

1875.  
NEW ZEALAND.

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# WITHDRAWAL OF OLD BRITISH COPPER COINAGE FROM CIRCULATION,

(PAPERS RELATING TO).

*Presented to both Houses of the General Assembly by Command of His Excellency.*

## No. 1.

The Right Hon. the Earl of CAERNARVON to the OFFICER ADMINISTERING the GOVERNMENT  
of NEW ZEALAND.

(Circular.)

SIR,—Downing Street, 27th April, 1874.  
I transmit to you a copy of a correspondence between this department and the Lords Commissioners of the Treasury respecting the withdrawal of the old British copper coin from circulation in those colonies using the Imperial coinage.

2. I request that you will report to me, at your earliest convenience, the amount of old copper coin held in the colony under your Government, and whether it is proposed to allow it to remain in circulation, or whether it is desired to take advantage of the proposal of their Lordships to receive it within a strictly limited period at its nominal value.

3. You will understand from this correspondence that although Her Majesty's Government are now prepared to receive, in the manner indicated, old British copper which has legitimately been placed in circulation as a portion of the legal currency of the colony, they do not propose to offer exceptional facilities for the redemption of any copper which may have found its way into a colony otherwise than in a perfectly legal manner. In the absence of any precise information on the subject, I have thought it better, with this reservation, to address this circular despatch to all Her Majesty's colonial sessions.

4. On reference to the last paragraph of the letter from the Treasury of the 16th instant, you will perceive that their Lordships accept the proposal contained in the letter from this department of the 14th March, on the understanding that they are furnished without delay with the information called for in this despatch. I must therefore urge upon you the importance of being placed in possession of the views of your Government on the subject at the earliest convenient opportunity.

The Officer Administering the Government of New Zealand.

I have, &c.,  
CAERNARVON.

## Enclosure 1 in No. 1.

Mr. LAW to the UNDER SECRETARY of STATE.

SIR,—Treasury Chambers, 31st January, 1874.  
With reference to the correspondence which has taken place respecting the old copper coin in Ceylon, Gibraltar, and Malta, I am directed by the Lords Commissioners of Her Majesty's Treasury to state, for the information of the Earl of Kimberley, that the old coinage has been decried in the United Kingdom since the 31st December, 1869 (see *London Gazette*).

I am to state that my Lords intended this notice to apply to the whole Empire, but they regret to find that the attention of the Secretary of State was not specially called to it.

My Lords now request that the Governor of each colony using the Imperial coinage may be instructed to issue a Proclamation decrying the old copper coin at a date not exceeding six months from the date of Proclamation. In the meantime the Mint has been directed to receive old copper coin returned from the colonies at its nominal value up to the 31st of March, 1875.

This decision will of course cover any copper coin already returned or offered for return.

But it must be understood that, after the 31st of March, 1875, it will only be received at the market value of the metal.

The Under Secretary of State, Colonial Office.

I have, &c.,  
WILLIAM LAW.

## Enclosure 2 in No. 1.

Mr. MEADE to Mr. LAW.

SIR,—

Treasury, 14th March.

I am directed by the Earl of Carnarvon to acknowledge the receipt of your letter of the 31st of January last, in which the Lords Commissioners of the Treasury request that the Governor of each colony using the Imperial coinage may be instructed to issue a Proclamation decreeing the old British copper coin, which has ceased to be a legal tender in this country.

2. Their Lordships further state that on the coin in question being returned to this country not later than the 31st day of March, 1875, the Mint will be instructed to receive it at its full nominal value.

3. Before proceeding to take whatever steps may be necessary to give effect to their Lordships' request, Lord Carnarvon is of opinion that there are two or three points connected with the subject which should receive their Lordships' attention, and for which purpose I am directed to make the following observations.

4. It is probable that some at least of those colonies with which Lord Carnarvon is requested to communicate have put a small amount of old British copper in circulation, and that, as a matter of convenience or for other local reasons with which Lord Carnarvon is unacquainted, they may not consider it worth while to incur the trouble and incidental cost which must attend its withdrawal.

5. As his Lordship has no precise information on these points, he is disposed to think that before any decided step is taken in the direction suggested by the Lords Commissioners of the Treasury, it will be preferable to ascertain the precise facts in each case, and with their concurrence he would propose to address a circular despatch to all colonies using the Imperial coinage, inquiring the amount of old copper so held, and whether it is preferred to allow it to remain in circulation, or whether it is desired to take advantage of the proposal of their Lordships to receive it within a strictly limited period at its nominal value.

6. It would also be carefully explained that Her Majesty's Government do not desire to prescribe the withdrawal of this coinage, but that, as it has ceased to be a legal tender in this country since the year 1869, it has become absolutely necessary to fix some date after which full nominal value will not be paid on its presentation to the Mint from those colonies where it may still remain in circulation.

7. As their Lordships are aware, there is at present a very difficult question in course of discussion respecting the silver token coinage of Australia and New Zealand; and Lord Carnarvon does not doubt that their Lordships will agree with him in the opinion that it is desirable, if possible, to avoid raising any new question affecting a token coinage in those colonies until that which is now being treated is finally settled.

8. In the meantime the interval will be usefully employed by obtaining from other colonies the information which we already possess in the case of Australia and New Zealand.

9. It will, of course, be understood that, in the event of their Lordships seeing fit to adopt these proposals, the time to be eventually fixed as the limit beyond which the copper in question will not be received at its full nominal value will remain to be decided hereafter.

10. I am, however, to take this opportunity of conveying to you an expression of Lord Carnarvon's opinion that the period originally suggested, viz. one year, would not suffice to enable the more distant colonies to provide themselves with a sufficient stock of token coinage to replace that which it may be deemed desirable to withdraw.

W. Law, Esq., Treasury Chambers.

I have, &amp;c.,

R. H. MEADE.

## Enclosure 3 in No. 1.

Mr. LAW to the UNDER SECRETARY OF STATE.

SIR,—

Treasury Chambers, 16th April, 1874.

I have laid before the Lords Commissioners of Her Majesty's Treasury your letter of the 14th ultimo, respecting the withdrawal of the old British copper coin from circulation in the colonies using the Imperial coinage, and stating that the Secretary of State proposes to address a circular despatch to all such colonies, inquiring the amount of old copper so held, and whether it be preferred to allow it to remain in circulation, or whether it be desired to take advantage of the proposal of this Board to receive it within a strictly limited period at its nominal value.

I am commanded by my Lords to acquaint you, for information of the Earl of Carnarvon, that my Lords accept this proposal upon the understanding that the Secretary of State will obtain without delay the information of which he speaks. They trust that it will be in his Lordship's power to communicate with them again upon the subject before the close of the year, and they will then fix the date at which old copper coin of the United Kingdom will no longer be receivable at its nominal value.

I have, &amp;c.,

WILLIAM LAW.

The Under Secretary of State, Colonial Office.

## No. 2.

Governor Sir JAMES FERGUSSON to the Right Hon. the Earl of CARNARVON.

(No. 85.)

MY LORD,—

Government House,

Wellington, New Zealand, 17th November, 1874.

In reply to your circular despatch of the 27th April, respecting the proposed withdrawal of the old British copper coin from circulation in the colonies, I have the honor to transmit to your Lordship a memorandum from the Secretary to the Colonial Treasury, reporting approximately the amount

held in the colony, and representing the inconvenience which would be caused by the withdrawal of any portion of the existing circulation. My Advisers concur in that opinion, and consider that until a further supply of copper or bronze coin shall have been introduced, it would be unwise to disturb the existing currency.

I have, &c.,

JAMES FERGUSSON,

Governor.

The Right Hon. the Earl of Carnarvon.

### Enclosure in No. 2.

MEMORANDUM by Mr. BATKIN.

THE information which I have been able to obtain as to the amount of Imperial copper coin in the colony is so meagre, that I feel considerable hesitation in expressing an opinion on the subject.

In some of the provinces the copper currency includes a very large proportion of tokens, in others that proportion is comparatively small. The proportions of tokens, bronze and copper, which make up the total copper coinage in the colony, may, so far as I can judge, be averaged thus:—

Tokens	...	...	...	...	...	One-half.
Bronze	...	...	...	...	...	Three-eighths.
Copper	...	...	...	...	...	One-eighth.

It is estimated that the total copper and bronze currency of the colony will amount to about £4,000, and a distribution of this sum in the proportions above set forth will give—

Tokens	...	...	...	...	...	£2,000
Bronze	...	...	...	...	...	1,500
Copper	...	...	...	...	...	500
Total	...	...	...	...	...	£4,000

As respects the propriety of the withdrawal of the copper coin from circulation, it must, I think, be admitted that the quantity of copper and bronze coin in circulation in the colony is already inadequate to its wants, and is daily becoming more insufficient, owing to the increase of population and of commercial interchange. In the face of these facts it would be obviously inexpedient, even if it were possible, to withdraw any part of that coin from circulation without first introducing other coin to supply its place, and any attempt to do so would result in an immediate increase in the token coinage, an element which is already disproportionately large in the copper currency of the colony.

In respect to the possibility of the measure, it is believed that the time fixed by the Imperial Government, the 31st March, 1875, as that within which the coin would be received at its nominal value, is far too limited to enable the colony to take advantage of the proposed arrangement. With a population so prosperous as that of New Zealand, and with a copper currency already insufficient, the proscription of the Imperial copper coin would have no effect in aid of its withdrawal from circulation. The object could only be attained with certainty through the assistance of the banks, and it is manifest that a long period, probably several years, would elapse before the whole of this coin would in the ordinary course of business pass into the hands of the banks.

In view of the small quantity of the coin referred to in circulation, and of the considerations above adverted to, I submit that no attempt should be made to interfere with the circulation of Imperial copper coin until the Government is prepared to introduce into the colony an adequate supply of bronze coin, and thereupon to decry not only the Imperial copper but the token coinage likewise.

Treasury, 10th September, 1874.

C. T. BATKIN,  
Secretary to the Treasury.

### No. 3.

The Right Hon. the Earl of CARNAVON to the OFFICER ADMINISTERING the GOVERNMENT of NEW ZEALAND.

(Circular.)

SIR,—

Downing Street, 5th December, 1874.

With reference to my circular despatch of the 27th of April last, transmitting a copy of a correspondence between this department and the Treasury relative to the withdrawal of the old British copper coin from circulation in those colonies using the Imperial coinage, I have the honor to inform you that it having been represented to me that it would be desirable to extend the period during which this coin should be received at the Mint, I suggested to the Lords Commissioners of the Treasury that the period should be extended from the 31st of March next to the 30th of June, 1876, and their Lordships have expressed their willingness to sanction that date as the latest for which the Mint will be authorized to receive the coin in question at its nominal value.

The copper coins which your Government may desire to return to the Imperial Mint should be carefully sorted and packed in bags, and consigned to the Crown Agents for the Colonies; a letter of advice, with full details, should accompany each shipment, and each bag of coin should bear a label stating the amount and weight of its contents.

You will of course take care to issue the Proclamation decrying this coinage in accordance with the wishes expressed by the Lords Commissioners of the Treasury in their letter of January 31st, enclosed in my despatch of the 27th of April last.

I have, &c.,

CARNARVON.

The Officer Administering the Government of New Zealand.

## No. 4.

The Earl of CARNARVON to the Marquis of NORMANBY.

MY LORD,—

Downing Street, 16th February, 1875.

I have received Sir James Fergusson's despatch No. 85, of the 17th November, submitting objections to the proposed withdrawal from circulation of the old British copper coin.

2. You will have already learned from my circular despatch of the 5th of December, that the period within which this coin will be received by the authorities of the Mint at its nominal value has been extended to the 30th June, 1876, which will allow a sufficient time for procuring an additional supply of bronze coins before calling in the old copper coin.

3. I would, however, remind your Government that if they are satisfied that, on account of the trouble, incidental cost, or any other local reason, it is advisable to leave this coin in circulation, there will be no objection on the part of Her Majesty's Government to such a course; but that if the withdrawal of it be postponed beyond the later date fixed by the Treasury, the full nominal value of the coin cannot be obtained.

4. If, therefore, your Government desire to avail themselves of the Treasury proposal, they should proceed in the manner which has already been indicated in my circulars of the 27th April and 5th December, issuing a Proclamation decrying the coin in question, and procuring a sufficient supply of bronze coin to replace the copper which is to be decried.

5. I have furnished Dr. Featherston with copies of the circulars and the correspondence on this subject, in order that he may, if he should deem it desirable, take advantage of the presence in this country of Mr. Vogel, and despatch at once the amount of bronze coinage which may appear to be necessary.

6. I am not aware whether your Ministers will desire to take advantage of this opportunity to withdraw the tokens now in circulation in the colony, but they are no doubt fully aware that the Mint will only be authorized to receive at its nominal value the British copper now decried in this country.

Governor the Most Hon. the Marquis of Normanby, K.C.M.G.

I have, &c.,  
CARNARVON.

## No. 5.

Mr. HERBERT to the AGENT-GENERAL.

SIR,—

Downing Street, 16th February, 1875.

I am directed by the Secretary of State for the Colonies to transmit to you copies of a correspondence which has passed between this Office and the Government of New Zealand respecting the withdrawal of old British copper coin from circulation.

Dr. Featherston, Agent-General for New Zealand.

I am, &c.,  
ROBERT G. W. HERBERT.

## No. 6.

The Hon. Sir J. VOGEL to the Hon. Dr. POLLEN.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,  
4th May, 1875.

SIR,—

I have the honor to forward to you a copy of correspondence, from which you will learn that, in order to meet the very great want of bronze coinage which exists in New Zealand, I have given instructions for a quantity to be shipped to the different parts of the colony.

I am convinced that this supply will be a great convenience to all classes of the community.

The Hon. Dr. Pollen, Wellington.

I have, &c.  
JULIUS VOGEL.

## Enclosure 1 in No. 6.

The Hon. Sir J. VOGEL to the Right Hon. the Earl of CARNARVON.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,  
12th April, 1875.

MY LORD,—

The Agent-General for New Zealand has handed to me certain correspondence "respecting the withdrawal of old British copper coin from circulation in the colony," which was forwarded to him from the Colonial Office, with a view, as I gather from a letter of your Lordship's, to its being submitted to me.

I have the honor to forward herewith, a copy of a letter on the subject which I have addressed to the Agent-General.

The Right Hon. the Earl of Carnarvon.

I have, &c.,  
JULIUS VOGEL.

## Enclosure 2 in No. 6.

The Hon. Sir J. VOGEL to the AGENT-GENERAL.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,  
12th April, 1875.

SIR,—

Referring to the correspondence respecting the withdrawal of old British copper coin from circulation in New Zealand, which has been forwarded to you from the Colonial Office, for the purpose, as appears from the letter of the Earl of Carnarvon, of being submitted to me, I have the honor to inform you that, after giving the matter much consideration, I have come to the conclusion to forward to the colony a considerable amount of bronze coinage, leaving for decision in the colony the question whether or not the British copper coin circulating there shall be called in.

2. I have therefore to direct you to take immediate steps for procuring £6,000 worth of bronze coinage; and for causing it be divided into four equal parcels, to be shipped with the least possible delay for Dunedin, Christchurch, Wellington, and Auckland respectively.

3. I have to request that you will take advice from the Bank of New Zealand here as to the proportion of pennies, half-pennies, and farthings (if any), of which each of the four parcels should be composed.

4. The parcels should be shipped direct to the ports I have named, to the order of the Colonial Treasurer, and should each be properly insured.

The Agent-General for New Zealand.

I have, &c.,  
JULIUS VOGEL.

## No. 7.

The AGENT-GENERAL to the Hon. the COLONIAL SECRETARY.

(No. 272.)

7, Westminster Chambers, Victoria Street, Westminster, S.W.,  
4th May, 1875.

SIR,—

I have the honor to forward for the information of the Government a copy of a letter\* which I have received from the Hon. the Premier, instructing me to obtain without delay a supply of bronze coinage for the colony, of the nominal value of £6,000, and suggesting that I should advise with the Bank of New Zealand as to the proper proportions of the several denominations of coin.

2. I accordingly addressed the letter to the Managing Director of the Bank of New Zealand of which I forward a copy, as well as of Mr. Larkworthy's reply.

3. I then requested the Deputy Master of the Mint to give directions that the wishes of the Government should be complied with. I enclose copies of my letter, and of Mr. Fremantle's in reply, informing me that a fourth of the coin required will be ready within a few days, and the whole order executed, as he expects, within three months.

The Hon. the Colonial Secretary, Wellington.

I have, &c.,  
I. E. FEATHERSTON,  
Agent-General.

## Enclosure 1 in No. 7.

The AGENT-GENERAL to Mr. LARKWORTHY.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,  
28th April, 1875.

SIR,—

I have the honor to inform you that I have been directed by the Government of New Zealand to obtain without delay £6,000 worth of bronze coinage, to be forwarded in equal parcels to Dunedin, Christchurch, Wellington, and Auckland; and the Hon. the Premier suggests that I should take advice with the Bank of New Zealand as to the proportion of pennies, half-pennies, and farthings (if any) of which each of the four parcels should be composed. I have to request that you will give this question your early attention, and communicate to me the advice of the Bank upon it.

I have, &c.,  
I. E. FEATHERSTON,  
Agent-General for New Zealand.

F. Larkworthy, Esq., Bank of New Zealand.

## Enclosure 2 in No. 7.

Mr. LARKWORTHY to the AGENT-GENERAL.

SIR,—

Bank of New Zealand, London, 29th April, 1875.

In reply to your letter of the 27th instant, respecting the shipment of bronze coin to New Zealand, I beg to say that in my opinion by far the greater proportion should consist of pence. A limited quantity of half-pence might be found useful, but I doubt if farthings would be of any service in the colony.

The Agent-General for New Zealand,  
7, Westminster Chambers.I have, &c.,  
F. LARKWORTHY,  
Managing Director.

## Enclosure 3 in No. 7.

The AGENT-GENERAL to Mr. FREMANTLE.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,  
30th April, 1875.

SIR,—

I have the honor to inform you that the Government of New Zealand require for the public service bronze coin to the amount of £6,000, four-fifths in pennies and one-fifth in half-pennies; to be made up in four separate parcels, each containing pennies and half-pennies in the proportion stated; and I have to request that you will inform me if you can meet the wishes of the Government and within what time.

The Hon. Chas. W. Fremantle,  
Deputy Master of the Mint.

I have, &c.,  
I. E. FEATHERSTON,  
Agent-General.

## Enclosure 4 in No. 7.

Mr. FREMANTLE to the AGENT-GENERAL.

SIR,—

Royal Mint, 1st May, 1875.

I am directed by the Master of the Mint to acknowledge the receipt of your letter of the 30th ultimo, and in reply to inform you that he will be prepared to supply the Government of New Zealand with bronze coin of the nominal value of £6,000, in the proportions of pence and half-pence which you mention.

The first consignment, of one-fourth of the whole amount, will be ready for delivery to your order on or after Thursday next, the 6th of May; and I am to request that you will be so good as to cause me to be informed of the marks, numbers, and address to be affixed to the boxes in which the coin is packed.

The second consignment can be delivered within three weeks, and the whole demand can be complied with, unless any unforeseen demand for gold or silver coinage should arise, within three months from the present date.

I am further to request that on or before the delivery of each consignment its nominal value may be paid to the Master of the Mint's Cash Account at the Bank of England.

The Agent-General for New Zealand, London.

I have, &c.,  
C. W. FREMANTLE.

## No. 8.

The Hon. Sir J. VOGEL to the Hon. D. POLLEN.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,  
10th May, 1875.

SIR,—

Referring to my letter of May 4th, respecting a supply of bronze coinage for New Zealand, I have now the honor to forward a letter from the Agent-General stating the arrangements he has made with the authorities of the Mint.

The Hon. D. Pollen, &c., &c.

I have, &c.,  
JULIUS VOGEL.

## Enclosure in No. 8.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,  
5th May, 1875.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 12th ultimo, No. 54, 1875, instructing me to obtain bronze coin of the nominal value of £6,000 for circulation in the colony, and I enclose a copy of a letter which I have received from the Deputy Master of the Mint, informing me that the wishes of the Government will be promptly complied with.

The Hon. J. Vogel, C.M.G.,  
87, Gloucester Place, Portman Square, W.

I have, &c.,  
I. E. FEATHERSTON,  
Agent-General.

By Authority: GEORGE DIDSBUXY, Government Printer, Wellington.—1875.