

1873.

NEW ZEALAND.

ESTABLISHMENT OF A MINT FOR SILVER AND
COPPER COINAGE,

(CORRESPONDENCE RELATIVE TO).

In Continuation of Papers presented on the 8th September.

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

Dr. FEATHERSTON to the Hon. the COLONIAL SECRETARY.

7, Westminster Chambers, Victoria Street, Westminster, SW.,
11th July, 1873.

SIR,—

Referring to your letter of March 19th, I have the honor to forward you a memorandum by Mr. Sargeaunt on silver and copper coinage, and also the three reports issued by Mr. Freemantle, the Deputy Master of the Mint.*

Having been placed by the Lords of the Treasury in official communication with Mr. Freemantle, I have the honor to report that I was received most cordially by him, and by Mr. Hill, the superintendent of the operative department. They not only gave me the fullest information on the questions raised by you in your Despatch of March 19th—which appear to be to be fully answered in Mr. Sargeaunt's memorandum and Mr. Freemantle's official report—but took me over the Mint, exhibited and explained the machinery and the various processes by which coinage of gold, silver, and copper money is carried on.

Mr. Hill expressed his opinion that some £5,000 should be added to Mr. Sargeaunt's estimate of the cost of the necessary apparatus, as it would be absolutely essential to have duplicates of many parts of it, and as some parts of the machinery were omitted.

Mr. Freemantle and Mr. Hill both concurred in opinion that the Mint buildings would involve an expenditure of from £20,000 to £30,000, and this they seemingly gave as a low estimate; but you can readily test their estimate by reference to the cost of the buildings of the Sydney and Melbourne Mints. The massive foundations, tunnelling, &c., constitute a great portion of the expense of the building.

They pointed out that they were unable to state what staff would be required; but they very plainly showed that, without reference to the extent of coinage operations, it would be necessary to have always at hand a staff of skilled artisans thoroughly conversant with every one of the processes of coinage, even though you could not give them employment one day in a week.

It will be perceived that, while the profit on silver coinage is stated to be from 9 to 10 per cent., this profit is materially reduced by defaced coins being taken at their nominal value.

It will further be observed that there is an enormous profit on bronze coinage, but this would scarcely constitute a source of much profit, having regard to the small amount of this coin in circulation in New Zealand.

I think that it is quite clear that the establishment would entail a heavy pecuniary loss upon the Colony.

I regret to say that no answer has yet been received from the Treasury to the applications of Victoria and New Zealand; but I have reason to believe that permission to coin silver and copper money will be refused.

I have, &c.,

I. E. FEATHERSTON,
Agent-General.

The Hon. the Colonial Secretary, Wellington.

Enclosure.

MEMORANDUM on New Zealand Government Letter, dated Auckland, the 19th March, 1873, relative to the Establishment of a Mint in that Colony.

1. There is, I believe, no profit, but absolute cost to the Government of this country, in the coinage of gold; but as it is not in contemplation to provide for such a coinage in New Zealand, however interesting the subject may be, any discussion as to whether the course pursued in this country is politic or not, or whether that followed by other countries is preferable, would be out of place here.

* Annual Report of the Deputy Master of the Mint, for 1870, 1871, and 1872.