



SOVEREIGN ORDER OF SAINT JOHN OF JERUSALEM
KNIGHTS OF MALTA
FEDERATION OF THE AUTONOMOUS PRIORIES
Grand Magisterial House

BRIEF HISTORY OF OUR CURRENCY

One of the first rights of Sovereignty recognized to all States is the right to mint their own money, and the Sovereign Order of Saint John of Jerusalem was no exception and started to mint their own currency after the conquest of the Rhodes Island in 1318.

Later, in 1530, Emperor Charles V of Spain donated the Maltese Islands in fief to the Order of St John of Jerusalem, and through the intercession of Pope Clement VII, the Order, in spite of strong insistence by the Master of the Mint at Messina to deny it the right of mintage, obtained the privilege of striking coins in Malta.

The first coins which appear to have been minted in Malta by the Knights were struck during the brief reign of the second Grand Master, Pietro del Ponte (1534-35). The Order of St John minted coins in gold, silver and copper during its 268-year rule in Malta.

After their arrival on the Island the monetary system was adapted to that of Sicily. In 1609, the Council of the Order also appointed a Commission to study the new regulations issued for the Sicilian Mint at Messina to ensure that coins struck in Malta would in future conform in weight and fineness to those of Sicily. The Currency of The Sovereign Order was composed of several coins such as the Zecchino, _ the Zecchino coins in gold were also called the Ducat -, the Tari and the Scudi but from time to time foreign coins, including Spanish Doubloons and Piastres, Venetian Zecchini, Livournine, Genovine and Louis d'Or were allowed to circulate together with the local coinage.

Because of the critical financial difficulties following Malta's Great Siege of the Turks against the Knights in 1565, and to have funds to pay the several thousand labourers engaged in the building of the new city of Valletta, the Order found it expedient to strike fiduciary copper coins. The reverse side of these coins depicted clasped hands surrounded by the legend 'NON AES SED FIDES', (Not Money But Trust). According to Giacomo Bosio, historian of the Order, Grand Master Jean de La Vallette (1557-1568) promised to redeem these copper coins in "noble metal" and also fixed their rate of exchange at par not only with Maltese silver coins but also with Sicilian silver pieces.

Fiduciary copper coins, struck by other Grand Masters continued to pass current in Malta at par with Sicilian silver and to maintain their value with local silver coins until the death of Grand Master Antoine de Paule in 1636 as the amount put in circulation had remained more or less proportionate to the internal needs of the Island. But when Grand Master Jean-Paul Lascaris Castellar (1636-1657) struck these fiduciary pieces in excessive quantities, the rate of exchange between copper and silver was completely unbalanced and increased rapidly from year to year to such an extent that in 1764 local copper was reported to be losing the amount of 107% in exchange for silver.

The Knights' minting art reached its peak in the gold and silver coins issued during the office of Grand Master Antonio Manoel de Vilhena (1722-1736). Vilhena was the first to coin the 12 Zecchini gold piece, the highest denomination in the Order's coinage. He also introduced the silver 2 Scudi and the 8 and 12 Tari pieces.

The highest value silver coin minted by the Order was the Maltese dollar, known as the "pezza", "oncia d'argento" or "uqija" This was first issued during the long reign of Grand Master H.E.H. Prince Emmanuel Pinto (1741 – 1773)



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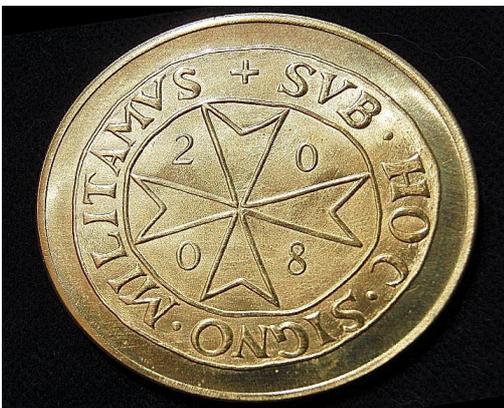
In 2008, during the reign of the Grand Master H.E.H. Prince Jose Cosmelli and being Lieutenant General H.G. Count Sir George Popper, the Federation - as lawful successor of the old Order, in the due and legal exercise of its Sovereignty Rights internationally recognized by many States -, by the Magisterial Decree 07/08 re-established the Zecchino as the basic Currency of The Federation.

In the sequence of the aforementioned Magisterial Decree, the first edition of currency coins of the modern times was minted and issued. This first edition of coinage was composed of two different coins: the Silver coins called Tari – with a value of 20 Zecchini - and the coins made of a golden metal used for coinage with the value of 2 Zecchini. Although the new currency of the Federation is only destined to have legal tender inside The State of the Federation, for calculation purposes was established a par of exchange of 1 Zecchino to 1 Euro, considering the value of the Euro in the month of may of 2008.

The New Tari Coins -These coins are made of 1 ounce of .999 Silver and called the Tari. The coins of 1 Tari have the value of 20 Zecchini.



The New Zecchino Coins – These coins are made of approximately 31,1 gr. of a golden metal used for coinage, in the value of 2 Zecchini. These coins are similar in size and image to the 1 Silver tari coins.





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HISTORY OF THE ZECCHINO

The Zecchino was a Venetian gold coin, weighing 2,907 gr, first minted in 1284 stemming from the Italian word *eccā* (mint). From the 14th century onward the zecchino was usually called the **ducat**.

The Venetian Zecchini, or ducats, rivaled Florentine florins in commercial influence and were widely copied abroad.

HISTORY OF THE TARI

The Tari, or quarter-dinar, was struck by the Palermo mint after the Muslim conquest of Sicily in AD 827. It was very similar in weight to the old Roman solidus. The Tari and the dinar were the standard coins of the Muslim gold currency, while silver coinage was based on the dirham. The Tari was a small coin and was extremely popular for several centuries, with silver imitations of the Arab Tari being struck up to the arrival of the Bourbon rulers. The Muslim coinage was modelled on the Byzantine coinage of the same period, with the difference that it did not bear an image of the ruler, only verses and quotations from the Qur'an. The Norman Tari carried a combination of Muslim and Christian symbols such as the cross.

The Tari was also the coin used by the Amalfitans in their commercial exchanges. The word Tari meant freshly minted and the coins were 12 carat and were made of equal parts of gold and silver mixed with a small quantity of copper.

As far back as the 11th century Amalfi issued gold Tari from its own mint. And it is believed by some experts in History that the famous 8 pointed cross of the Sovereign Order had its origin in the emblem existing on one the sides of the Tari coin, a Four 'V's in square formation, supplemented with a globe in the open arms of the 'V's, however, this opinion is far from being conclusive, considering that the Order appears to have used the Cross Formée in the 12th and 13th centuries.

THE MINT OF THE ORDER

The site of the first mint of the Order of St. John, in Malta is also unknown. Numismatic historians, however, believe it was probably first located at either Fort St. Angelo or in Birgu (Vittoriosa). Shortly after 1573, the Mint was transferred to the tower of the Grand Master's Palace in Valletta. After 1604, it was installed in St. Sebastian Street in Valletta, today known as Old Mint Street. In 1778 the Mint was moved again, this time to the "Conservatoria" (today the Royal Malta Library), still in the capital city of Valletta, and remained there until it ceased to function in 1800.

Under the rule of the Knights, the Grand Master himself was responsible for appointing the Master of the Mint who, in turn, had jurisdiction over all goldsmiths and silversmiths operating in Malta.

Between 1722 and 1727, Grand Master H.E.H. Prince Antonio Manoel de Vilhena (1722-1736) struck no less than 200,000 Zecchini pieces but these quickly began to disappear from circulation as, through prejudice or lack of expertise in the art of finance, they were issued at well below their real value when



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compared with foreign gold coins whose value had risen on the market. Large quantities of these Zecchini were exported, mainly to Naples and Sicily where gold was rated at a higher value than in Malta and where they were subsequently melted down at a profit. Vilhena had in the meantime also made a complete alteration in the silver coinage by issuing new denominations and because the silver standard had also been raised it became just as profitable for speculators to export the Order's silver coins.

To check the constant flow of the coinage of the Order outside Malta the Mint was ordered to stop striking Zecchini and in 1730 a strict prohibition of the exportation of local gold and silver was imposed. These measures were partly successful until Vilhena's death in December 1736. However, two years after the election of Grand Master H.E.H. Prince Ramon Despuig (1736-1741) it was again found out that the 2 Scudi and Scudo silver coins were being exported by speculators or melted down by the local silversmiths. In spite of the re-imposition of heavy fines and harsher penalties for those who either exported or melted down the coinage, silver coins continued to disappear from circulation. In March and April 1738 H.E.H. Despuig withdrew from circulation all silver coins of the Order and coined them into new coins of inferior fineness thereby making it unprofitable for speculators to export them. Though this drastic measure saved the Order from a total disappearance of the silver coins of the Knights from Malta and increased the amount of the coinage, it also resulted in the extinction of a large number of Vilhena's beautifully executed silver coins.

In March of the succeeding year, again through lack of expertise in financial matters, the Order committed the grave error of arbitrarily raising the value of foreign coins and leaving the rate of the Island's standard coin, the Zecchino, at the old rate. An immediate exportation of the Order's gold and silver coins took place and within a short while Malta's currency practically consisted of its over abundant copper token coins which at that time were worth about 100% less than their nominal value.

On his election, Grand Master H.E.H. Emmanuel Pinto (1741-1773), faced with a great shortage of gold and silver coins, quickly struck a good amount of Zecchini but these were afterwards replaced with new denominations of 10 and 5 Scudi gold pieces (Single Louis and Half Louis - Lwig u nofs Lwig) as the former coins proved to be unpopular due to their inferior fineness. Although Pinto also introduced new denominations in silver including the 30 and 15 Tari pieces (L-Uqija u Nofs Uqija) he was unable to restore confidence in the Order's currency. In 1762 or 1763, unable to find a remedy he sought the competent advice of Zanobio Paoli, a former Master of the Mint in Florence. When Paoli arrived in Malta he found the local Mint in a deplorable state and in an elaborate 'Trattato della Zecca' submitted soon after his arrival, he made various recommendations including the introduction of new denominations, the striking of new Zecchini of 22½ carats and the withdrawal of the fiduciary copper coins.

Unfortunately no records exist as to what measures were taken to reorganise the Mint after Paoli's report during H.E.H. Pinto's rule. Apart from prolific issues of certain denominations and the introduction of the gold 20 Scudi or Double Louis of Malta (Lwig doppju) in 1764 very little appears to have been adopted from Paoli's report and the local Mint continued to be run at a loss. During the short rule of Grand Master Francisco Ximenes de Texada (1773-1775) matters remained just as bad, for the Commissioners of the Mint in 1774 blamed the Mint-Master for the issue of a debased and discredited coinage. Within the period 1766 and 1776 minting had in fact been very erratic and the accounts for the Mint show a loss of just over 2,446 Scudi.

In 1777 the Treasury of the Order, to reorganise the Mint and to stop it from operating at a loss, decided to adopt Paoli's recommendations with regard to the method of work and the various duties of those employed in that establishment. To restore confidence in the Order's coinage it was also recommended that the standard gold coin, the Zecchino, was to be restored to its original fineness of 22 ½ carats and 3 1/6 deniers in weight and its value regulated periodically according to the rate at which Spanish



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Doubloons were bought by the mints of Naples and Palermo. The standard silver coin, the Maltese Scudo, was also to be restored to the fineness of 10 ozs. 12 grs. fine silver per pound and the Commissioners of the Mint were also to issue periodically a tariff showing the purchase price of foreign coins. Amongst other matters it was also recommended that Pinto's debased Zecchini and the copper fiduciary coins were to be withdrawn.

Many of these recommendations, though approved by Grand Master H.E.H. Prince Emmanuel de Rohan (1775-1779) were ignored; for instance Pinto's Zecchini were never withdrawn and the copper pieces were only counter marked against forgery. However, there is no doubt that necessary measures and changes in the Mint's administration were carried out, as the coins of De Rohan are most exact in weight and purity. The financial records of the mint also reveal that this establishment, though losing in certain years, made an overall profit of over 25,000 Scudi over the period 1778 to 1788. Nevertheless, during De Rohan's rule the financial position of the Order deteriorated further and seriously chiefly because of developments occurring overseas. The economic affairs of Malta depended to a large degree on the steady inflow of capital from abroad. Much of these funds originated from 'responsions' or remittances in connection with property income from the large number of land holdings in Europe belonging to the Order. During the French Revolution however, much of the income-producing property owned in France was confiscated and many Knights fled to Malta. With little money available, the Order was forced to incur huge debts in Malta and abroad to maintain its operations, and to make up for the loss, it was obliged to coin the silver plate of its galleys as well as much of the silverware in the Grand Master's Palace, the Hospital and other places.

The Mint of the Order continued to function during the two-year reign of H.E.H. Prince Ferdinand von Hompesch (1797-98) who relinquished Malta without any serious effort to defend it from the French who landed on the Island in June 1798.

In the year 2008, the Grand Master H. E. H. Prince Jose Cosmelli, by His Magisterial Decree 12/08 re-established the State Mint of The Federation and, approving the proposal of the Lieutenant General H.G. Count Sir George Popper, appointed Sir Adam Schuman as Master of the new Magisterial State Mint.

Sources of information: Central Bank of Malta; National Bank of Italy; British Encyclopedia; Winkipedia; Archives of The Federation of Autonomous Priorities of the Sovereign Order of Saint John of Jerusalem – Knights of Malta.