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The Heyday of the Gold Standard, 1820-1930

1884 May 2

Coinage Act, 1884: 'A Bill, For amending the Coinage Act, 1870, so far as relates to gold coin and for making the necessary consequential amendments in the Banking and Weights and Measures Acts'.

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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. There shall be repealed, so far as relates to half-sovereigns coined after the passing of this Act, so much of the First Schedule to the Coinage Act, 1870 (in this Act referred to as the principal Act), and of the note to such First Schedule as relates to half-sovereigns, and in place thereof be it enacted that the weight and fineness of any half-sovereign is in this Act referred to as a ten-shilling piece, and the remedy to be allowed in the making of such ten-shilling piece, shall be respectively the weight, fineness, and remedy specified in the schedule to this Act.

2. There shall be added to the fourth section of the principal Act a proviso that ten-shilling pieces shall not be a legal tender for payment of any amount exceeding *five pounds*.

3.— (1.) Subject as in this Act mentioned, the treasury shall make arrangements for the exchange by the Mint of half-sovereigns coined before the passing of this Act for ten-shilling pieces, and of sovereigns and gold coins of higher denomination which either—

(a.) have been called in by proclamation; or

(b.) having been in circulation for more than *ten years* are below the current weight,

for new coins of the same denominations;

Provided that where a coin tendered for exchange has been illegally dealt with, it shall not be obligatory on the Mint to exchange the same.

(2.) A coin shall for the purposes of this Act be deemed to have been illegally dealt with where such coin has been impaired, diminished, or lightened otherwise than by fair wear and tear, or has been defaced by having any names or words stamped thereon, whether the same has or has not been thereby diminished or lightened.

(3.) Loss of weight exceeding as follows, that is to say,

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(a.) three grains in a sovereign, and a proportionate weight in each gold coin of higher denomination; and

(b.) two grains in a half-sovereign coined before the passing of this Act;

shall be conclusive evidence that such sovereign, coin, or half-sovereign has been impaired, diminished, or lightened otherwise than by fair wear and tear.

(4.) Coin shall be deemed to have been in circulation on the last day of the year specified thereon.

4. Section seven of the principal Act shall not apply to such coins as the Mint is required by arrangements made in pursuance of this Act to exchange.

5. Section of the principal Act shall not apply to the coinage of ten-shilling pieces; but ten-shilling pieces, if they have not been illegally dealt with, shall, subject to arrangements made by the Treasury, be exchangeable for gold at the Mint and by the Bank of England on behalf of the Mint at their nominal value, and in the case of bankers issuing bank notes in Scotland and Ireland may be substituted by such bankers respectively for silver coin in the reserve against which bank notes are authorised to be issued.

6.— (1.) Section ten of the principal Act shall not apply to any gold coin coined by the Mint after the passing of this Act.

(2.) All profit made by the Mint on the coinage of gold after the passing of this Act shall be paid over to the Commissioners for the Reduction of the National Debt and shall form a separate fund entitled the Coinage Fund, and the money so paid over shall in such manner as the treasury may from time to time direct be invested and applied by the Commissioners for the Reduction of the National Debt towards defraying the expenses incurred by the Mint in the coinage of gold, and the exchange of light gold coin for coin of full weight, with power for the Treasury from time to time to direct that any sum appearing to the Treasury not to be required for the purposes of such expenses shall be applied by the said Commissioners towards the reduction of the National Debt, as if it were part of the new sinking fund.

(3.) The accounts of the Coinage fund shall be audited as a public account.

7.— (1.) All gold coin which has either before or after the passing of this Act been issued from the Mint or any branch thereof, and is imported into the United Kingdom after the day declared by order of the Treasury in that behalf and published in the "London Gazette" (except gold in such small quantities as may appear to the commissioners of Customs to be brought by passengers for their personal use, and except ten-shilling pieces under this Act) shall be conveyed forthwith to an authorised bank, such conveyance and the landing of the coin, and any interim deposit which may be necessary, being at the risk and expense of the importer, and subject to such regulations as the Commissioners of Customs may from time to time prescribe; and any such gold coin landed, deposited, or conveyed in contravention of this section or any regulation made thereunder shall be deemed to be goods brought into the United Kingdom contrary to the provisions

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of the Customs laws, and those laws shall apply accordingly, so nevertheless that any forfeiture for an offence under this section, including any penalty, shall not exceed *one-tenth* part of the nominal value of the coin in relation to which the offence is committed.

“Authorized Bank” in this section means such one of the following banks as the importer desires, namely the Bank of England or Ireland or some branch thereof, or such bank or banks in Scotland as may, with the consent of such bank or banks, be appointed by the Treasury.

(2.) The bank to which such gold is removed shall examine the same, and shall return to the importer all such coins as are equal to or above the current weight, and shall retain all such coins as are below the current weight, and shall pay for the same at the rate at which the Bank of England is required is required to issue notes in exchange for gold bullion, and in the same manner as if such coin were gold bullion.

8. Section eight of the Weights and Measures Act, 1878, shall extend to require the making of new denominations of standards of weight equivalent to or multiples of a ten-shilling piece.

9. The Isle of Man shall for the purposes of the principal Act and this Act be deemed to be part of the United Kingdom.

10. Whereas by section eleven of the principal Act it is, amongst other things, provided that shall be lawful for Her Majesty by proclamation to direct the establishment of branch mints and to make regulations with respect to the coinage thereof; and whereas doubts are entertained whether Her Majesty is empowered to make regulations with respect to the branch mints established before the passing of the principal Act at Sydney and Melbourne; and whereas it is expedient to remove such doubts: Be it enacted that in the construction of the principal Act, a branch mint established before the passing of the principal Act shall be deemed to be subject to the provisions contained in section eleven of the principal Act relating to branch mints in the same manner as if such branch mint had been directed to be established after the passing of the principal Act,

11. This Act shall, so far as may be consistently with the tenour thereof, be read as one with the principal Act, and expression in the principal Act “this Act” and “the First Schedule to this Act” shall mean respectively the principal Act as amended by this Act; and this Act and the principal Act may be cited together as the Coinage Acts, 1870 and 1884, and this Act may be cited separately as the Coinage Act, 1884.

12. This Act shall not apply to any British possession, but it shall be lawful for Her Majesty by proclamation to direct that any part of this Act is to apply to a British possession with or without modifications, and any such part shall thereupon apply accordingly.

Provided that nothing in this Act or the principal Act shall empower Her Majesty to make ten-shilling pieces under this Act a legal tender in any British possession

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without the assent of such possession, testified in such manner as to Her Majesty may seem met.

SCHEDULE.

Denomination of Coin.	Standard Weight.		Standard Fineness.	Remedy Allowance.		
	Imperial Weight.	Metric Weight.		Weight per piece.		Millesimal Fineness.
	Grains.	Grams.		Imperial Grains.	Metric Grams.	
Ten-shilling piece	55.47351	3.59463	Eleven-twelfths fine gold, one-twelfth alloy; or Millesimal fineness, 916.66	0.2000	0.0130	0.002

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Source: Great Britain, Parliamentary Papers, House of Commons, 1884, 187, vol. 2, p. 85.