

The “Tercentenary” of the South Sea Company “SSC” silver coins approaches. Where the silver came from and how it got here.

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The Voyage of the Royal George



Almost exactly three hundred years ago In October or early November 1722, the South Sea Company's flagship merchant trading vessel - the *Royal George* - slipped its moorings in Cartagena – in what is now Colombia - and set sail for Falmouth. She was on the return leg of her maiden voyage and was carrying a fabulously rich cargo including around one million “pieces of eight” as well as other high value goods such as cochineal and indigo.

The *Royal George* was one of two “Great Ships” in the South Sea Company's fleet – the other being the *Royal Prince*. At 800 tons each of these ships were very large by the standards of early 18th century merchant shipping and required a crew of around 150 sailors. As a deterrent to pirates the *Royal George* was quite heavily armed and her complement of 50 guns would have made her a match for all but the most powerful warships.

The *Royal George* and the *Royal Prince* had both been built specifically to conduct merchant trading with Spanish South America and were operating under the South Sea Company's “Asiento de Negros” – a complex agreement with the Spanish Government. The Asiento allowed the South Sea Company to traffick a quota of slaves between west Africa and Spanish South America but in addition it licenced three voyages to participate in the big trade fairs which took place annually in Portobelo, Cartagena and Vera Cruz. At these trade fairs, the people of the Spanish Americas would bring their gold and silver and use it to buy European manufactured goods which were in short supply locally. The Spanish King would also send treasure ships to collect his share of the gold and silver mined in the New World. This treasure trade was extremely lucrative and access to the fairs was tightly controlled by the Spanish Crown.

On the outbound leg of its voyage – which commenced in late summer 1721 - the *Royal George* carried trading cargo valued at £263,000 – a little under £100 million in today's money. She was accompanied as far as Antigua by a Navy warship and was also attended by a purpose-built South Sea Company supply vessel – the *Asiento*. She arrived in Cartagena in good time for the much-delayed trade fair which commenced in June 1722. This was the first voyage for some years to be conducted under the auspices of the Asiento – which had been suspended during the War of the Quadruple Alliance.

Cartagena was a key port city for the shipping of gold and silver to Europe. Precious metals mined in what is now Peru could either be directly shipped on a voyage around Cape Horn or they could be hauled overland to Cartagena and then shipped through the Caribbean and thence to Europe. Neither journey was free of risk, but the Cartagena trade fair also provided an opportunity to buy European goods and luxury items – an attractive proposition in the early 18th century.

The *Royal George* was able to swiftly dispose of its trading cargo and was in a good position to fill its holds with other high value items for the return leg. Unlike the Spanish ships at the trade fair, the *Royal George* enjoyed a special sort of “duty free” status and was also able to offer shady “banking services” – in effect money laundering. For a fee of 8%, the *Royal George* would carry illicit untaxed bullion back to England where it could enter the financial system without troubling the Spanish exchequer.

Press reports tell us that by November 1722, the *Royal George* had set off back to England with two Navy warships for protection. This meant that the valuable cargo was very secure from piracy and by February 1723, she was safely back in Falmouth after nearly two years away.

The Silver which was brought in the South-Sea Company's Ship, the *Royal George*, is now coined; the Quantity is about 100,000 L. On the Reverse of this Money between the Crosses, are the Letters S. S. C.

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Contemporary press reports consistently state that the *Royal George* was carrying about 25 tons of silver – in the form of about one million pieces of eight. A large amount of this – but not all – was swiftly converted into the distinctive SSC crowns, halfcrowns, shillings and sixpences that are so popular with collectors today. Press reports indicate that the minting programme totalled around £100,000 which was the lion's share of the silver coins minted in that year but only around 40% of the silver in the cargo. All the coins were struck by mid-May 1723 - which was a very good achievement for the mint.

Why were the South Sea coins only minted in 1723?

The South Sea Company's Asiento voyages certainly delivered silver to the mint in 1720 and probably again in 1724 and beyond. The *Royal Prince* for example brought back £1,000,000 of gold and silver in December 1724 and was said to be “the richest ship that ever came to England”. So why was it only in 1723 that the letters SSC were placed on coins? The answer may lie in the complex inter-twined relationship between the Bank of England, the Treasury and the South Sea Company.

The outbound voyage of the *Royal Prince* took place *after* the post-bubble bail out of the South Sea Company. Yet the outbound cargo it carried had been procured in 1718 prior to the wartime suspension of the Asiento trade and *before* the South Sea Company's collapse. So I think an argument could be made that the outbound trading cargo – and perhaps the profits earned on it - technically belonged to the Treasury or the Bank.

During the bail-out of the South Sea Company, after the bubble imploded, the Government negotiated various ‘fees’ that it would be paid in order to reflect its helpful part in the rescue process. Ultimately, Walpole waived some of these fees - but it would appear that a silver bullion payment remained outstanding. Sir John Craig, in his book “The Mint” mentions this, and enigmatically says that the 1723 SSC coins were part of a post-bubble “rehabilitation” deal for the South Sea Company, acting as a sort of “ransom”. He refers to a remark by Sir John Conduitt (Master of the Mint at the time), who writes about a South Sea Company “two million remittance” which is linked to the SSC coins. If that is in fact the case, then the silver and other cargo brought back on board the *Royal George* may have been the first real opportunity for the Company to settle its accounts with the Government.

On arrival in England, the South Sea Company may have therefore given up the cargo to the Treasury, who then arranged for some of the silver to be delivered to the Mint. The minting would then have been carried out on their orders. The bail-out of the South Sea Company was hugely controversial and it may be that the coins were minted as a form of propaganda. What better demonstration that

the South Sea Company was prospering again (thanks to the Government) than seeing SSC coins in your pocket. Perhaps this is why the most common denomination of the SSC coins is shillings – which would circulate and be seen at all stratas of society. If any readers of the BNS blog know more information about this, or think that I am wrong then I would love to hear it.

Reflect for a Moment on the Silver in the Coins.

Many coin collectors (and some numismatists too) are like magpies and are always on the lookout for coins which broaden out their collection or fill a space in their cabinet. Sometimes its easy to see the coin as merely a collectible object and to ignore its historical context. Try then for a moment to think about the history of the metal in the SSC coins.

The silver was mined somewhere in what is now Peru or Bolivia - probably in dangerous and environmentally deplorable conditions. It was then transported north along the coast of South America – a journey of around 800 miles - most likely in small boats which were vulnerable to pirates. Once in Panama it was offloaded onto wagons and carted across the Isthmus of Panama and then on to Cartagena. The journey along the bandit infested road traversing the Isthmus was no picnic. The road was critical for the Spanish and was known officially as the Camino Real (Royal Road) but the locals called it the Camino de Cruces (Road of Crosses) due to the number of gravesites along the way.

Once in Cartagena the silver was used to buy English manufactured goods of all types from the *Royal George*. It was then shipped on the 5,000-mile sea crossing to Falmouth – in a heavily armed convoy. Once in England the silver was loaded onto a train of about 12 – 15 horse drawn wagons and taken with an armed escort to the Bank in London. Some £100,000 of the silver –about £30 million in today's money – was then sent to the Mint for striking.

The effort and risk that so many people in that supply chain took to bring the metal for the SSC coins is astounding to us some three hundred years later. In the modern world where money can seemingly be conjured up with a few computer keystrokes at the Bank of England it's hard for us to grasp the reality of what wealth creation meant in the early 18th century. So please pluck up the courage to break your SSC coins out of their NGC/PCGS plastic tombs and touch the metal – perhaps you will feel a connection with the pioneers of 1723.

More details about the South Sea Company coins can be found in my book "The Metal in Britain's Coins" – Spink 2020.

