In 1717, Sir Isaac Newton, as Master of the Royal Mint, established the value of fine (pure) gold at **84 shillings and 11.5 pence (84s 11.5d)** per troy ounce. This valuation, combined with the standing 1666 price for sterling silver (92.5% pure) of **5 shillings and 2 pence (5s 2d)** per troy ounce, resulted in a calculated value ratio of pure silver to pure gold of **15.2255 to 1**.

Key Data Points of the 1717 Ratio:

- **Gold Valuation:** Pure gold was valued at **£4 4s 11.5d** per troy ounce. This was derived from the valuation of the gold guinea at **21 shillings**.
- **Silver Valuation:** The "mint price" for sterling silver (0.925 fine) had been fixed since 1666 at **5s 2d** (or 62 pence) per ounce.
- **Pure Silver Conversion:** To compare pure gold to pure silver, the sterling silver price (for 0.925 fine) is adjusted to its fine equivalent (1.000 fine). In Newton's calculations, the value of a pound of fine silver was approximately **£3 7s 1.37d**.
- **The Resulting Ratio:** Dividing the value of fine gold by the value of fine silver yields the ratio of **15.2255:1**.

Historical Impact

Newton's 1717 report accidentally set the silver-to-gold ratio too low compared to continental European markets (where it was closer to 14.5:1 or 15:1). Because gold was overvalued in Britain relative to silver:

- Full-weight silver coins were hoarded or exported to be sold for a profit abroad.
- Silver effectively vanished from British circulation, leaving gold as the dominant currency.
- This transition inadvertently created a **de facto gold standard** in Great Britain that lasted until the early 20th century.

** End of notes