter. The most obvious would have been to Halifax to connect with the Cunard *Niagara*, which called there on 27 August for mail and arrived at Liverpool on 4 September. However, the fact that the letter was datestamped at London on 10 September rules this out—presumably there was no mail run up the shore from Barrington to Halifax in the intervening two days. The second possibility was the Allan *Nova Scotian* from Quebec on 28 August, as it arrived at Liverpool on 9 September, in time to get to London on the following day. Again, one must question whether there was enough time and the necessary post for the letter to reach Rivière du Loup on the lower St. Lawrence below Quebec City, where the Allan steamers picked up late mails. The other possibility was the Inman *City of Washington* out of New York on 28 August as well and arriving at Liverpool on 10 September—I have several letters bearing the same date on arrival at Liverpool and London, so this is a possible route. It seems to me that there was a better chance of a letter from Barrington getting to New York via Boston in three days, than to Quebec in the same period. However by this time, any letter by any packet via a U.S. port required 1*s*. 2*d*. sterling postage, which rules this out—so the letter must have reached Rivière du Loup in time to connect with the *Nova Scotian* and the sender or the Barrington post office simply did not have the right adhesives to make up the correct postage.

BY FAVOUR TO LONDON

Shown below is a letter from Robert Gower, Marseilles, France dated 29 March 1870, which was sent privately to London, where a forwarding agent noted on the back: 'Received in London 1 April 70 (Initials)', and mailed it the following day with 4*d*. sterling postage prepaid. It was put in a closed bag for Montreal and sent in the night mail to Queenstown to connect with the Cunard *Cuba*, which had sailed from Liverpool on 2 April and arrived at New York on 13 April. It reached Montreal the following day (backstamp).



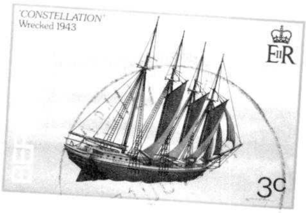
MORE ON THE LAST MAILS THROUGH HALIFAX DURING THE 1848-49 U.S. RETALIATORY PERIOD

In Newsletter No. 16, Allan Steinhart asked for help in determining the actual dates when the Canadian Mails had to be sent through Halifax, instead of Boston and New York, because of the U.S. Reprisal Act. He has since sent me a copy of General Post Office, London Instruction No. 14 dated April 1849, which is reproduced below:

> After the 14th Instant, the Mails to and from Canada will be forwarded through the United States, and all Letters and Newspapers for Canada will be transmitted in such Mails, unleass specially directed to be sent by some other route.

> Letters for Canada will be chargeable with postage at the rate of 1*s.* 2*d.*, the half ounce, as at present; and Newspapers will be liable to a postage of one Penny each to be paid on delivery.
> Letters and Newspaper for any other part of British North America, may also be forwarded via the United States, if specially addressed; but the rule will be to forward them via Halifax, as heretofore.
> From the period above mentioned, the reduction of postage [i.e. to 1*s.* sterling], authorized by the Treasury Warrant of the 3rd Instant, will take place on Letters transmitted by British Packet between the United Kingdom and New Brunswick, Prince Edward Island, and Nova Scotia (the Port of Halifax excepted) as well as on such Letters for Canada as may be specially addressed to be sent via Halifax.

The *Cambria*left Liverpool for Halifax and Boston on 14 April with the last Canadian Closed Mail through Halifax with 1*s.* 2*d.* postage required via that route. The *America* a week later took the Canadian Mails to New York. Allan notes that because the instruction only has the month, it is not possible to determine when it might have reached Canada and therefore when the first Mail to England went via the United States. Can anyone help with this? I have assumed that it was via the *Niagara* from Boston on 18 April.



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