1885 November 6

**The Monetary Convention of the 6th of November 1885, agreed upon by the delegates of the Latin Monetary Union.** At the urging of the Swiss government, France, Italy, Greece and Switzerland created a monetary union with interchangeable gold and silver currencies. The union had been in incipient form since 1865. Spain, Bulgaria, Romania, and Serbia all adhered to the Union while never officially joining. also allowed the franc to circulate. The role of silver decreased within the system an it effectively became a monometallic system within a few years. The system was suspended during the First World War and eventually ceased to function in 1926.

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ARTICLE I.

France, Greece, Italy, and Switzerland remain constituted a union in respect to the fineness, weight, diameter, and currency of their specie coined of gold and of silver.

ARTICLE II.

The types of gold coins bearing the impress of the high contracting parties are those of the 100-franc, 50-franc, 20-franc, 10-franc, and 5-franc pieces, fixed in respect to fineness, weight, tolerance and diameter as follows:

| Denominations. | Fineness. | | Weight. | | Diameter. |
|---|---|---|---|---|---|
| | Legal standard. | Tolerance above and below. | Legal standard. | Tolerance above and below. | |
| | *Thousandths*. | *Thousandths*. | *Grams*. | *Thousandths*. | *Millimeters*. |
| Gold: | | | | | |
| 100 francs | | | 32,258.06 | 1 | 35 |
| 50 francs | | | 16,129.03 | | 28 |
| 20 francs | 900 | 1 | 6,451.61 | 2 | 21 |
| 10 francs | | | 3,225.80 | | 19 |
| 5 francs | | | 1,612.90 | 3 | 17 |

[*Note*: In the column for ‘Diameter’, the original mistakenly reads ‘*Thousandths*’ instead of ‘*Millimeters*’, but the error has been corrected in this transcription.]

The contracting Governments shall receive, without distinction, at their public treasuries, gold pieces coined in accordance with the foregoing conditions by either of the four states; they may, however, reject coins reduced in weight by abrasion one-half of one per cent. below the above-mentioned tolerances or with inscriptions effaced.

ARTICLE III.

The type of silver 5-franc piece bearing the impress of high contracting parties, is fixed in respect to fineness, weight, tolerance, and diameter, as follows:

| Fineness. | | Weight. | | Diameter. |
|---|---|---|---|---|
| Legal standard. | Tolerance above and below. | Legal standard. | Tolerance above and below. | |
| *Thousandths.* | *Thousandths.* | *Grams.* | *Thousandths.* | *Millimeters.* |
| 900 | 2 | 25 | 3 | 37 |

The contracting Governments will receive reciprocally at their public treasuries the said 5-franc pieces.

Each of the contracting states is pledged to redeem from the public treasuries of the other states silver 5-franc pieces reduced in weight by abrasion 1 per cent. below the legal tolerance, provided that they have not been fraudulently deteriorated or the stamp effaced.

In France, silver 5-franc pieces will be received at the counters of the Bank of France, for account of the Treasury, conformably to the letters exchanged between the French Government and the Bank of France under the date of October 31 and November 2, 1885, and appended to the present convention.

This engagement is assumed for the duration of the convention, as fixed by paragraph 1 of Article XIII, and without the bank being bound beyond that time under the tacit extension provided in paragraph 2 of the same article.

In case the arrangements concerning the legal currency of silver 5-franc pieces coined by the other states of the union shall be set aside, whether by Greece, or by Italy, or by Switzerland, during the term of the engagement assumed by the Bank of France, the power or the powers that shall have superseded those arrangements engage that their banks of issue shall receive the silver 5-franc pieces of the other states of the union on precisely the same terms as those those under which they receive silver 5-franc pieces struck with the national effigy.

Two months before the expiration of the period assigned for the denunciation of the convention, it shall be the duty of the French Government to inform the states of the union whether the Bank of France intends to continue or to conclude the engagement herein set forth. In default of such information, the engagement of the Bank of France will be subject to the provisions of the tacit extension clause.

ARTICLE IV.

The high contracting parties agree not to coin any 2-franc, 1-franc, 50-centime or 20-centime pieces, save on the following terms as regards fineness, weight, tolerance, and diameter:

| Pieces. | Fineness. | | Weight. | | Diameter. |
|---|---|---|---|---|---|
| | Legal standard. | Tolerance above and below. | Legal standard. | Tolerance above and below. | |
| *Franc.c.* | *Thousandths.* | *Thousandths.* | *Grams.* | *Thousandths.* | *Millimeters.* |
| 2 | | | 10 | | 27 |
| 1 | 835 | 3 | 5 | 5 | 23 |
| 0.50 | | | 2.50 | 7 | 28 |
| 0.20 | | | 1 | 10 | 16 |

These pieces shall be recoined by the Governments that issued them whenever reduced by abrasion 5 per cent. below the tolerances indicated above, or whenever their inscriptions shall have been effaced.

ARTICLE V.

Silver pieces coined according to the provisions of Article IV shall be a legal tender between individuals in the state which issued them to an amount not exceeding 50 francs at one payment. The state which put them in circulation shall receive them from its subjects or citizens without limitation as to amount.

ARTICLE VI.

The public financial offices of each of the four states shall accept silver money coined by one or more of the contracting state, in accordance with Article IV, to an amount not exceeding 100 francs at each payment made at the said offices.

ARTICLE VII.

Each of the contracting Governments agrees to redeem from private parties or from the financial offices of the other states the small silver coins issued by it, and give in exchange therefor a like amount of current money in gold or silver pieces, coined as provided by Articles II and III, on condition that the sum presented for exchange be not less than 100 francs. This obligation shall be extended for one year from the expiration of this convention.

ARTICLE VIII.

The coinage of gold pieces under the conditions specified in Article II, excepting that of 5-franc gold pieces, which remains provisionally suspended, is free for each of the contracting states.

The coinage of silver 5-franc pieces os provisionally suspended. It shall not be resumed until a unanimous agreement shall have been concluded on this subject between all the contracting states.

Nevertheless, if any states should wish to resume the free coinage of silver 5-franc pieces, it can do so on condition of its exchanging or redeeming throughout the continuance of the present convention, in gold and at sight, for the other contracting states, on demand, silver 5 franc pieces coined with its effigy and circulating in their territory. The other states, moreover, are free in that case not to receive any longer the money that of the state resuming the coinage of the said pieces.

A state desiring to resume such coinage shall, before doing so, take steps for the convening of a conference with its associates for the purpose of regulating the conditions of such renewal; the privilege mentioned in the foregoing paragraph shall not, however, be dependent upon the conclusion of an agreement, and the terms of exchange and redemption stipulated in the same paragraph shall not be modified.

In default of an understanding, and while retaining the benefit of the foregoing stipulations as regards any state resuming the free coinage of silver 5-franc pieces, Switzerland reserves the power of withdrawing from the Union before expiration of the present convention. This power shall, however, be subject to the double condition: (1) That for four years from the taking effect of this convention, Article XIV and the appended arrangement shall not be applicable to those states that have not resumed the free coinage of silver 5-franc pieces; (2) that the silver coins of the said states shall continue during the same period to circulate in Switzerland, in pursuance of the stipulations of this convention; Switzerland, for its part, agreeing not to resume, during the same period of four years, the free coinage of silver 5-franc pieces.

The Swiss Federal Government is authorized to proceed with the re-coinage of old issues of Swiss silver 5-franc pieces to the amount of 10,000,000 of francs, but at its own charge effecting the withdrawal of the old coins.

ARTICLE IX.

The high contracting parties shall not issue silver 2-franc, 1-franc, 50-centime, and 20-centime pieces coined in pursuance of Article IV, save to an amount not exceeding 6 francs per capita, regard being had to the latest census taken in each state, and to the normal increase of population. This amount is fixed as follows:

| | Francs. |
|---|---|
| For France, Algeria, and the colonies | 256,000,000 |
| For Greece | 15,000,000 |

| | |
|---|---|
| For Italy | 182,400,000 |
| For Switzerland | 19,000,000 |

The sums already issued by the contracting states shall be considered as forming part of the above amounts.

The Italian Government is authorized, by way of exception, to coin the sum of twenty millions in fractional pieces, this sum being designed to secure the substitution of pieces coined in pursuance of Article IV of this convention for those previously in use.

The Swiss Federal Government is authorized, by way of exception, in view of the needs of the population, to coin the sum of six millions in fractional silver pieces.

The French Government is likewise authorized, by way of exception, to go on with the recoinage to an amount not exceeding 8,000,000 francs, in silver franctional pieces, of the pontificial money heretofore withdrawn from circulation.

ARTICLE X.

Figures correctly indicating the year of actual coinage shall be stamped upon every gold and silver piece coined in the four states.

ARTICLE XI.

The Government of the French Republic accepts the task of gathering together all the administrative and statistical documents relative to the issue of coins, to the production and consumption of precious metals, to monetary circulation, and to the counterfeiting and debasement of coins. It shall communicate them to the other governments, and the contracting countries shall advise in concert, if necessary, as to the measures best adapted to rendering this information as accurate as possible, as well as to preventing the counterfeiting and alteration of coin to securing the repression thereof.

ARTICLE XII.

Any request to be allowed to unite in this convention made by a state accepting its obligations and adopting the monetary system of the union can be accorded only by the unanimous consent of the high contracting parties.

The high contracting parties pledge themselves to withdraw from the circulation or to refuse legal currency to silver 5-franc pieces of states not belonging to the union. Such pieces shall not be received either by the public treasuries or by the banks of issue.

ARTICLE XIII.

The present convention taking effect from the 1st day of January, 1886, shall remain in force until January 1, 1891.

If one year before the latter date it has not been denounced, it shall remain in force from year to year, by tacit extension, and shall continue to be binding for one year from the 1st day of January next following its denunciation.

ARTICLE XIV.

In case of the denunciation of this convention, each of the contracting states shall be bound to redeem the silver 5-franc pieces which it shall have issued, and which shall be in the circulation or the public treasuries of the other states, by paying to those states a sum equal to the nominal value of the coins redeemed, in such manner as shall be determined by a special arrangement to be appended to this convention.

ARTICLE XV.

This convention shall be ratified; its ratifications shall be exchanges at Paris as soon as possible. and at the latest, by December 30, 1885.

In testimony whereof the respective plenipotentiaries have signed this convention, and have thereunto affixed the seal of their arms.

Done in _____ [*sic*] at Paris this _____ [*sic*].

* * * * *

Agreement concerning the Execution of Article 14 of the convention of _____ [*sic*], 1885.

The Governments of France, Greece, Italy, and Switzerland, desiring to regulate by a special agreement the execution of the liquidation clause, inserted in Article 14 of the Monetary Convention, concluded between them, of even date, the undersigned, duly authorized for this purpose, have agreed on the following provisions.

ARTICLE I.

During the year following the expiration of the Convention, proceedings shall be commenced for the reciprocal exchange and return to the country of origin of the silver 5-franc pieces which may exist in equivalent amounts in the various states.

ARTICLE II.

The deliveries of coin or of funds rendered necessary by the execution of the present agreement shall be made:

In France, at Paris, Lyon, or Marseilles;

In Greece, at Athens;

In Italy, at Rome, Genoa, Milan, or Turin;

In Switzerland, at Berne, Bâsle, Geneva, or Zurich.

ARTICLE III.

Each of the contracting states shall withdraw from circulation the silver 5-franc pieces bearing the stamp of the other states of the Union. This withdrawal shall be completed by the first of October of the year following the expiration of the present Convention.

From that date all the silver coins mentioned above may be refused acceptance by the public offices elsewhere than in their country of origin. The states continuing to accept them can receive them only for its own account, and not for that of the state which issued them.

On the 15th of January of the following year after the set-off has been made, the account of coins withdrawn from circulation shall be stated according to their nationality, in each of the states, and the others notified reciprocally.

The balance, if one exists at that date, shall be kept by the state holding it, at the disposal of the state which coined the pieces. The latter shall withdraw these coins, paying for them at their nominal value.

ARTICLE IV.

The payments stipulated in the preceding article shall be made in gold, or in silver 5-franc pieces, coined with the impression of the creditor state, or in drafts payable in that state, either in the same coin or in bank-notes which are current there.

This payment may be apportioned into payments made every three months, provided that the account shall be settled inside of a maximum period of five years, counting from the day of the expiration of the Convention. These payments may be always wholly or partially anticipated.

A bonus shall be paid on the amount payable of 1 per cent. annually during the second, third, and fourth years, and 1½ per cent. during the fifth year. Interest shall in each case be calculated from the 15th of January, the day of the settlement fixing the balance to be withdrawn, and in case of anticipation of the payments, it shall undergo a proportionate abatement.

ARTICLE V.

All the expense of transport, both in the balance of silver coin which is to be returned to its country of origin and of the funds or specie intended to pay for it, is to be borne by each state as far as its own frontiers.

ARTICLE VI.

As a partial exception to the preceding provisions, and in view of the exceptional situation of Switzerland, it is agreed:

1. That the 5-franc pieces issued by France, and withdrawn from circulation in Switzerland, shall be transmitted by the Federal Government to the French Government, which shall cause payment to be made for them to Switzerland according to the following conditions:

The French Government will pay in succession on sight, in Swiss 5-franc silver pieces, or in gold coins of 10 francs and over, coined in accordance with the conditions of the Convention from the beginning of the year following the expiration of the said Convention, for all the consignments of 5-franc silver pieces issued by France and withdrawn from circulation in Switerland, under the reservation that the amount of each of these consignments shall not be less than 1,000,000 nor more then 10,000,000 francs. The final balance alone may be less than 1,000,000 francs.

But the payments to be made in gold by the French Government to the Federal Government on account of the withdrawal of French 5-franc silver pieces, are not to exceed the sum of 60,000,000 francs.

2. That the silver 5-franc pieces issued by Italy, and withdrawn from circulation in Switzerland, shall be transmitted by the Federal Government to the Italian Government, which, from the beginning of the year following the expiration of the convention, shall pay their value, in succession, on sight, in Swiss 5-franc silver pieces, or in gold coins of 10 francs and over, coined in accordance with the conditions of the Convention aforesaid, or in sight-drafts on Berne, Bâsle, Geneva, or Zurich, payable in accordance with the conditions settled in the first paragraph of the fourth article of the present agreement. The amount of each of these consignments of Italian silver 5-franc pieces shall not be less than 500,000 francs, with the exception of the settlement of the final balance, nor more than 2,000,000 francs.

The successive payments to be made by the Italian Government to the Federal Government shall be, as a general rule, composed, to the extent of at least two-thirds, of gold coin and of Swiss 5-franc pieces, and, for the remainder, of drafts in accordance with the conditions settled in the preceding paragraph. If any exception is made to this rule, the proportion shall be re-established on the occasion of the next payment.

But the Italian Government shall not be held liable to pay in gold or in Swiss silver 5-pieces [*sic*], to the Federal Government, a total amount greater than 20,000,000, and the total amount of the payments to be made in money and in drafts by the Italian Government for the entire operation of withdrawing and exchanging the Italian 5-franc silver pieces circulating in Switzerland shall not exceed the sum of 30,000,000 francs.

ARTICLE VII.

The present agreement shall be ratified and the ratifications thereof shall be exchanges at Paris at the same time as those of the monetary convention concluded, of even date, between the four states.

In testimony whereof the undersigned have signed the present agreement, and have affixed the seals of their arms thereto.

Done in duplicate at Paris on _____ [*sic*].

DECLARATION.

1. The Hellenic Government, referring to the several stipulations of article 8 the monetary convention of this date, and desiring to give, on its part, all possible

guarantees for the continuance of the union, assumes the following engagement: During the continuance of the forced currency in Greece, the Hellenic Government will not resume the free coinage of silver, nor after the suppresion of the forced currency will it resume free coinage without a previous understanding with France and Italy.

2. The Swiss Federal Government declares that the obligation stipulated in the second paragraph of article 12 of the monetary convention concluded on this day and date, cannot be put into execution in Switerland except within the limits of federal legislation concerning banks of issue.

An official certificate of this reservation is accorded to the Swiss Federal Government.

In testimony whereof the undersigned plenipotentiaries, duly authorized to this effect, have signed the present declaration, which shall be considered as approved and sanctioned by the respective Governments, without other special ratification, by the simple fact of the exchange of ratifications of the monetary convention to which it has reference.

Done in _____ [*sic*] copies at Paris the _____ [*sic*].

***Source***: *US Congress, 49th Congress, 1st Session, Senate, Executive document* no. 29, attachment no. 11.