

REPORT

OF THE

ROYAL MINT COMMITTEE;

TOGETHER WITH

MINUTES OF PROCEEDINGS AND EVIDENCE.

REPORT BROUGHT UP 24TH OCTOBER, 1872, AND ORDERED TO BE PRINTED.

WELLINGTON.

—
1872.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

FRIDAY, THE 26TH DAY OF JULY, 1872.

Ordered, That a Select Committee be appointed to inquire into the advisability of taking steps for the establishment of a branch of the Royal Mint in this Colony; the Committee to have power to call for persons and papers, and to consist of the following Members—the Hon. Mr. Reeves, the Hon. Mr. Fitzherbert, the Hon. Mr. Vogel, Mr. Reid, Mr. Wood, Mr. Bunny, Mr. Curtis, Mr. Williamson, Mr. Rolleston, Mr. Sheehan, and the Mover; three to be a quorum; Report to be brought up in three weeks.

WEDNESDAY, THE 18TH DAY OF SEPTEMBER, 1872.

Ordered, That the Royal Mint Committee have leave to postpone the bringing up their Report for fourteen days.

REPORT OF THE ROYAL MINT COMMITTEE.

INTERIM REPORT.

THE Committee appointed to consider the advisability of establishing a branch of the Royal Mint in New Zealand have the honor to report to the House that they have taken certain evidence thereon, which they have the honor to present to the House.

CHARLES O'NEILL,
Chairman, Royal Mint Committee.

REPORT.

THE Committee appointed on the 26th day of July, in terms of the following Resolution of the House—"That a Select Committee be appointed to inquire into the advisability of taking steps for the establishment of a branch of the Royal Mint in the Colony, the Committee to have power to call for persons and papers,"—have the honor to report as follows:—

(1.) That they have considered the question referred to them by the above Order, and have taken evidence, and have procured other information, the whole of which will be found in the Appendix to this Report.

(2.) The Committee direct particular attention to the valuable information given, and the documents supplied by, the Deputy Masters of the Royal Branch Mints of Sydney and Melbourne.

(3.) The Committee find that the cost of the necessary buildings and plant required for carrying on successfully all the operations in connection with minting, would be about £40,000, and that the annual expenditure required to be recouped to the Imperial Treasury for management and working expenses would be about £10,000. The amounts paid by Sydney and Melbourne are respectively £15,000 and £20,000 per annum. Colonel Ward, R.E., in one of his Reports (attached hereto), states "that the immediate and sensible effect of the establishment of the Mint in Melbourne will be, to further limit the fluctuations in the price of gold, and to sustain it throughout the year at a shilling an ounce above the average price of late years."

(4.) The Committee find that the quantity of gold exported from New Zealand for the year 1871 was 730,029 ounces, valued at £2,787,520.

(5.) The advantages to be gained by the country in the establishment of a branch of the Royal Mint in New Zealand are, the increased price in the value of gold to the extent of at least £60,000 a year, and the profits arising from charges for refining, coining, melting, and assaying.

(6.) The Committee strongly recommend that further inquiry should be made by the Government during the recess, to ascertain whether the Imperial Government would consent to the establishment of a Branch Mint; and also that, if such consent should be obtained, proposals of a practical character should be submitted to Parliament at its next Session.

CHARLES O'NEILL,
Chairman, Royal Mint Committee.

MINUTES OF PROCEEDINGS.

TUESDAY, 30TH JULY, 1872.

PRESENT:

Mr. Bunny,	Mr. O'Neill,
Mr. Curtis,	Mr. Sheehan,
Hon. Mr. Fitzherbert,	Mr. Williamson.

Order of reference read.

Moved by the Hon. Mr. Fitzherbert, and seconded by Mr. Curtis, That Mr. O'Neill do take the chair. Carried.

Moved by the Hon. Mr. Fitzherbert, That the Clerk be requested to obtain all necessary papers relating to former proceedings respecting the advisability of taking steps for the establishment of a branch of the Royal Mint in this Colony. Carried.

Moved by Mr. Curtis, seconded by Mr. Sheehan, That the Chairman do write or telegraph to the Deputy Masters of the Victoria and New South Wales Mints for information as to the necessary costs of such establishment. Carried.

The meeting then adjourned.

WEDNESDAY, 18TH SEPTEMBER, 1872.

Committee met pursuant to notice.

PRESENT :

Mr. Bunny,
Mr. Sheehan,

Mr. Williamson.

Mr. O'Neill, Chairman.

Minutes of previous meeting read and confirmed.

Letters from Colonel Ward, Deputy Master of the Royal Mint, Melbourne, and from C. Elouis, Esq., Deputy Master of the Royal Mint, Sydney, were laid before the Committee by the Chairman, and read.

Certain other documents relative to the Royal Mint at Melbourne were laid before the Committee by the Chairman, and read.

Moved by Mr. Williamson, That the Chairman be directed to prepare for presentation to the House as soon as practicable an Interim Report, with the letters and information now laid before the Committee; and the House be moved to order such Interim Report, letters, and information to be printed for the information of the honorable Members of both branches of the Legislature. Carried.

Moved by Mr. Sheehan, That the Chairman convey to the Deputy Masters of Sydney and Melbourne Mints the thanks of the Committee for the valuable information and documents given by them to the Committee.

Moved by Mr. Sheehan, That application be made to the Colonial Secretary for a Return showing the annual export of gold from each Gold Field of the Colony during the five years ending 31st December, 1871. Carried.

Mr. Bradshaw, M.H.R., in attendance, and gave evidence.

The Committee adjourned.

MINUTES OF EVIDENCE.

WEDNESDAY, 18TH SEPTEMBER, 1872.

J. B. BRADSHAW, Esq., M.H.R., in attendance, and examined.

Mr. Bradshaw.

18th Sept., 1872.

1. *By the Chairman.*] Mr. Bradshaw, in answer to certain questions, stated:—That he was an assayer and metallurgist. Had considerable experience in the buying and assaying of gold in the Colony of Victoria and New Zealand, both on his own account and for the banks. Was also on the staff of the Bank of Australasia as an assayer, in the Colony of Victoria. The quality of gold differs, not only in districts in the Colony of Victoria, but also in gullies and leads. Has assayed alluvial gold as low as twenty-two carats fine, and as high as within an eighth of purity. In New Zealand the alluvial gold in the Middle Island varies considerable in quality, and, like other parts of the world, the loss in melting is different in the same Province, and sometimes in the same locality. Has assayed New Zealand gold both in Victoria and in New Zealand. Gold is generally purchased at a fixed price agreed upon by the banks. In 1862–63 it was purchased at about £3 10s. to £3 11s. per ounce. It is now being purchased at £3 15s. and £3 16s. an ounce regardless of the quality.

2. What would be the advantage of the establishment of a branch of the Imperial Mint in the Colony of New Zealand?—It would enable the producer to obtain the exact value of his gold in accordance with quality and as fixed by law, viz. £3 17s. 9d. per ounce for bullion standard quality, and £3 17s. 10½d. for coined gold of standard quality, viz. 22 carats fine. These prices would be subject to the following deductions:—Duty, which could (if coined) be deducted in the Mint, coinage, loss in melting, freight, and insurance, &c. The following are examples: Assuming the quality to be 23 carats 2 grains fine, and the loss in melting 2 per cent.

Coined Gold in Sovereign for Currency.

22 carats ...	...	...	...	...	...	£3 17 10½	
1 carat ...	...	...	...	...	...	0 3 6	
2 grains ...	...	...	...	...	...	0 1 8	
							£4 3 0½
Less charges—Duty...	...	...	...	...	...	£0 2 6	
Loss on melting ...	...	...	...	...	...	0 1 6	
Coinage ...	...	...	...	...	...	0 0 6	
							0 4 6
							£3 18 6½

Bar Bullion for Shipment.

22 carats	...	...	...	...	£3 17 9	
1 carat	...	...	...	...	0 3 6	
2 grains,	...	...	...	...	0 1 8	
						£4 2 11
Less charges—Duty	...	...	...	...	£0 2 6	
Loss in melting	...	...	...	...	0 1 6	
Freight and insurance, &c.	...	...	...	...	0 1 0	
						0 5 0
						£3 17 11

3. Would not the establishment of an Assay Office serve all the purpose?—An assay determines only the quality; it does not determine the price. In the absence of a Mint, or an agreement by the Government with some institution to purchase all gold at a fixed standard value, the price of gold would fluctuate at the will of private buyers.

4. What is the price of bar bullion in England now?—The last quotations are, for unrefined, £3 17s. 11d. per ounce standard; and refined, £3 17s. 9d. per ounce standard.

5. What is your opinion in respect to the Mint becoming a purchaser of gold?—I am of opinion that the Mint should not be a purchaser of gold. It should confine its operations to coining for the public, unless there was a scarcity of coin for currency, and even then I am of opinion that the want would be supplied by private enterprise. If the Mint coined over and above what was wanted for circulation, the cost of the surplus coinage would be a loss to the country.

6. Would not the additional metallic currency displace the bank-note circulation?—No; these matters are regulated by circumstances, by requirements, by convenience, or by the whims of the community. The amount required for circulation, whether paper or coin, is that contained in the safes, the pockets, and tills of the people. All sums over and above these requirements are placed in the coffers of the banks. "And as money or gold is worthless unless it is used, and as it is not used till it is parted with," the banks, if they have more bullion than is required for the use of the Colony, would ship the surplus away to where it is wanted. The fact that the banks have large amounts of bullion in their coffers proves nothing but that a large amount of their capital is unemployed.

7. Is it in your opinion the duty of the State to establish Mints for coinage of gold?—Yes, I think it is. Gold is made a medium by which all exchanges in commerce are regulated. And as the price has been fixed by law, the state has very properly reserved to itself the monopoly of minting, and because it is the best guarantee to the public that the coin contains the exact quantity of the precious metal required by law.

APPENDIX.

No. 1.

C. ELOUIS, Esq., to C. O'NEILL, Esq., M.H.R.

SIR,—Royal Mint, Sydney, 14th August, 1872.

I have had the honor to receive this day your telegram dated 31st July, 1872, requesting certain information for the Select Parliamentary Committee engaged in the inquiry as to the advisability of establishing a branch of the Royal Mint in New Zealand.

A memorandum with your queries and the answers thereto is enclosed, together with four papers relating to the constitution and business of this establishment. I trust that the information they afford may be useful to your Committee, to which I shall be happy to furnish further details should they be required.

C. O'Neill, Esq., M.P.,
Government Buildings, Wellington, New Zealand.

I have, &c.,
C. ELOUIS,
Deputy Master.

Enclosure No. 1.

QUESTIONS put to Mr. ELOUIS; with his REPLIES.

Cost of New South Wales Mint complete, including buildings and machinery?—The total expense incurred in bringing the Mint into active operation was £48,990, viz.:—Cost of buildings, £19,005; machinery and freight, £17,620; passages of officers and staff, £1,970; salaries, wages, and contingent expenses to day of opening, £10,395; total, £48,990. It is to be observed, however, that the cost of buildings included only the erection of workshops and buildings for the machinery at the back of an old building which was applied to the purposes of offices for the general conduct of the Mint business.

Yearly cost to the Colony?—About £12,000.

Will New South Wales Mint be self-supporting?—It has hitherto been self-supporting.

Cost of a suitable establishment in New Zealand?—The establishment of the Sydney Mint has lately been revised, with a view to the utmost economy compatible with efficiency. In the absence of information in regard to the relative value of labour, &c., it is difficult to form an estimate of the cost of a suitable establishment in New Zealand; but I think it could not be very much less than the cost of the Sydney establishment.

How much gold should be produced to make a Mint self-supporting?—The quantity of gold required to make the Mint self-supporting would depend upon the rates of charge. At the rates charged at the Sydney Mint on gold produced in New South Wales, about 400,000 oz. would be required. In reference to the wording of the question, it is perhaps unnecessary to remark that the point is not the quantity of gold produced in the Colony, but the quantity of that produce which the Mint would be likely to attract.

The following documents are enclosed with the hope that they may afford the Committee some information:—

1. Order in Council of 19th August, 1853, constituting the Sydney Branch of the Royal Mint. The principal establishment authorized by this Order in Council has been considerably modified in regard both to simplicity and economy.
2. Colonial Act, 28 Vict., No. 3, making permanent provision for the Sydney Mint.
3. Proclamation by Her Majesty on the issue of which the foregoing Act was dependent.
4. Regulations for the receipt of Gold for Coinage at the Sydney Branch of the Royal Mint.

Sub-Enclosure 1 in Enclosure No. 1.

ORDER IN COUNCIL of 19th August, 1853, constituting the SYDNEY BRANCH of the ROYAL MINT.

WHEREAS there was this day read at the Board a representation from the Commissioners for executing the office of our Lord High Treasurer, in the words following, that is to say:—

“The Commissioners of your Majesty’s Treasury beg leave to represent to your Majesty, that it appears to your Majesty’s said Commissioners to be expedient—

“That a branch of the Royal Mint be established at or near Sydney, in New South Wales, on such site as the Governor or Officer Administering the Government of the Colony for the time being may approve; that the chief officer thereof, who shall be considered as a Deputy Master of the Royal Mint on being appointed by Her Majesty, be authorized and empowered to coin gold and other coin, in accordance with the standards of weight and fineness of the currency of this realm, and of such designs as may from time to time be approved by Her Majesty; and that the Master of the Royal Mint be authorized to prepare and transmit dies for such coins, so long as the Lords Commissioners of Her Majesty’s Treasury may think necessary, and subject to such regulations as they may prescribe.

“That it may be lawful for the Governor, or Officer Administering the Government of the Colony for the time being, with the advice of his Executive Council, to frame regulations under which the Mint shall receive gold bullion, and coin the same; and unless other provision shall be made for the expenses of the Mint, to authorize the retention (without reference to any charge which may be imposed for the expense of refining such bullion) of such a proportion thereof, or of the coin struck therefrom by way of a mint-charge or seignorage, as shall be sufficient to raise a fund for defraying the expenses attending the coinage, and to apply the same to such purpose.

“That the Deputy Master be empowered, subject to the approval of the Governor or Officer Administering the Government of the Colony for the time being, to enter into such contracts, and to establish such regulations for the orderly and convenient performance of the duties of the Mint, as may be found necessary; and that he do hold his office during Her Majesty’s pleasure: the Governor, or Officer Administering the Government of the Colony, being empowered to appoint a person to perform his duties in the case of his death, or incapacity from any other cause, until the pleasure of Her Majesty is made known.

“That four other principal officers of the Mint be appointed from time to time, by the Commissioners of Her Majesty’s Treasury; and that the Governor or Officer Administering the Government of the Colony be empowered, on the application of the Deputy Master, to suspend either of them in case of misconduct, and on the recommendation of the Deputy Master, to appoint a person to perform the duties of either of them, in case of death, sickness, infirmity, resignation, or suspension, subject to the orders of the Commissioners of Her Majesty’s Treasury.

“And that the four officers so to be appointed shall be—

“1st. The Superintendent of the Bullion Office, who shall be responsible to the Deputy Master for the receipt of bullion and the delivery of coin by the Mint; the safe custody of the same while in charge of his department; the faithful conduct and accurate record of all transactions with the public, and the Coining Department of the Mint; the general precision of the arrangements and integrity of the operations of the refinery and melting-house; and for the faithful and zealous discharge of any other duties which the Deputy Master may direct him to perform.

“2nd. The Superintendent of the Coining Department, who will be responsible to the Deputy Master for the bullion delivered into his charge by the Superintendent of the Bullion Office; for its conversion into coin of the legal weight, properly stamped with the authorized dies; for the safe custody and legitimate use of the dies; for the operations of his department being properly and economically conducted; for the records thereof being kept with care and precision, and for the faithful and zealous discharge of any other duties which the Deputy Master or his representative may direct him to perform.

“3rd. The First Clerk of the Bullion Office, who, under the immediate supervision of the Superintendent of the Bullion Office, will be responsible to the Deputy Master for the skilful and economical direction of the operations of melting and refining; for the records thereof being kept with care and precision; and for the faithful and zealous discharge of any other duties which the Deputy Master or his representative may direct him to perform.

“4th. The Registrar and Accountant, who will be responsible to the Deputy Master for the proper registering and safe custody of the documents delivered to his charge; for the store, cash, bullion, and other accounts of the Mint being kept with care and precision, in such form as may from time to time be directed; and for the faithful and zealous discharge of any other duties which the Deputy Master or his representative may direct him to perform.

“And that all such other officers and servants of the Mint as may be necessary, shall be appointed and discharged from time to time by the Deputy Master, on the approval of the Governor or Officer Administering the Government of the Colony.

“And the Deputy Master shall faithfully, and without unnecessary delay, after the expiration of each calendar month, transmit to the Master of the Royal Mint the following returns:—

- “Weight of rough gold and weight of gold bullion received from the public by the Bullion Office;
- “Weight melted previous to assay;
- “Weight assayed and valued, and value thereof;
- “Weight refined;
- “Weight and value of bullion reissued, and amount charged for melting, assaying, and refining;
- “Weight of bars delivered for coinage, distinguishing those from scissel and ingot pots;
- “Weight of each description of coin produced;
- “Weight of each description of coin delivered to the public, and the amount, if any, charged for coining;
- “Number and average of assay reports on which ingot pots have been passed into work, and the highest and lowest assay reports of such pots;
- “The same for scissel pots;
- “The same for the assay of coin;
- “Number and description of dies received or completed during the month, of dies worn out, of dies effectually defaced, and of serviceable dies in hand.

“And that the Deputy Master shall faithfully, and without unnecessary delay, forward to the Master of the Royal Mint, at the end of every quarter, a return showing the waste during the quarter, distinguishing the waste arising in melting, in refining, in coining, and in assaying.

“And he shall forward any other returns which the Master of the Royal Mint, with the consent of the Lords Commissioners of Her Majesty's Treasury, may require.

“And that to insure the careful observance of the standard in the coin, the Deputy Master shall only permit coin to be delivered to the public between such hours, on such days, as shall from time to time be ordered by the Governor or Officer Administering the Government of the Colony, during which time an officer appointed by the Governor or Officer Administering the Government of the Colony shall attend and take, without preference in the selection, a number of pieces in proportion to the quantity delivered, not being more than one piece out of every five hundred coins, nor less than one piece in five thousand. That the piece or pieces so taken be sealed up by the officer appointed as aforesaid, and the envelope dated and signed by him, and be forwarded by the Deputy Master to the Master of the Royal Mint in London for such examination as the Lords Commissioners of Her Majesty's Treasury may direct.

“And that the Governor or Officer Administering the Government of the Colony shall obtain once every month from the general circulation two pieces in good condition of each description of coin issued from the Mint, and shall cause the same to be transmitted to England in such manner as he shall think fit, in order that they may be subjected to the like examination.

“And that the Governor or Officer Administering the Government of the Colony shall also direct a Board of Government Officers, not less than three in number, to assemble at the Mint at the expiration of each quarter, for the inspection of the store of bullion and coin in the Mint, and report on the same to him, stating the exact amounts of the balance of each description verified by them, and shall transmit a copy of the report to the Deputy Master, to be transmitted by him to the Master of the Royal Mint.

“That the Lords Commissioners of Her Majesty's Treasury and Her Majesty's Principal Secretary of State for the Colonies, may have authority to issue and give such instructions as to them may respectively appertain for effecting the several matters and things hereby ordered to be carried into effect.

“Your Majesty's Commissioners therefore beg leave to lay before your Majesty the before-mentioned circumstances, and humbly pray that your Majesty will be graciously pleased to take the premises into your royal consideration, and to make such order in respect thereto as to your Majesty in your royal wisdom shall seem meet.”

Her Majesty having taken the said representation into consideration, was pleased, by and with the advice of Her Majesty's Privy Council, to approve thereof, and to order, and it is hereby ordered, that the same and every part thereof be acted upon and carried into effect; and the Commissioners of Her Majesty's Treasury, and the Duke of Newcastle, one of Her Majesty's Principal Secretaries of State, and the Master and Worker of Her Majesty's Mint, are to issue and give such rules and directions as to them may respectively appertain for effecting the several matters and things hereby ordered to be carried into effect.

(Signed) C. C. GREVILLE.

Sub-Enclosure 2 in Enclosure No. 1.

AN ACT to make permanent provision for the Sydney Mint.

[Assented to 21st April, 1865.]

WHEREAS it is expedient to make permanent provision in this Colony for maintaining the establishment of the Sydney Branch of the Royal Mint: Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same as follows:—

1. There shall be payable to Her Majesty in every year, out of the Consolidated Revenue Fund of the Colony, a sum or sums not exceeding in the whole in any year the sum of fifteen thousand pounds, for defraying the salaries, contingencies, retiring and other allowances connected with the establishment

of the Sydney Branch of the Royal Mint: Provided that such yearly payments shall take effect and begin to run on and from the day upon which a Proclamation issued by Her Majesty in England shall be duly published in this Colony, declaring that the coin issued from the said Sydney Branch is to be a legal tender for payments within the United Kingdom of Great Britain and Ireland.

2. The said several sums of money shall be paid by the Colonial Treasurer in discharge of such warrants as shall from time to time be issued under the hand of the Governor. And the said Treasurer shall account to Her Majesty for the same, through the Lords Commissioners of Her Majesty's Treasury, in such manner and form as Her Majesty shall be graciously pleased to direct.

3. From and after the day on which the aforesaid yearly payments shall commence, all sums by way of fees dues or charges lawfully received or collected at the Sydney Branch shall be from time to time accounted for and paid over by the Deputy Master or other proper officer of the said Branch to the Colonial Treasurer, to be by him paid into the Consolidated Revenue Fund of the Colony.

4. This Act shall be styled and may be cited as the "Sydney Mint Act of 1865."

Sub-Enclosure 3 in Enclosure No. 1.

EXTRACT from *New South Wales Gazette*, No. 155, 14th August, 1866.

A PROCLAMATION for declaring Gold Coins made at the Branch Mint at Sydney, New South Wales, a legal tender within the United Kingdom of Great Britain and Ireland, and for imposing a charge of threepence per ounce troy of standard Gold on the coinage of Gold at the said Branch Mint, being a charge sufficient to defray the expenses of coinage over and above the expenses of assay and refining.

VICTORIA R.

WHEREAS, by an Order in Council, bearing date the nineteenth day of August, one thousand eight hundred and fifty-three, We have thought fit to order that a Branch of our Royal Mint should be established at or near Sydney, in New South Wales:

And whereas, in the eighteenth year of Our Reign, by an Order in Council, dated the eighteenth day of October, one thousand eight hundred and fifty-four, We have thought fit to order that certain pieces of gold money should be coined at the said Branch of Our Royal Mint, to be called respectively Australian sovereigns and Australian half-sovereigns, and to be of the same respective weights, fineness, and values with the sovereigns and half-sovereigns now current within this Our Realm:

And whereas, pursuant to and in virtue of the powers given in Our said Orders in Council, it is provided that a coinage of the said Australian sovereigns and half-sovereigns shall be made, and that every such Australian sovereign shall have for the obverse Our effigy, with the inscription "Victoria D.G., Britannia Regina, F.D.," and the date of the year, and for the reverse the word "Australia," placed in the centre of the piece, encircled by a laurel wreath, and surmounted by the Royal Crown, with the inscription "Sydney Mint: One Sovereign," and with a graining on the edge, and that every such Australian half-sovereign shall have the obverse in every respect similar to that of the sovereign, and for the reverse the same word "Australia" in the centre, encircled and surmounted in like manner, but for the inscription the words "Sydney Mint: Half-Sovereign," and a graining on the edge:

And whereas pieces of gold money have been and will be coined at Our said Branch of the Royal Mint, in pursuance of orders issued and to be issued:

And whereas, by an Act made and passed in the twenty-sixth and twenty-seventh years of Our Reign, intituled "An Act to enable Her Majesty to declare Gold Coins to be issued from Her Majesty's Branch Mint, at Sydney, New South Wales, a legal tender for Payments, and for other purposes relating thereto," it is provided that "it shall be lawful for Her Majesty, by Proclamation, issued with the advice of Her Privy Council, to declare that, after a date specified in such Proclamation, gold coins made at the said Branch Mint at Sydney aforesaid, of designs approved by Her Majesty, and being of the same weight and fineness as are required by law with respect to gold coins of the same denominations made at Her Majesty's Mint, in London are to be a legal tender for payments within the United Kingdom of Great Britain and Ireland, and upon such Proclamation being issued, gold coins, made of such designs, and being of such weight and fineness as aforesaid, shall be a legal tender for payments accordingly:"

And whereas by the same Act it is further provided that "it shall be lawful for Her Majesty, by Proclamation, issued with such advice as aforesaid, from time to time to impose on the coinage of gold at the said Branch Mint, at Sydney, a charge sufficient to defray the expenses of coinage over and above the expenses of assay and refining; and it shall be incumbent on the said Deputy Master to coin gold at the charge so imposed:"

We therefore, by and with the advice of our Privy Council, have thought fit to issue this Our Royal Proclamation, and We do ordain, declare, and command, that from and after the date of the publication of this Our Proclamation in the *London Gazette*, coins made at the said Branch Mint, of designs approved by us, at Sydney, aforesaid, and being of the same weight and fineness as are required by law with respect to gold coins of the same denominations made at our Mint in London, shall be a legal tender for payments within the United Kingdom of Great Britain and Ireland.

And We do hereby, by and with the advice of Our Privy Council, by this Our Royal Proclamation, impose on the coinage of gold at the said Branch Mint, at Sydney, the charge of threepence per ounce troy of gold of standard fineness, being a charge sufficient to defray the expenses of coinage over and above the expenses of assay and refining.

Given at Our Court, at Osborne House, Isle of Wight, this third day of February, in the year of our Lord one thousand eight hundred and sixty-six, and in the twenty-ninth year of Our reign.

GOD SAVE THE QUEEN!

Sub-Enclosure 4 to Enclosure No. 1.

REGULATIONS for the Receipt of Gold for Coinage at the Sydney Branch of the Royal Mint.

HIS Excellency the Governor, with the advice of the Executive Council, has been pleased to frame the following Regulations for the receipt and coinage of gold at the Sydney Branch of the Royal Mint, —such Regulations to take effect from 1st September next.

1. Importations of gold dust or gold bullion for coinage, from 10 oz. upwards, will be receivable at the Mint daily (Saturdays and holidays excepted), between the hours of 11 a.m. and 3 p.m.

2. In addition to the charge of threepence per ounce, imposed by Her Majesty's Proclamation of the 3rd February, 1866, on the coinage of gold, there shall be paid, for melting, assaying, and refining, the following charges, viz. :—

(1.) On undivided parcels, containing not less than 1,000 oz. standard (to be melted and assayed in one lot), at the rate of 3d. per ounce (standard).

(2.) On parcels containing less than 1,000 oz. standard, at the rate of 5d. per ounce (standard).

3. A reduction of the above Mint charges, to the amount of 3d. per ounce standard, will be made in respect to gold, the produce of any other country, imported to the Mint, under the conditions prescribed in the second clause of the Act 26 Viet., No. 5, granting a duty on gold.

4. All silver over and above 2 per cent., contained in refinable gold, will be paid for at 5s. per ounce (fine).

5. The gold will be melted, if preferred, in the presence of the importer. The importer will also be furnished, on demand, with a clip for assay, from his own ingot, as a check on the Mint report.

6. Gold received up to Wednesday evening in each week will be payable on the following Tuesday. Gold received after Wednesday will be payable on the following Tuesday week.

7. The Mint will issue, if required, gold bullion in bars or ingots, at £3 17s. 10½d. per ounce standard. When the bars or ingots are required to be alloyed with silver, the silver will be charged for at 5s. per ounce.

SAUL SAMUEL.

The Treasury, New South Wales, 23rd August, 1870.

No. 2.

Colonel E. W. WARD, R.E., to C. O'NEILL, Esq., M.H.R.

SIR,—

Melbourne, 12th August, 1872.

Your telegram, dated 31st July, from Nelson to Greymouth, has just reached me here. I will endeavour to answer it in this letter.

The cost of the Melbourne Mint, including that of machinery and buildings, payment of staff and every item up to the day of opening, cannot have been less than £75,000. Some of this expenditure is due to the handsome design and the elaborate arrangements of the Mint buildings, and some to the time which has been taken to complete them. A Mint in New Zealand, sufficient to answer every purpose, ought not to cost more than £40,000. The cost of Mint buildings and machinery is not in proportion to the amount of gold to be coined. The machinery necessary to coin £3,000,000 a year would be required to coin £1,000,000, and almost the same buildings and offices.

The Melbourne Mint, if utilized without regard to political considerations, and with the main object of yielding a revenue, would be more than self-supporting. It would be unsafe at present to venture an assertion that it will be so, as the result depends on the regulations for the receipt of gold which the Government may adopt. My opinion is that ultimately it will yield a revenue in excess of the annual cost of maintaining it.

Your question as to how much gold should be produced to make a Mint self-supporting is not one that I, who am unacquainted with the circumstances attending the production, purchase, and export of gold at the port of the proposed Mint can satisfactorily answer. The Sydney Mint has required a coinage of about £1,250,000 per annum to make it self-supporting. The Melbourne Mint will probably require to coin at least double that value of gold to achieve the same result. The reason is that the market price of gold at the port of Melbourne is higher than it is at the port of Sydney.

Perhaps I can suggest a method of calculation by which you may arrive at a tolerably accurate conclusion.

I must first premise that a Mint, if it is to receive gold for coinage in any quantity, must purchase it at the highest price prevailing in the market at the time, and that the tendency of a Mint in successful operation is to maintain the market price of gold at one unvarying high level. Ascertain then the price given for gold per standard ounce at the port at which the Mint is proposed to be established, and at the time of the year when the price is at its highest. Assume that this price will rise say 1s. an ounce when the Mint enters into competition with the market for the purchase of gold, and take the latter as the price which the Mint will have to give for gold at all times of the year. The difference between the latter price and £3 17s. 10½d. is the profit which the Mint will make on every ounce of gold purchased. If you assume the annual cost of maintaining the establishment at £10,000 as a minimum, you will be able to see how many ounces of gold must be purchased each year to make the Mint self-supporting.

For example, I will assume that you propose to have a Mint at Wellington. If the price given for gold at Wellington at the time of year when the price is at its highest is £3 16s. per standard ounce. Assume that the Mint when in competition will raise this to 77s. per ounce. The difference

between 77s. and 77s. 10½d. will be the profit on every ounce of gold purchased, and the Mint, to be self-supporting, must purchase at this rate 230,000 oz. per annum.

Even if the Mint gives the highest market price, it cannot expect to purchase all the gold offered at Wellington. The Banks will buy, especially at that season of the year at which there is little or no other produce coming forward for export to England; but the Mint might calculate on purchasing from one-half to three-fourths of the gold which otherwise would be exported as bullion.

Therefore, under the assumed conditions, the annual export of gold from Wellington should not be less than 400,000 oz., if the Mint at that port is to be self-supporting.

I forward you with this a short memorandum explanatory of the action of Mints in Australia, which, though written with special reference to Victoria, may be found generally applicable to New Zealand.

I also enclose a copy of the Queen's Order in Council defining the constitution of the Melbourne Mint, and a copy of our regulations for the receipt and coinage of gold.

I shall be glad to receive a copy of the report and evidence of your Select Committee when published, and any other information regarding gold which you may have in your power to send me.

I have, &c.,

E. W. WARD.

Charles O'Neill, Esq., Government Buildings,
Wellington, New Zealand.

Enclosure 1 in No. 2.

MEMORANDUM respecting the Action of a Mint in Australia.

A MINT in Australia can be rendered serviceable in maintaining the local price of gold and wool and generally of all exports from this country to England.

In the absence of a Mint, the local price of gold, as that of any other product, must vary according to the demand, or according to the profit which a purchaser may be able to realize by its disposal. The gold produce of this country must also be exported, and the bulk of it is exported to England. The cost of its transmission and disposal, together with that of the return of the proceeds, affects the price which can be obtained for it if offered for sale in the local market.

Again, the balance of trade between England and Victoria affects the local demand, and therefore the local price of gold. If Victoria owes a balance of debt to England, gold will be in demand as a convenient remittance; and as the debt must be paid, the competition for gold will cause a rise in the local price, and thus compel debtors to bear some portion of the cost of transmission. The balance of debt might be so great, and the competition to purchase so active, that the whole of the cost attending the settlement might fall on the debtors. In such case the expense to the producer, connected with the disposal of the gold in England would be counterbalanced by the local demand for it as a remittance; and the local price—that is, the price obtainable in Victoria—would rise to the highest price it can realize in England—that is, the London Mint price of 77s. 10½d. the ounce standard.

On the other hand, as the balance of debt becomes due from England to Victoria, the local demand for gold as a remittance will diminish, and may cease. In the latter contingency, the producer would be compelled to bear the whole of the expense attending its final disposal in England, and the local price of gold would fall below the London Mint price to an extent equal to the expenses, including freight, insurance, loss of interest, and all charges attending its transmission and disposal, and the return of the proceeds to this country. These are the two natural extremes between which the price of gold in this Country may vary, in the absence of a more convenient market than England. The difference between the two is the cost of converting gold into coin.

A similar course of reasoning is to some extent applicable to wool as well as to all exports to England. The bulk of the wool of this country is exported to England. It is useful as a remittance; and the cost of its transmission must affect its local price, which also will rise when exports are in demand, or when a balance of debt is due to England, and fall when the balance is due to Victoria. As, however, the price of wool in England is not a fixed one as that of gold practically is, it is affected by an item of uncertainty from which gold is free; but for the present purpose this fact may be left out of consideration. The reasoning in regard to wool is generally applicable to all exports from this country to England, and the following conclusions may therefore be accepted in regard to exports taken collectively:—The prices in Australia of all exports for England may vary between two extremes, the difference between which represents the expenses attending their transmission to England, their disposal, and the return of the proceeds. The extent to which these prices will vary will depend on the extent to which the balance of trade between Australia and England may be disturbed.

The rise or fall in the rate of exchange on bills drawn in Australia on England indicates a corresponding rise or fall in the local price of exports for England.

In this country, the exporter usually draws a bill against his produce as he exports it, for a portion or for the whole of its estimated value. The bill is sold in the local market, generally to a Bank, to which the bills of lading representing the export are delivered as security. On the sale of the export in England, the proceeds are first applied to meet the bill. It is evident that an arrangement of this kind cannot affect the balance of trade between Victoria and England, by which the local price of exports is affected. It is clearly equivalent to a local sale of the export, or of a portion of it; and as the sale places the purchaser of the bill to the extent of its value in the position of the owner of the produce, the price received for the bill will depend on the balance of trade, or on the local price offering for the export—that is, when exports are in demand for remittance, bills drawn against them will rise in price perhaps to a premium; when they are in excess of the demand, such bills will fall perhaps to a discount.

In practice, it may be usual to lower the rate of exchange in anticipation of the excess of exports to come forward, and *vice versa*. Nevertheless, the rate of exchange is governed by the balance of trade existing or anticipated; and a rise or fall in the local price of exports for England is clearly indicated by a rise or fall in the rate of exchange on bills drawn against them.

The cause of the fluctuation in the balance of trade between Australia and England when there was no certain market for gold nearer to this country than England may be illustrated as follows:—If the value of the produce of Victoria exported annually to Great Britain be taken at £9,300,000, the proportion in gold would be about £5,400,000, in wool about £3,300,000, and in miscellaneous articles about £600,000. The bulk of the wool leaves the country in the four months ending with February; but the gold and miscellaneous articles are exported at a fairly uniform rate throughout the year. As the exports must be paid for by imports, it will be sufficiently accurate for the purpose of this illustration if it be assumed that the value annually imported is equal to the value exported, and that the imports arrive in the country at the uniform rate of £775,000 monthly.

Under these conditions it appears that in the four months ending in February there would be—

Exported	{	In Gold	...	...	...	...	£1,800,000
		In Wool	...	...	...	...	3,300,000
		In Miscellaneous	...	...	...	...	200,000
		Total	...	...	...	...	£5,300,000
Imported	...	...	...	...	...	...	3,100,000
		Excess of Exports	...	...	...	...	£2,200,000

In the following eight months there would be—

Exported	{	In Gold	...	...	...	...	£3,600,000
		In Wool	...	...	...	...	<i>Nil.</i>
		In Miscellaneous	...	...	...	...	400,000
		Total	...	...	...	...	£4,000,000
Imported	...	...	...	...	...	...	6,200,000
		Excess of Imports	...	...	...	...	£2,200,000

In the first period the excess of exports would cause a fall in their local price, and in the rate of exchange on bills drawn against them; and in the second period the excess of imports would cause a rise in the price of exports, as well as of bills drawn against them.

The fluctuation in the local price of wool or of gold, which thus affects the producer whether he sells his produce in the local market or takes an advance upon it, being due to the prevailing balance of trade with England, is an evil for which, under the conditions which existed previous to the establishment of a Mint in Sydney, there was no practical remedy or relief.

A disturbance in the balance of trade may be diminished, and a fall in the price of exports be restrained, if a portion is withheld from shipment or sale for export; but unless some other equally advantageous or better market is found for the portion withheld, there is no commercial inducement to act thus, and it was not until the Sydney Mint was established that such a market was provided.

A Mint, by converting gold into coin, practically purchases gold; and if the capacity of the Mint for coining is unlimited, and the charge for the service is uniform, it is an unlimited market for the disposal of gold at one uniform price. If, also, the charge is so small as to cause the Mint price to be as high as the market price when the latter is at its highest, the local price of gold cannot fall, as the Mint will purchase all the gold when the market price falls below the Mint price, and it will compete with the market for the purchase of gold when the market price is at its highest,—that is, when gold is most in demand for remittance and export.

The Mint thus becomes an advantageous local market for the disposal of gold when exports are coming forward in excess; and by purchasing at this period it retains one local product for a time in the country, reduces the excess, and restrains the fall in price of exports, as well as of bills drawn against them. It does not, however, permanently retain the gold in the country. It has, with advantage to the producer and to exporters generally, converted the gold into a shape convenient for local use, as well as for remittance to other countries than England without destroying its value as bullion. When the export of wool has ceased, the gold coin which may be in the country in excess of local requirements will be exported to England as well as bullion, the one being as convenient as the other for remittance, and the export of both being required to pay for imports. A reference to the illustration already given will best explain this.

Under certain assumed conditions, and with no market more accessible to this country than in London, it appears that the exports to England for the four months ending with February would amount to about £5,300,000 in value, of which about £1,800,000 would be in gold; also, that from an excess of exportation during this period amounting to about £2,200,000, the local prices of gold, wool, and of all products for export to England, would fall.

If, however, a local Mint should purchase the gold at a price advantageous to the producer, and restrain it from immediate export to England, the exports of the period would be reduced to £3,500,000, and their excess over the imports of the same period to £400,000, with a corresponding benefit to the local prices of all products coming forward for export at the time.

Under the same conditions, the imports for the eight months following are shown to exceed the exports by £2,200,000; but if the gold, or any portion of it, which was previously withheld, were then exported to England, the excess of imports would be reduced, and a corresponding check would be given to a rise in the local price of exports.

A Mint in Australia can thus restrain the disturbance in the balance of trade between England and Australia; but as it prevents an undue rise as well as fall in the local price of products brought forward for export, it might appear to be of no material benefit to the producer, as the average price might in both cases be the same. If we overlook the disadvantage which extreme fluctuations in price are to men of moderate means, who form the bulk of the mercantile community, this might be true in regard to the miscellaneous articles, valued at £600,000 per annum, which are exported for Great Britain at one uniform rate throughout the year; but it is not true in regard to either wool or gold. Wool producers are compelled, as the lesser of two evils, to export at a particular time of the year. By the rush to export, the local price for wool is lowered, and does not recover until the wool season is over.

If Australia were as near to England as the rest of Europe is, a fall in the rate of exchange would probably encourage excessive importation, which, by lowering the prices of imported articles, might make good to the local producer his loss by the fall of the exchange. No effect of this kind can be traced in the official returns of this Colony or in the price of imported articles. The loss on the exchange may therefore be regarded as absolute.

As regards gold, I shall show that the Mint will be able to purchase it throughout the year at the price which in this country is given for it when it is most in demand, or at its highest price. Thus, the two industries of this country, which produce and export to England about £8,000,000, will receive a substantial support by the presence of a Mint in Australia.

It has already been explained how a rise or fall in the local price of exports destined for England is indicated by a rise or fall in the rate of exchange in Australia on England. I have therefore attached to this memorandum a return which gives the highest and lowest rates of exchange which prevailed in Sydney on London in each year from 1841 to 1869. The first ten years in this return refer to a period previous to the discovery of gold. During these, the average depression of the exchange below par was 4 per cent., and the extreme depression $7\frac{1}{2}$ per cent.

The next four years represent the period between the first discovery of gold and the opening of the Mint in Sydney.

In these, the average depression below par was $6\frac{1}{2}$ per cent., and the extreme depression 12 per cent. The next fifteen years represent the period affected by the action of the Mint. In these, the average depression of the exchange below par was less than 1 per cent., and the extreme depression but $1\frac{1}{2}$ per cent.

This depression of the exchange always occurred in the season for exporting wool, and as each pound sterling per cent. of fall in the exchange indicates a corresponding fall in the local price of produce coming forward for export at the time, it appears that the effect of the Mint has been to sustain, to the extent of from 3 to 5 per cent., the local price in Sydney of wool, gold, and all exports shipped for England during the wool season.

In this illustration, the position of Sydney before the discovery of gold and the introduction of a Mint has been compared with its position since the Mint has been established, in order the more clearly to show, by reference to the rates of exchange which prevailed in each year, the effect which a Mint in Australia is capable of producing. Had the Mint been first established in Melbourne, the effect here would have been as conspicuous; but it is not contended that further results as important will follow the opening of a second Mint in Australia.

It has been shown that the price of gold may vary between two extremes, the difference between which is the cost of converting it into coin.

When there was no Mint in Australia, the cost of coining Australian gold, including loss of interest, freight, insurance, and all charges, was not less than 8 per cent., or 6s. 2d. an ounce, and in time of war, or other disturbing cause, much greater. At that time a corresponding fluctuation was possible in the local price of gold. When the Mint was established in Sydney, the cost of coining, in respect of Victorian gold, was reduced to about 2 per cent., or about 1s. 6d. an ounce, and a corresponding support given to the price of gold. When the Mint in Melbourne is at work, the cost of coining need not exceed $4\frac{1}{2}$ d. an ounce.

Thus the immediate and sensible effect of the Mint in Melbourne, will be to further limit the fluctuations in the price of gold, and to sustain it throughout the year 1s. an ounce above the average price of late years.

The effect of the Melbourne Mint on the local price of other exports will perhaps not be so marked as to be directly traceable in the rates of exchange, as other causes, such as a diminished production of gold, have an opposite tendency, and may conceal the action of the Mint. It will not on that account be less certain.

There is one other benefit which can be derived from a Mint in Melbourne, to which I have not yet referred. When the Government desire to raise a loan, for expenditure in the Colony, by the issue of debentures, the power of doing so with advantage in the local market, is limited by the amount of capital in the Colony seeking investment in that class of security. Debentures issued in excess of this amount, even if taken up by the monetary institutions of the Colony, must be transmitted for sale to other markets, and generally to London; and thus the price at which they will be taken up here will depend on the then existing balance of trade between England and Victoria, as they will enter the market for sale as an additional article of export, of which the proceeds will be required in the Colony.

So far as the Mint is able to sustain the rate of exchange on England, it will be able to sustain the price of these debentures. The preceding discussion, however, suggests one precaution. The debentures should not be offered for sale in the local market during the time of the year in which wool is coming forward for export.

E. W. WARD.

Melbourne, 20th January, 1872.

RETURN showing the Highest and Lowest RATES OF EXCHANGE ON BILLS ON LONDON drawn against produce, which prevailed in SYDNEY in each year from 1841 to 1869.

Lowest.			Highest.			Lowest.			Highest.		
1841:—	5	cent. discount.	Par.	2½	cent. premium.	1855:—	1	cent. discount.	3	cent. premium.	
2	5	"	"	2½	cent. premium.	6	1½	"	"	1½	"
3	5	"	"	3½	"	7	Par.	"	"	2	"
4	7½	"	"	Par.	"	8	½	"	"	½	"
5	7½	"	"	1½	cent. discount.	9	1	"	"	3	"
6	2	"	"	1½	"	1860	1	"	"	½	discount.
7	2	"	"	2½	premium.	1	½	"	"	Par.	"
8	1	"	"	1½	"	2	½	"	"	1	cent. premium.
9	1	"	"	Par.	"	3	1	"	"	½	"
						4	1½	"	"	1	discount.
1850	3½	"	"	2	cent. premium.	5	1	"	"	Par.	"
1	5½	"	"	1½	"	6	1	"	"	Par.	"
2	12	"	"	8	discount.	7	1	"	"	½	cent. discount.
3	8	"	"	Par.	"	8	1	"	"	½	"
4	½	"	"	3	cent. premium.	9	¾	"	"	½	"

Enclosure 2 in No. 2.

ORDER IN COUNCIL constituting a BRANCH MINT at MELBOURNE.

WHEREAS there was this day read at the Board a representation from the Commissioners for executing the office of our Lord High Treasurer, in the words following, that is to say:—

"The Commissioners of your Majesty's Treasury beg leave to represent to your Majesty, that it appears to your Majesty's said Commissioners to be expedient—

"That a branch of the Royal Mint be established at or near Melbourne, in Victoria, on such site as the Governor or Officer Administering the Government of the Colony for the time being may approve; that the chief officer thereof, who shall be considered as a Deputy Master of the Royal Mint on being appointed by Her Majesty, be authorized and empowered to coin gold and other coin, in accordance with the standard of weight and fineness of the currency of this realm, and of the same design; and that the Master of the Royal Mint be authorized to prepare and transmit dies for such coins, so long as the Lords Commissioners of Her Majesty's Treasury may think necessary, and subject to such regulations as they may prescribe.

"That it may be lawful for the Governor, or Officer Administering the Government of the Colony for the time being, with the advice of his Executive Council, to frame regulations under which the Mint shall receive gold bullion, and coin the same.

"That the Deputy Master be empowered, subject to the approval of the Governor or Officer Administering the Government of the Colony for the time being, to enter into such contracts, and to establish such regulations for the orderly and convenient performance of the duties of the Mint, as may be found necessary; and that he do hold his office during Her Majesty's pleasure: the Governor, or Officer Administering the Government of the Colony, being empowered to appoint a person to perform his duties in the case of his death, or incapacity from any other cause, until the pleasure of Her Majesty is made known.

"That five other principal officers of the Mint be appointed from time to time, by the Commissioners of Her Majesty's Treasury; and that the Governor or Officer Administering the Government of the Colony be empowered, on the application of the Deputy Master, to suspend either of them in case of misconduct, and, on the recommendation of the Deputy Master, to appoint a person to perform the duties of either of them, in case of death, sickness, infirmity, resignation, or suspension, subject to the orders of the Commissioners of Her Majesty's Treasury.

"And that the five officers so to be appointed shall be—

"1st. The Superintendent of the Bullion Office, who shall be responsible to the Deputy Master for the receipt of bullion and the delivery of coin by the Mint; the safe custody of the same while in charge of his department; the faithful conduct and accurate record of all transactions with the public, and the Coining Department of the Mint; the general precision of the arrangements and integrity of the operations of the refinery and melting-house; and for the faithful and zealous discharge of any other duties which the Deputy Master may direct him to perform.

"2nd. The Superintendent of the Coining Department, who will be responsible to the Deputy Master for the bullion delivered into his charge by the Superintendent of the Bullion Office; for its conversion into coin of the legal weight, properly stamped with the authorized dies; for the safe custody and legitimate use of the dies; for the operations of his department being properly and economically conducted; for the records thereof being kept with care and precision, and for the faithful and zealous discharge of any other duties which the Deputy Master or his representative may direct him to perform.

"3rd. The First Clerk of the Bullion Office, who, under the immediate supervision of the Superintendent of the Bullion Office, will be responsible to the Deputy Master for the skilful and economical direction of the operations of melting and refining; for the records thereof being kept with care and precision; and for the faithful and zealous discharge of any other duties which the Deputy Master or his representative may direct him to perform.

"4th and 5th. Two Assayers, who will be responsible to the Deputy Master for the accurate assaying and reporting of all bullion or coin delivered to them for the purpose; for the safe custody of the same whilst in their charge; and for the faithful and zealous discharge of any other duties which the Deputy Master of the Mint or his representative may direct them to perform.

"And that all such other officers and servants of the Mint as may be necessary, shall be appointed and discharged from time to time by the Deputy Master, on the approval of the Governor or Officer Administering the Government of the Colony.

"And the Deputy Master shall faithfully, and without unnecessary delay, after the expiration of each calendar month, transmit to the Master of the Royal Mint the following returns:—

"Weight of rough gold and weight of gold bullion received from the public by the Bullion Office;

"Weight melted previous to assay;

- “ Weight assayed and valued, and value thereof ;
- “ Weight refined ;
- “ Weight and value of bullion reissued, and amount charged for melting, assaying, and refining ;
- “ Weight of bars delivered for coinage, distinguishing those from scissel and ingot pots ;
- “ Weight of each description of coin produced ;
- “ Weight of each description of coin delivered to the public, and the amount, if any, charged for coining ;
- “ Number and average of assay reports on which ingot pots have been passed into work, and the highest and lowest assay reports of such pots ;
- “ The same for scissel pots ;
- “ The same for the assay of coin ;
- “ Number and description of dies received or completed during the month, of dies worn out, of dies effectually defaced, and of serviceable dies in hand.

“ And that the Deputy Master shall faithfully, and without unnecessary delay, forward to the Master of the Royal Mint, at the end of every quarter, a return showing the waste during the quarter, distinguishing the waste arising in melting, in refining, in coining, and in assaying.

“ And he shall forward any other returns which the Master of the Royal Mint, with the consent of the Lords Commissioners of Her Majesty's Treasury, may require.

“ And that to insure the careful observance of the standard in the coin, the Deputy Master shall only permit coin to be delivered to the public between such hours, on such days, as shall from time to time be ordered by the Governor or Officer Administering the Government of the Colony, during which time an officer appointed by the Governor or Officer Administering the Government of the Colony shall attend and take, without preference in the selection, a number of pieces in proportion to the quantity delivered, not being more than one piece out of every five hundred coins, nor less than one piece in five thousand. That the piece or pieces so taken be sealed up by the officer appointed as aforesaid, and the envelope dated and signed by him, and be forwarded by the Deputy Master to the Master of the Royal Mint in London, for such examination as the Lords Commissioners of Her Majesty's Treasury may direct.

“ And that the Governor or Officer Administering the Government of the Colony shall also direct a Board of Government Officers, not less than three in number, to assemble at the Mint at the expiration of each quarter, for the inspection of the store of bullion and coin in the Mint, and report on the same to him, stating the exact amounts of the balance of each description verified by them, and shall transmit a copy of the report to the Deputy Master, to be transmitted by him to the Master of the Royal Mint.

“ That the Lords Commissioners of Her Majesty's Treasury and Her Majesty's Principal Secretary of State for the Colonies, may have authority to issue and give such instructions as to them may respectively appertain for effecting the several matters and things hereby ordered to be carried into effect.

“ Your Majesty's Commissioners therefore beg to lay before your Majesty the before-mentioned circumstances, and humbly pray that your Majesty will be graciously pleased to take the premises into your royal consideration, and to make such order in respect thereto as to your Majesty in your royal wisdom shall seem meet.”

Her Majesty having taken the said representation into consideration, was pleased, by and with the advice of Her Majesty's Privy Council, to approve thereof, and to order, and it is hereby ordered, that the same and every part thereof be acted upon and carried into effect ; and the Commissioners of Her Majesty's Treasury, and the Earl Granville, one of Her Majesty's Principal Secretaries of State, and the Master and Worker of Her Majesty's Mint, are to issue and give such rules and directions as to them may respectively appertain for effecting the several matters and things hereby ordered to be carried into effect.

ARTHUR HELPS.

Enclosure 3 in No. 2.

REGULATIONS for the Receipt and Coinage of Gold at the Melbourne Branch of the Royal Mint.

1. Deposits of unmanufactured gold in dust or in bullion will be received at the Mint for coinage daily (Saturdays and holidays excepted), between 11 a.m. and 3 p.m., on the following terms :—

- (a.) A deposit of which both the gross and standard weight are under 20 ounces troy, at a charge of 7s. 6d.
- (b.) A deposit of any weight exceeding the above, but not exceeding 5,000 oz. standard, at a charge of 4½d. per ounce.
- (c.) A deposit exceeding 5,000 oz. standard at a charge of 3d. per ounce.

N.B.—The charge will be calculated on the gross or the standard weight of the deposit, whichever may be the greater.

2. All fine silver in a deposit in excess of 4 per cent. of the weight of the deposit after melting will be allowed for at the rate of 5s. per ounce.

3. Every deposit will be weighed and melted, if desired, in the presence of the depositor. The assay will be determined by the report of the Mint assayers.

4. Gold bullion, in ingots or in bars and of any assay, can be obtained at the Mint to a limited extent, at £3 17s. 10½d. the ounce standard. It can also, if desired, be alloyed with silver at an additional charge of 5s. for every ounce of fine silver added to the gold.

5. Each parcel of gold for which a separate assay is required will be considered as a separate deposit.

6. The Receiving Office at the Mint will be closed on the first two working days of January, April, July, and October.