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The Heyday of the Gold Standard, 1820-1930

1870 February 10

Coinage Act, 1870: 'A Bill, To consolidate and amend the law relating to the Coinage and Her Majesty's Mint'.

WHEREAS it is expedient to consolidate and amend the law relating to the Coinage and Her Majesty's Mint:

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

1. This Act may be cited as "The Coinage Act, 1870."
2. In this Act—

The term "Treasury" means the Lord High Treasurer for the time being, or the Commissioners of Her Majesty's Treasury for the time being, or any two of them;

The term "the Mint" means, except as expressly provided, Her Majesty's Royal Mint in England; and

The term "British possession" means any colony, plantation, island, territory, or settlement within Her Majesty's dominions and not within the United Kingdom.

3. After the *passing of this Act*, all coins made at the Mint of the denominations mentioned in the first schedule to this Act shall be the weight and fineness specified in that schedule, and the standard pieces of coin shall be made accordingly.

If any coin of the same metal, but of any other denomination, is hereafter coined at the Mint, such coin shall be of a weight and fineness bearing the same proportion to the weight and fineness specified in the first schedule as the denomination of such coin bears to the denominations mentioned in that schedule.

No coin of gold, silver, or bronze shall be issued from the Mint except in accordance with the provisions of this section:

Provided that in the making of coins a remedy (or variation from the standard mentioned in the first schedule) shall be allowed of an amount not exceeding the amount specified in the said schedule.

4. A tender of payment of money shall be a legal tender if made in coins, either by tale or weight, which have been issued by the Mint in accordance with the provisions of this Act, and have not been called in by any proclamation made in pursuance of this Act, and have not become diminished in weight, by wear or otherwise, so as to be of less weight than the current weight, that is to say, than

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the weight (if any) specified as the least current weight in the first schedule to this Act, or such weight as may be declared by any such proclamation.

Provided that such coins shall not be a legal tender,

(1.) In the case of silver coins, if the amount of such payment exceeds forty shillings;

(2.) In the case of pence, if the amount exceeds one shilling;

(3.) In the case of halfpence or farthings, if the amount exceeds sixpence.

All such gold coins shall be a legal tender for a payment of any amount, but nothing in this Act shall prevent any paper currency which under any Act or otherwise is a legal tender from being a legal tender.

5. No piece of gold or silver or bronze, or of any mixed metal, of any value whatever, shall be made or issued, except by the Mint, as a coin or a token for money, or as purporting that the holder thereof is entitled to demand any value denoted thereon. Every person who acts in contravention of this section shall be liable on summary conviction to a penalty not exceeding *twenty* pounds.

6. Every contract, bargain, sale, agreement, bond, bill, note, draft, acceptance, gift, grant, receipt, payment, acknowledgement, undertaking, and security for money, and every transaction, dealing, matter, and thing whatever relating to money, or involving the payment of or the liability to pay any money, which is made, executed and entered into, done or had, shall be made, executed, entered into, done and had according to the coins which are current and legal tender in pursuance of the Act, and not otherwise, unless the same be made, executed, entered into, done or had according to the currency of some foreign state.

7. Where any gold coin of the realm is below the current weight, every person shall, by himself or others, cut, break, or deface any such coin tendered to him in payment, and the person tendering the same shall bear the loss.

If any coin cut, broken, or defaced in pursuance of this section is not below the current weight, the person cutting, breaking, or defacing the same shall receive the same in payment according to its denomination.

Any dispute which may arise under this section may be determined by a summary proceeding.

8. Any person may bring to the Mint, or to any person appointed by the Treasury for the purpose, any coin which is judged to by any officer of the Mint appointed by the master of the Mint for the purpose to be old silver coin of the realm, and there shall be delivered from the Mint to such person new silver coin coined in accordance with this Act, equal to the amount so brought, according to the denominations of such coin.

9. Where any person or body brings to the Mint any gold under this Act, any person or body brings to the Mint any silver bullion, such bullion shall be assayed and coined, and delivered out to such person, without any charge for such assay or coining, or for waste in coinage.

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Where, after the date in that behalf fixed by a proclamation under this Act, any person or body brings to the Mint any silver bullion, such bullion shall be assayed and coined, and delivered out to such person, at the rate of sixty-two shillings for every 5,760 grains imperial weight, or 373.24195 grams metric weight, of silver bullion of standard of fineness so brought, in whatever denomination of the same is coined.

Provided that—

- (1.) If the fineness of the whole of the bullion, whether gold or silver, so brought to the Mint is such that it cannot be brought to the standard fineness under this Act of the coin to be coined thereout, without refining some portion of it, the master of the Mint may refuse to receive, assay, or coin such bullion:
- (2.) Where the bullion, whether gold or silver, so brought to the Mint is finer than the standard of fineness under this Act of the coin to be coined thereout, there shall be delivered to the person or body taking the same such additional amount of coin as is proportionate to such superior fineness.

No undue preference shall be shown to any person or body under this section, and every person or body shall have priority according to the time at which he or they brought such bullion to the Mint.

10. The Treasury may from time to time issue to the Master of the Mint, out of the growing produce of the Consolidated Fund, such sums as may be necessary to enable him to purchase bullion in order to provide supplies of coin for the public service.

11. All sums received by the Master of the Mint, or any deputy master or officer of the Mint, in payment for coin produced from bullion purchased by him, or by way of mint charge or seignorage upon the coinage of any coin, and all fees and other payments received by the Master or any deputy master or officer of the Mint as such shall (save as otherwise provided in the case of any branch mint in a British possession by a proclamation respecting such branch mint) be paid into the receipt of the Exchequer and carried to the Consolidated Fund.

12. It shall be lawful for Her Majesty, with the advice of Her Privy Council, from time to time by proclamation to do all or any of the following matters; namely,

- (1.) To determine the dimension of and design for any coin:
- (2.) To determine the denominations of coins to be coined at the Mint:
- (3.) To determine the current weight of any coin not being less than the weight (if any) specified in the first schedule to this Act:
- (4.) To call in all coins, or coins of any date or denomination, or any coins coined before the date in the proclamation mentioned:

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- (5.) To direct that any coin of mixed metal shall be current and be a legal tender for the payment of any amount not exceeding the amount specified in the proclamation, and not exceeding two pounds:
- (6.) To direct that coins coined in any foreign country shall be current, and be a legal tender, at such rates, up to such amounts, and in such portion of Her Majesty's dominions as may be specified in the proclamation:
- (7.) To regulate any matters relative to the coinage and the Mint which are not provided for by this Act:
- (8.) To direct the establishment of any branch of the Mint in any British possession, and impose a charge for the coinage of gold thereat; determine the application of such charge, and determine the extent to which such branch is to be deemed part of the Mint, and coins issued therefrom are to be current and be a legal tender, and to be deemed to be issued from the Mint:
- (9.) To direct that the whole or any part of this Act shall apply to and be in force in any British possession, with or without any modifications contained in the proclamation:
- (10.) To revoke or alter any proclamation previously made.

Every such proclamation shall come into operation on the date therein in that behalf mentioned, and shall have effect as if it were enacted in this Act.

13. The Treasury may from time to time by regulation do all or any of the following things:

- (1.) Fix the number and duties of the officers of and persons employed in the Mint:
- (2.) Make regulations and give directions (subject to the provisions of this Act and any proclamation made thereunder) respecting the general management of the Mint:
- (3.) Make regulations respecting the trial of the pyx.

14. For the purpose of ascertaining that coins issued from the Mint have been coined in accordance with this Act, a trial of the pyx shall be held, and the following provisions shall be made;

- (1.) Such coins, out of those, out of those issued by the Mint, as the Treasury direct, shall be from time to time, at least once every year, cause the coins so set apart to be examined in manner provided by this Act:
- (3.) [*sic*] The Treasury shall issue a warrant to the wardens of the mystery of Goldsmiths of the city of London, requiring them to summon, and they shall accordingly summon, a sufficient number, not less than six, of competent freemen of the company, or other competent persons, to form a jury and attend at the trial of the pyx at the day and place named in the warrant:

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- (4.) The persons so summoned shall attend in accordance with such summons, and the Treasury shall cause the proper officers of the Treasury, the Mint, and the Board of Trade to attend at the same day and place:
- (5.) Some person appointed for the purpose by the Treasury shall preside at the trial, and shall administer to the jury the oath or affirmation set out in the second schedule to this Act, and shall charge the jury when so sworn:
- (6.) The master of the Mint shall cause to be produced before the jury the coins set aside in pursuance of this section, and any standard weights and trial pieces in his possession, and the Board of Trade shall cause to be produced before the jury the standard weights and trial pieces, and the jury shall inquire whether the coins so set apart have been coined in conformity with the provisions of the Act:
- (7.) Subject to the express provisions of this section, the trial shall be conducted and inquiry made in accordance with the regulations made by the Treasury:
- (8.) The verdict shall be recorded by the person who presides at the trial, and shall be published in the London Gazette, and kept among the records of the Treasury.

Master and Officers of the Mint.

15. The Chancellor of the Exchequer of Great Britain for the time being shall be the master, worker, and warden of Her Majesty's Royal Mint in England, and governor of the Mint in Scotland.

Provided that nothing in this section shall render the Chancellor of the Exchequer incapable of being elected to or of sitting or voting in the House of Commons, or vacate the seat of the person who at the passing of this Act holds the office of Chancellor of the Exchequer.

All duties, powers, and authorities imposed on or vested in or to be transacted before the Master of the Mint may be performed and exercised by or transacted before him or his sufficient deputy.

16. The Master of the Mint may from time to time appoint deputy masters and other officers and persons for the purpose of carrying on the business of the Mint in the United Kingdom or elsewhere, and assign them their duties, and award them such salaries as the Treasury may fix.

Standard Trial Pieces and Weights.

17. The standard trial pieces of gold and silver used for determining the justness of the gold and silver coins of the realm issued from the Mint, which now exist or may hereafter be made, and all books, documents, and things used in connexion therewith or in relation thereto, shall be in the custody of the Board of Trade, and

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shall be kept in such places and in such manner as the Board of Trade may from time to time direct; and the performance of all duties in relation to such trial pieces shall be part of the business of the Standard Weights and Measures Department of the Board of Trade.

The Board of Trade shall cause such trial pieces to be produced at the trial of the pyx, and on any other occasion on which such production may be lawfully required.

The Mystery of Goldsmiths of the City of London, or other competent persons, shall from time to time, when required by the Board of Trade, cause new standard trial pieces to be made and duly verified, of such standard fineness as may be in conformity with the provisions of this Act.

18. The standard weights for weighing and testing the coin of the realm shall be placed in the custody of the Board of Trade, and the business relating to such standard weights shall be part of the business of the Standard weights and measures Department of the Board of Trade.

The Board of Trade shall from time to time cause the weights of each coin of the realm for the time being, and of multiples of such weights as may be required, to be made and duly verified; and such weights, when approved by the Her Majesty in Council, shall be the standard weights for determining the justness of the weight of and for weighing such coin.

The Master of the Mint shall from time to time cause copies to be made of such standard weights, and once at least in every year the Board of Trade and the Master of the Mint shall cause such copies to be compared and duly verified with the standard weights in the custody of the Board of Trade.

All the weights used for weighing coin shall be compared with the said standard weights, and if found to be just shall, on payment of such fee, not exceeding *one shilling*, as the Board of Trade from time to time prescribe, be marked by some officer of the Standard weights and measures Department of the Board of Trade with a mark approved by the Board of Trade, and notified in the London Gazette, and a weight not so marked shall not be deemed a just weight for determining the weight of gold and silver of the realm.

If any person forges or counterfeits such mark, or any weight so marked, or knowingly utters or sells or uses any weight with such counterfeit mark, or wilfully increases or diminishes any weight so marked, or knowingly uses or sells any weight so increased or diminished, such person shall be liable to a penalty not exceeding *fifty* pounds.

All fees paid under this section shall be paid into the Exchequer, and carried to the Consolidated Fund.

Legal Proceedings.

19. Any summary proceeding under this Act may be taken, and any penalty under this Act may be recovered,—

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In England, before two justices of the peace in manner directed by the Act of the session of the eleventh and twelfth years of the reign of Her present Majesty, chapter forty-three, intituled "An Act to facilitate the performance of the duties of justices of the peace out of sessions within England and Wales with respect to summary convictions and orders," and any Act amending the same.

In Scotland, in manner directed by The Summary Procedure Act, 1864.

In Ireland, in manner directed by The Petty Sessions (Ireland) Act, 1851, and any Act amending the same; and in Dublin by the Acts regulating the powers of justices of the peace, or of the police of Dublin metropolis.

In any British possession, in the courts, and before such justices, or magistrates, and in the manner in which the like proceedings and penalties may be taken and recovered by the laws of such possession, or in such other courts, or before such other justices or magistrates, or in such other manner as any Act or Ordinance having the force of law in such possession may from time to time provide, or as near thereto as circumstances admit.

Miscellaneous.

20. This Act shall extend to the United Kingdom, the Channel Islands, and the Isle of Man, but save as expressly provided by this Act or by any proclamation made thereunder, shall not extend to any other part of Her Majesty's dominions.

21. The Acts set out in the third schedule to this Act are hereby repealed to the extent in the third column of such schedule mentioned.

Provided that,—

- (1.) This repeal shall not affect anything already done or suffered, or any right already acquired or accrued:
- (2.) All weights for weighing coin which have been before *the passing of this Act* been marked at the Mint or by any proper officer shall be deemed to have been marked under this Act:
- (3.) Every branch of the Mint which at *the passing of this Act* issues coins in any British possession shall, until any proclamation is made in pursuance of this Act with respect to such branch Mint, continue in all respects to have the same power of issuing coins and be in the same position as if this Act had not been passed, and coins so issued shall be deemed for the purpose of this Act to have been issued from the Mint:
- (4.) The said Acts are not repealed so far as they apply to any British possession to which this Act does not extend until a proclamation directing that this Act shall be in force in such British possession comes into operation.

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SCHEDULES.

FIRST SCHEDULE.

Denomination of Coin.	Standard Weight.		Least Current Weight.		Fineness.	Remedy Allowance.		
	Imperial Weight.	Metric Weight.	Imperial Weight.	Metric Weight.		Weight per piece.		Millesimal Fineness.
	Grains.	Grams.	Grains.	Grams.		Imperial Grains.	Metric Grams.	
GOLD:								
Five Pound	616.372	39.940	612.500	39.690	Eleven-twelfths fine gold, one-twelfth alloy;	1.000	0.06479	0.002
Two Pound	246.549	15.976	245.000	15.876	or millesimal	0.400	0.02592	
Sovereign	123.274	7.988	122.500	7.938	fineness 916.66	0.200	0.01296	
Half Sovereign	61.637	3.994	61.125	3.961		0.100	0.00648	
SILVER:								
Crown	436.364	28.276	—	—	Thirty-seven-fortieths fine silver, three-fortieths alloy; or millesimal fineness 925.	1.818	0.11780	0.004
Half Crown	218.182	14.138	—	—		0.909	0.05890	
Florin	174.545	11.310	—	—		0.727	0.04712	
Shilling	87.273	5.655	—	—		0.364	0.02356	
Sixpence	43.636	2.827	—	—		0.182	0.01178	
Groat or	29.091	1.885	—	—		0.121	0.00785	
Fourpence								
Threepence	21.818	1.413	—	—		0.091	0.00589	
Twopence	14.545	0.942	—	—		0.060	0.00392	
Penny	7.273	0.471	—	—		0.030	0.00196	
BRONZE:								
Penny	145.883	9.450	—	—	Mixed metal, copper, tin, and zinc.	2.91666	0.18899	None.
Halfpenny	87.500	5.670	—	—		1.75000	0.11339	
Farthing	43.750	2.835	—	—		0.87500	0.05669	

SECOND SCHEDULE.

Oath of the Jury on trial of Pyx.

You shall well and truly try whether the coins produced to you are just coins, and have been coined in accordance with the provisions of the law for the time being in force relating to the coinage.

So help you God.

Note.—Any person authorized by law in any case to make an affirmation or declaration in lieu of an oath may make an affirmation or declaration to the same effect as the above oath.

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Source: Great Britain, *Parliamentary Papers, House of Commons, 1870*, 13, vol. 1, p. 273.