

## New Brunswick's First Copper Coinages

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# New Brunswick's First Copper Coinages

HISTORIES OF COLONIAL MONETARY SYSTEMS have focused almost wholly on specie and paper currency, rather than base metal coins.<sup>1</sup> Yet for the average colonist the most commonly used "money" was the humble copper "penny". Like other colonies in British North America, New Brunswick felt a chronic shortage of such coin in circulation. Throughout the 18th century the Royal Mint had been unable to supply even the needs of Britain itself. By the beginning of the 19th century, the colonies had come to depend upon the Spanish silver dollar, initially rated as "Halifax currency" at four shillings and sixpence sterling, from which level the rate continuously declined.<sup>2</sup> For the specie coins, of greater value, the change from other nation's coins to United Kingdom coin values could be made relatively easily, although some types of coin were systematically undervalued, which may have contributed to their being quickly taken out of colonial circulation.<sup>3</sup> However, it was impossible to make such an adjustment to the smallest denominations "for a halfpenny sterling could not be made to pass for more than an halfpenny currency".<sup>4</sup> Anyone who brought legitimate English copper coins into the colony would lose as much as 20 per cent of their face value.

Given the lack of a legal tender in small denominations, colonists had to resort to various sorts of "tokens". These substitutes for the British penny and halfpenny could be made locally or ordered from Britain. Far from being legal tender, these tokens were almost invariably illegal on a strict reading of imperial law. However, colonists commonly made a distinction between "copper trash" and "sound" coins. The difference lay in the coin's workmanship, and above all in its weight. Today we usually accept coins and, indeed, our entire paper currency, for their "extrinsic" value; that is, these pieces of metal and paper have a certain value simply because the government has decreed it. But in the mid-19th century people still expected specie coins to have "intrinsic" value. That is, the coin ought to contain the amount of silver or gold that was reflected in its face value. While even the copper pence of Britain itself did not contain a penny's worth of copper, the British copper's weight set a standard against which all other copper coins or tokens were compared. Both contemporaries and 20th century coin historians have drawn

1 For examples see Robert Chalmers, *History of Currency in the British Colonies* (London, 1893) and James Pennington, *The Currency of the British Colonies* ([1848], New York, 1967).

2 This is a considerable simplification of a very complex process, which is dealt with more fully in Pennington, *The Currency of the British Colonies*, pp. 91-5 and Chalmers, *History of Currency*, pp. 192-4.

3 Angela Reddish, "Why was Specie so scarce in Colonial Economies? An Analysis of the Canadian Currency, 1796-1830", in M.H. Watkins and H.M. Grant, eds., *Canadian Economic History: Classic and Contemporary Approaches* (Ottawa, 1993), pp. 85-101. Reddish challenges the common perceptions, reflected in much of the scholarly work on colonial economies, that specie was actually being drained from the colonies by adverse trade balances.

4 R.W. McLachlan, "The Copper Currency of the Canadian Banks, 1837-1857", *Proceedings and Transactions of the Royal Society of Canada*, Second Series, 9 (May 1903), p. 218.

Peter Russell, "New Brunswick's First Copper Coinages", *Acadiensis*, XXV, 2 (Spring 1996), pp. 105-116.

distinctions between "merchant's tokens", often referred to as "copper trash", on the one hand, and "bank" or "semi-official tokens", which were thought to contain an amount of copper comparable to the British penny, on the other.<sup>5</sup>

While some of the merchants' tokens were thought to have a fair size and value, many merchants soon realized that there was a substantial profit to be made by the import of underweight tokens. Some of these contained only about half the copper of an English penny. British engineer John MacTaggart even advised that immigrants to Upper Canada bring with them sacks of farthings,<sup>6</sup> arguing that, "[i]f a lot of farthings be taken to a smithery and receive a blow from the sledgehammer on the anvil, they will then be excellent Canadian coppers, or half pennies".<sup>7</sup> On the other hand, several Lower Canadian banks and the province of Nova Scotia ordered coins that had nearly the "full weight" of an English penny as well as expert craftsmanship in their design. The most fully documented supplier to Lower Canada was the Soho Mint in Birmingham, England. The firm of Boulton and Watt founded and operated it until 1845. In much of the literature on Canadian coins it has been assumed that there was no profit made on the "bank tokens", in contrast to the "merchants' tokens" produced only for the profit to be made in providing a debased coinage.<sup>8</sup>

In New Brunswick, as elsewhere in British North America, "sound" money was thought to be that which would soonest be sent out of the province to pay debts owed to businesses in Britain. By the early 1840s the local government had tried several expedients to alleviate the shortage of acceptable small coin. Ultimately the colony's government, following the model of Nova Scotia, decided that New Brunswick needed to have its own "semi-official" coinage struck. Therefore, it placed an order for such coin with Britain's premier private mint, Boulton and Watt of Soho, Birmingham.

The lack of small denomination coinage was not a new problem for the Maritime colonies. Prince Edward Island's governor, in 1813, had ordered 1,000 Spanish silver dollars in which the centre had been punched out, thereby producing two coins: a ring (or "holey" dollar) valued at five shillings and the punched out centres (called "plugs") valued at one shilling.<sup>9</sup> By this expedient he hoped to create a coinage of recognized intrinsic value (it was real silver) that would not leave the island (because it was mutilated). Similarly, in New Brunswick both governors and assemblies had issued proclamations and passed laws trying to enforce a common rating system on both the ubiquitous Spanish silver dollar and British silver and copper coins.<sup>10</sup>

5 *Ibid.*

6 Four farthings equalled one English penny.

7 John MacTaggart, *Three Years in Canada*, Vol. 1 (London, 1829), p. 321.

8 For some background on the Birmingham Mint and the British North American coinages, see Peter A. Russell, "Canadian Colonial Tokens Struck by Boulton and Watt, 1838-1845", *Canadian Numismatic Journal*, 27, 5 (May 1982), pp. 208-15.

9 J.A. Haxby and R.C. Willey, *Coins of Canada*, Fourth Edition (Racine, Wisconsin, 1982), p. 4.

10 These actions are detailed in Chalmers, *History of Currency*, pp. 192-4.

In 1840, and again in 1841, the New Brunswick Legislative Assembly had passed resolutions calling for the government to provide a supply of good copper coin. In the latter year, the Assembly also appropriated £3,000 to this end. The newly arrived Lieutenant Governor, Sir William Colebrooke, wrote to the Colonial Office requesting £3,000 “to defray the expense of an equivalent supply of English Copper Coins pursuant to a resolution of the House of Assembly at the last session”.<sup>11</sup> While this coin was duly sent out, it proved to be yet another problem, rather than a solution. As Colebrooke would later attempt to explain to the Colonial Secretary, the English copper coins were not accepted as of Sterling value, but at the Halifax currency value. “To have issued the British copper in the present state of the currency would not only have subjected the Provincial Treasury to the loss of one fifth, but have led to the immediate exportation of the coins for the sale of this profit....”<sup>12</sup> Rather than lose the difference between the coin’s sterling value (which had been paid by the province) and the currency value (at which the coins would have to circulate), the Colonial Executive decided to leave most of the shipment in storage.<sup>13</sup>

The next and critical step taken by the Executive Council — from importing British coin to ordering a New Brunswick coinage — appears in a rather garbled Executive minute of 5 May 1842. The minute was recorded by two different hands, the first of which is barely legible and both of which were much crossed out and written over. Under discussion was what to do with the £3,000 in British copper coin. The Executive Council apparently understood that these coins could not be circulated without a loss in New Brunswick.<sup>14</sup> From subsequent events, it seems that the Executive Council had decided to send out feelers to see if it were possible to obtain a colonial coinage like that of the United Province of Canada or, more often referred to in later correspondence, like that of Nova Scotia.<sup>15</sup> The next development took place in England.

On 5 August 1842 Thomas Jones Wilkinson, acting as trustee for the Boulton and Watt Mint, replied to a Messrs. Tarratt and Co. (who had previously ordered copper tokens for Lower Canadian banks) with a quotation for the supply of copper coins “of a similar weight to the specimens handed to us”, subsequently identified as Nova Scotia coins. The charges would be about £20 for cutting new dies, £123

11 Sir William Colebrooke to the Colonial Secretary, 4 June 1841, pp. 169-70, Colonial Office [CO] 188, vol. 81, National Archives of Canada [NAC].

12 Sir William Colebrooke to the Colonial Secretary, 27 January 1843, pp. 35-6, CO 188, vol. 81, NAC. This statement admirably answers the question raised by A.B. McCullough, as to why these coins were not put into circulation: A.B. McCullough, *Money and Exchange in Canada to 1900* (Toronto, 1984), p. 173.

13 Richard W. Bird, *Coins of New Brunswick*, Vol. III (Fredericton, 1993), pp. 44-8, details the ordering, shipment, and early attempts to issue these British pence. He also critically reviews all attempts made to rate these coins in terms of existing coinages, showing that all were flawed.

14 New Brunswick Executive Council, 5 May 1842, pp. 3083-4, MG 9, A.1, NAC.

15 Bird, *Coins of New Brunswick*, p. 48, identifies the Provincial Treasurer’s search for someone amongst the colony’s “principal dry good importers” to take the British pence at sterling value as giving rise to William Hammond’s overture to import copper tokens.

per ton for pence and just over £127 per ton for halfpence. The estimate included the cost of shipment to Liverpool.<sup>16</sup> The link between Tarratt and New Brunswick seems to have been a Saint John merchant, William Hammond. Almost three months later Hammond wrote to Beverley Robinson, the Provincial Treasurer: "I will undertake to give you 20 per cent advance on the British Coppers you hold at present payable in pure copper tokens of the same weight as the Nova Scotia Issue".<sup>17</sup> Robinson appears to have wasted no time taking this to the Governor, for, on 14 November 1842, Colebrooke wrote to the Colonial Secretary to report "an Agreement...for exchanging a quantity of British copper coins for other coins to be obtained in England which will more readily circulate in this province".<sup>18</sup> Colebrooke even informed the Colonial Office of the ship on which Hammond's consignment was coming and where it would dock. Somewhat belatedly (at least according to our modern concept of cabinet government), Robinson took the proposal to the Executive Council where it was approved on 2 December 1842.<sup>19</sup>

Back in Britain, two processes were working themselves out quite independently, one in London and the other in Birmingham. Lord Stanley at the Colonial Office received Colebrooke's dispatch (just four days after New Brunswick's Executive Council had approved its proposal) and passed it on without comment to the Treasury. However, the Treasury reply alerted Stanley that the New Brunswick contract violated imperial policy, which the Colonial Secretary pointed out to Colebrooke, in a dispatch dated 27 December 1842.

[The Lords Comm. Of the Treasury] are by no means prepared to give any sanction for the special coinage contemplated, nor that countenance to the scheme in favour of N. Brunswick, which has been refused in the case of Canada & P.E. Island. I very much regret that you should have been induced to lend your sanction for the return of the British Coin to this Country, or for any other proceeding relative to the proposed new coinage, until you had applied for and obtained express previous authority....<sup>20</sup>

Colebrooke was caught in the classic trap of imperial-colonial relations, between the wishes of his local Executive and the demands of the Imperial Government. His response was obedience, with a dissent. On the one hand he replied, "I have judged it advisable to cancel the agreement with that gentleman".<sup>21</sup> On the other hand he launched into a lengthy defence both of his own conduct and of the actions

16 T.J. Wilkinson to Tarratt and Co., 5 August 1842, Mint & Coinage Letter Book 1840-1842 [Boulton Papers], Local Archives Department, Birmingham Central Library. See also John Westley to T.J. Wilkinson, 16 January 1843, p. 159.

17 William Hammond to Beverley Robinson, 1 November 1842, New Brunswick Executive Council, MG 9, A.1, NAC.

18 Sir William Colebrooke to the Colonial Secretary, 17 November 1842, pp. 224-6, CO 188, vol. 79, NAC.

19 New Brunswick Executive Council, 2 December 1842, MG 9, A.1, NAC.

20 Lord Stanley to Sir William Colebrooke, 27 December 1842, pp. 228-9, CO 188, vol. 79, NAC.

21 Sir William Colebrooke to the Colonial Secretary, 27 January 1843, p. 35, CO 188, vol. 81, NAC.

recommended to him by his Provincial Executive. He reviewed the case of the £3,000 in British copper coins and why they could not have been circulated without a substantial loss. Then he explained why the new coinage could solve the colony's problem.

The practice of attaching English denominations to the Spanish coins which were formerly the medium of circulation having been the origin of what is called Currency in the colonies has left these provinces without any standard and as the United States have adopted the Dollar with a copper coinage of cents (being the hundredth part of a dollar) the simplicity of the decimal division has recommended them for adoption. Unless British Sterling were declared to be the money of account a very slight alteration of the English copper would adapt it to the Dollar circulation.<sup>22</sup>

Lord Stanley welcomed Colebrooke's submission: "Your determination to cancel the contract entered into with Mr. Hammond for the supply of a Copper Coinage for circulation in New Brunswick is approved". In response to his dissenting opinion, however, the Colonial Secretary commended the examples of Nova Scotia and Canada where the legislatures had placed fixed valuations on currency and foreign coins in terms of British sterling. That suggestion, while taken up at the subsequent session of the New Brunswick legislature, was not adopted.<sup>23</sup>

While that official British response was being articulated, a parallel response to the New Brunswick Government's initiative was being played out in Birmingham, rather than in London. On 6 January 1843 Thomas Jones Wilkinson wrote to Tarratt & Son to confirm the order "to supply you with Pence & Halfpence in equal proportions to the amount of £3,425, packed and delivered at the Port, the Pence to be at the rate of 26 pieces to the lb., and the Halfpence at the rate of 52 pieces to the lb."<sup>24</sup> However, an order of coin — whether coin of the realm or tokens — was no mere commercial transaction.

Soho Mint officials frequently had to point out to those enquiring about having coins produced that some governmental authority was necessary. The Mint would not even give estimates for the manufacture of coins for foreign countries without that foreign government's approval. Matthew R. Boulton replied to one such inquiry:

It will be first requisite for me to have the sanction of the government for whom the coinage is intended, or their representative in this country,

<sup>22</sup> *Ibid.*

<sup>23</sup> Lord Stanley to Sir William Colebrooke, 15 March 1843, p. 42, CO 188, vol. 81, NAC and Sir William Colebrooke to the Colonial Secretary, 12 May 1843, p. 312, CO 188, vol. 82, NAC. From this it can be seen that New Brunswick did *not* receive "the right to issue copper coins" in 1843, as stated in Sheldon Carroll, "New Brunswick Currency", *Canadian Numismatic Journal*, 15, 1 (January 1970), p. 12.

<sup>24</sup> T.J. Wilkinson to Tarratt & Co., 6 January 1843, Boulton Papers.

otherwise I should come under the penalties of the Act prohibiting the counterfeiting of the coin of Foreign States....When in possession of this authorization I shall have much pleasure in furnishing you with the information you desire.<sup>25</sup>

The same caution was applied to the supply of coins for British colonies. Matthew R. Boulton explained his approach to Albert Furniss who was seeking to order coin for the Bank of Montreal.

On the subject of the Canadian coin, I beg to say, that in the first instance it will be necessary to call your attention to the clause in the Act of Parliament "prohibiting the fabrication of Local Tokens" — sec. 57 Geo. III chap. 46. I have always considered it expedient to have the sanction of the Provincial Authorities, or of the Government at home, for my security in undertaking such a Coinage as the one you propose...In the situation in which I stand relatively to our own Government, I am compelled to act with great caution, in avoiding every proceeding which may be misconstrued or furnish a pretext for invidious misrepresentation.<sup>26</sup>

Subsequently a Mint official wrote to Furniss, acknowledging receipt of "the order in Council for permission to coin pence & halfpence in equal proportions for the Bank of Montreal".<sup>27</sup> Who, then, provided the authorization of Hammond's order of coin?

As the preceding correspondence between Colebrooke and the Colonial Office shows, both had expected Hammond or his agent to contact some office of the Imperial Government (the Treasury or the Royal Mint if not the Colonial Office itself). But instead the Treasury officials informed the Colonial Office that neither Hammond nor anyone else had approached them about the New Brunswick coinage. We might assume, then, that Hammond's agents had some authorization directly from the New Brunswick Executive for ordering the coin, sufficient at least to persuade the Birmingham Mint officials that his order had the sanction of the colonial government.

Hammond's agent in England for the actual transportation of the coinage was a ship's captain, William Dudne. This sea captain seemed to know a good thing when he saw it. His actions might also suggest that he was in some degree aware that the New Brunswick order stood on shaky legal ground. On 16 January 1843, just after work had begun on the New Brunswick coppers, John Westley of the Mint replied to an inquiry from Dudne.

25 Matthew R. Boulton to Mather, Thomlinson and Sons, 1 July 1839, Mint and Coinage Letter Book, 1835-1839, p. 422, Boulton Papers.

26 Matthew R. Boulton to Albert Furniss, 14 August 1839, Mint and Coinage Letter Book, 1835-1839, p. 422, Boulton Papers.

27 John Westley to Albert Furniss, 2 June 1842, Mint and Coinage Letter Book, 1840-1845, p. 160, Boulton Papers.

I am sorry to say that I cannot comply with your request to execute coin to the extent of £25 worth to pass current in the Colony for £50, as I do not think it would be fair to Mr. Hammond from whom the order for the Coin in hand was given...and in the absence of any authority from him we should be incurring a responsibility in using them for you (after the completion of the present order) which we wish to avoid.<sup>28</sup>

However, on 13 March Westley sent Dudne an invoice for twice the value of the order which was rejected on 16 January.<sup>29</sup> Had Dudne been able to provide Westley with some authority for a purely personal speculation between 16 January and 13 March? A clue may be found in the unusually lengthy correspondence between the two men concerning exactly how the New Brunswick coins were to be packed and labelled.

Westley began, on 2 February, by responding to Dudne's suggestions for packing with an explanation of the Mint's usual procedures.

It occurs to me that it will be far preferable to pack the Coin in Kegs, which has been an invariable rule at this Establishment; it would be a difficult thing to pack them in Boxes, so as to contain any given amount in Currency, as the pieces vary in weight from the Rolling of the Copper, either Light or Heavy, which necessarily increases or diminishes the number of pieces in the whole quantity; we could pack them in kegs of any given weight you like, say from 1/2 cwt to 3 cwt.<sup>30</sup>

In both that letter and a subsequent one, Westley expressed his preference for a face-to-face meeting: "It will be far preferable to see you personally, after explaining to you the objections to the Packing, I could then make arrangements with you as to the mode of conveying the coin".<sup>31</sup> However, Dudne seemed to have attempted to make his own arrangements, of which Westley did not altogether approve: "If I was to advise you I would not let this Coinage matter go thro' the hands of Messers Gibbs & Co. For we could not with consistency designate it as hardware. — Will you please say to what other house it should be consigned, & how it should be marked & to whom the Invoice should be sent?"<sup>32</sup> It was in the context of these delicate negotiations about how the shipment of coin was to be labelled that Dudne found his earlier request granted. His invoice showed that he paid £50 for

28 John Westley to Captain Dudne, 16 January 1843, Mint and Coinage Letter Book, 1840-1845, p. 160, Boulton Papers.

29 John Westley to Captain Dudne, 13 March 1843, Mint and Coinage Letter Book, 1840-1845, pp. 187-8, Boulton Papers.

30 John Westley to Captain Dudne, 2 February 1843, Mint and Coinage Letter Book, 1840-1845, p. 166, Boulton Papers.

31 John Westley to Captain Dudne, 1 March 1843, Mint and Coinage Letter Book, 1840-1845, p. 170, Boulton Papers.

32 John Westley to Captain Dudne, 10 March 1843, Mint and Coinage Letter Book, 1840-1845, p. 185, Boulton Papers.



coin with a face value of just over £100, packed in casks, and "marked as you have directed".<sup>33</sup> It may have been that Hammond had instructed Dudne not to deal directly with the British government. Was the intent from the start to smuggle the tokens out of Britain labelled as "hardware"?

It seems unlikely that Hammond or Dudne would have had direct knowledge that the British government had refused to confirm Colebrooke's permission. Dudne's ship left New Brunswick in late November, while the Colonial Office did not dispatch its refusal to Colebrooke until 27 December. By the time Colebrooke had received and replied to the imperial command, it was 27 January. A few weeks later the New Brunswick coin order had been completed. Moreover, Dudne's speculation raises not only the question of proper authorization, but also the question of profit.

If Dudne's little order was a speculation aimed at a gross profit of approximately 100 per cent, what was Hammond's order? As noted above, the original contract for the New Brunswick coin was agreed upon on 6 January 1843. It was to be ready for the end of February. In a postscript, Wilkinson added, "On referring to the order I find it should be £2,000 worth of Pence & £1,420 of Halfpence".<sup>34</sup> On 2 March Wilkinson was able to write that the work had been finished six days ahead of schedule "and a more beautiful coinage was never before issued from our Mint".<sup>35</sup> Very shortly thereafter, the invoice for the province's order was sent out.

The invoice, dated 4 March 1842, showed Tarratt & Co. as agents taking receipt of 187 cases of pence and 132 cases of halfpence with a total weight of over 14 and a half tons. For the total order, Tarratt, as financial agent for Hammond, paid £1,737 (including £30 for the engraving of the dies and £50 for transportation to London). That would have yielded an initial profit to Hammond of £1,683 or 97 per cent, since the face value of the coin he obtained was £3,420.<sup>36</sup> Even if the costs of insurance and shipping (which had come to about £110 for the earlier shipment of £3,000 in British pence) are taken into account, the profit would still have been over 90 per cent.<sup>37</sup>

In his magisterial study of Canadian copper coins, R.W. McLachlan contrasted the greedy merchants who imported light weight tokens for profit with the banks which imported "full weight" coins of high quality workmanship to serve the public good. "Thus without any adequate remuneration did the Canadian banks come to the relief of the public suffering from the instability and insecurity of their copper

33 John Westley to Captain Dudne, 13 March 1843, Mint and Coinage Letter Book, 1840-1845, pp. 187-8, Boulton Papers.

34 T.J. Wilkinson to Tarratt & Co., 6 January 1843, Mint and Coinage Letter Book, 1840-1845, p. 155, Boulton Papers.

35 T.J. Wilkinson to Tarratt & Co., 2 March 1843, Mint and Coinage Letter Book, 1840-1845, p. 171, Boulton Papers.

36 T.J. Wilkinson to Tarratt & Co., 4 March 1843, p. 183; the final payment was made 31 March 1843, Mint and Coinage Letter Book, 1840-1845, p. 189, Boulton Papers.

37 Bird, *Coins of New Brunswick*, p. 46, gives the packing, insurance and shipping costs for the earlier shipment of British pence to New Brunswick.

change...".<sup>38</sup> However, the rate of profit on the New Brunswick coinage — which was considered "full weight" and of fine craftsmanship — suggests that "the disinterested intervention of the banks" was perhaps not so unprofitable as has sometimes been assumed.

In the most recent detailed study of New Brunswick's coinages, Richard Bird has pointed out that no copper coin was worth its own weight in copper. "To call copper currency 'coins' is a misnomer. Unlike gold and silver coins of the period, the face value of copper currency was not close to the intrinsic value of its metallic content. Its value by tale (ie. face value) was much higher than its intrinsic value".<sup>39</sup> He suggests that Colebrooke wanted the new issue stamped "token" in order to "distinguish the copper from coins having an intrinsic value approximately their value by tale".<sup>40</sup> Yet even the British penny did not contain a penny's worth of copper. Moreover, Bird's own calculations show that the new coins' weight accurately reflected the variation in currency value from sterling value. The real contrast seemed to have been between "private tokens that traded as halfpennies [which] were sometimes minted at 90 to the pound [and] the New Brunswick halfpenny [which] was to be minted at 52 to the pound".<sup>41</sup> While neither the English penny nor the New Brunswick penny token contained a full penny's worth of copper, the New Brunswick token's weight was intended to approximate the difference in value between that of the sterling value penny and that of the currency value penny.

In late March the New Brunswick coin was shipped to Saint John. By 21 July 1843 the Provincial Treasurer informed the Provincial Secretary that it was being paid out for pensions to retired soldiers and soldiers' widows.<sup>42</sup> But not everyone in New Brunswick was grateful for the arrival of the new coins. Eighty-six Saint John's merchants petitioned the Government on 12 September 1843, complaining that "the rapid issue of a greater quantity of copper coin than was wanted for circulation in the community" had led to its value decreasing by five per cent.<sup>43</sup> They asked that the new coin be issued more gradually.<sup>44</sup> Governor Colebrooke obviously knew that the coin from the "cancelled" contract was circulating and

38 McLachlan, "The Copper Currency of Canadian Banks", p. 231.

39 Bird, *Coins of New Brunswick*, p. 41. There was an excellent reason for this. When Matthew Boulton issued his first copper coinage for the British government, he made the coin large enough to contain its worth in copper. Shortly after these coins went into circulation, the price of copper rose markedly, with the result that the new issue disappeared from circulation. The copper in the coin had come to be worth more than its "face value".

40 *Ibid.*, p. 51.

41 *Ibid.*, p. 50.

42 Beverley Robinson to W.F. Odell, 21 July 1843, New Brunswick Executive Council, MG 9, A.1, NAC.

43 Petition of Saint John Merchants, 12 September 1843, New Brunswick Executive Council, MC 9, A.1, NAC.

44 McCullough, *Money and Exchange*, pp. 173-4, thought the objection was that the issue was too large; but the petition makes clear that it was the *rate* at which the new coin was issued, not the total amount of it, that was of concern.

decided not to inform the Colonial Office. Not reporting the appearance of the “illegal” coinage kept the Colonial Office in happy ignorance and also satisfied the local colonial Government.

In 1848 Sir Edmund Walker Head replaced Colebrooke as Lieutenant Governor. The new man believed that he could effectively manage the provincial government within the latitude allowed by the new practice of “responsible government”. By 24 January 1853 he wrote to a close friend in England: “I have at this moment more real power, without the show of it, than I ever had. Nothing has done me so much good as the knowledge of law which I picked up before I came out. By means of this I can meet my council on equal terms in almost all matters and they are very shy of proposing to me anything of a doubtful character.”<sup>45</sup> His apprehension that his Council might attempt to convince him to follow policies of dubious legality was soon to be proven well-founded. While the Saint John merchants had complained of a too-rapid issue in the fall of 1843, a decade later they were amongst those pressing for a new issue of colonial coin.

The second New Brunswick order for copper coin began no less inauspiciously than the first. The chosen agent — J.M. Anderson, acting on behalf of John Sears — arrived in London well before the Lieutenant Governor’s despatch to introduce him. However, in 1853 unlike 1843, the agent actually did contact the Imperial Government, in the mistaken belief that it would assist him. On 18 January 1853, Anderson wrote to their Lordships of the Treasury from his lodgings in Cheapside that he had “been authorized on the part of the province of New Brunswick...to procure a copper coinage to the extent of two thousand pounds currency in pence & one thousand currency in halfpence”.<sup>46</sup> He enclosed what he obviously thought of as his warrant, a note dated 18 December 1852 from New Brunswick’s Provincial Treasurer. The Treasury forwarded this application to the Colonial Office, which replied that it had no knowledge of the matter.<sup>47</sup>

However, subsequently the Colonial Office received a dispatch from Sir Edmund Walker Head, dated 10 February 1853, in which he applied for permission to have £3,000 worth of pence and halfpence tokens on the same basis as the 1843 issue.<sup>48</sup> This the Colonial Office duly passed on to the Treasury. But before the latter had replied, the Lieutenant Governor had written again.

My dispatch on the 10 February was written under the belief that the copper currency of this colony at present in circulation had been legally established. I have since seen reason to entertain doubts on this point. A correspondence took place between my predecessor, Sir W. Colebrooke and Lord Stanley on the subject of the copper coin of New Brunswick. When I

45 D.G.G. Kerr, *Sir Edmund Head: A Scholarly Governor* (Toronto, 1954), p. 106.

46 J.M. Anderson to the Colonial Office, 18 January 1853, CO 188, vol. 120, p. 273, NAC.

47 Treasury to Colonial Office, 26 January 1853 and Colonial Office to Treasury, 5 February 1853, CO 188, vol. 120, pp. 269-70, NAC.

48 Sir Edmund Walker Head to the Colonial Secretary, 10 February 1853, CO 188, vol. 120, p. 67, NAC.

arrived here in 1848 I found copper pennies and half-pennies in circulation and they have continued so ever since without a question of any kind being raised. I assumed therefore that the coinage had been sanctioned by Her Majesty's Government. The coin itself, as will be seen by the specimen enclosed bears the date 1843....Even now I do not know certainly whether the circulation of these coins is legal or not. The only thing certain is that an urgent demand for a fresh supply of copper exists and that in order to be applicable to the wants of the colony — that copper must represent the value of a penny and a half-penny currency....Should I be right in my conjecture as to the illegal character of the present circulation I trust Your Grace will see that I had no reason whatever to doubt the legality of a coin actually current without dispute long before the time of my arrival in New Brunswick and in fact for the last ten years.<sup>49</sup>

One wonders how Head could have seen the Colebrooke-Stanley correspondence and still have entertained doubts about whether or not the 1843 issue was legal and enjoyed the sanction of the Imperial Government. The Colonial Office passed on this dispatch as well to the Treasury. The latter finally replied at length on 25 June 1853.

The Treasury could not allow that there was any legal New Brunswick coinage in circulation. "The contract which had been entered into with Mr. Hammond for the supply of the copper coin had been cancelled....Whatever proceedings may have been adopted were irregular...there is no law authorizing the circulation of these tokens". Then the direction of the memorandum shifts dramatically, showing the practical change in imperial relations often associated with the advent of responsible government. Instead of ending with a merely negative injunction against coining for the colonies, the Treasury indicated how to do it within the law: "The best course to be followed in this matter will be for the New Brunswick Legislature to pass an act empowering the local government to obtain a supply of copper coins representing the denominations of the local currency, through Her Majesty's Mint, and legalizing their circulation." Nonetheless, responsible government did not mean that the colonies had left the Empire! Thus the memorandum went on to state unequivocally: "But My Lords cannot give any sanction for the use of a die bearing the Queen's Effigy made without authority for the fabrication of tokens, the circulation of which is not legalised".<sup>50</sup> While the approach of the colonial officials may have been somewhat haphazard, by 1853 a new spirit had begun to breathe (if somewhat fitfully) into imperial relations. The Treasury response noted the illegality of both the form of the 1853 request and the existence of the 1843 issue, but reflecting the shift to a more positive attitude, it went on to indicate how the colony's needs could be accommodated legally.

In response to the good news, Governor Head either had become more willing to

49 Sir Edmund Walker Head to the Colonial Secretary, 20 April 1853, CO 188, vol. 120, pp. 212-15, NAC.

50 Treasury to Colonial Office, 25 June 1853, CO 188, vol. 120, pp. 275-8, NAC.

admit what he had already known or had gained yet more insight into the 1843 order. By 18 September he was writing: "From what I can learn I have no doubt that the statement of Sir William Colebrooke...was strictly correct — that is to say, the contract was cancelled by the provincial government and the dies returned by the contractor — But I have reason to think that the contractor or some person...smuggled into the colony as "hardware" the copper coin which is now in circulation."<sup>51</sup> One possible source for the very specific detail — that the 1843 coinage had been smuggled into the colony as "hardware" — could have been Captain Dudne, who was sworn in as an official of New Brunswick's Provincial Treasury scarcely two months after the Lieutenant Governor's dispatch.<sup>52</sup> That dispatch pointed out an existing New Brunswick statute which the Governor hoped would give sufficient legal sanction, and included, as well, an Executive Council minute ordering once again £3,000 worth of pence and halfpence.

The case of New Brunswick's earliest copper coinages illustrates several aspects of mid-19th century political and economic life. While the British government initially rejected 'responsible government' as set out in Lord Durham's Report, it did call on its governors to 'manage' their colonial governments "in accordance with the well known wishes of the people". In New Brunswick this policy caught governors between the wishes of their Executives and the mandate of their imperial masters. Colebrooke's handling of the first coin order demonstrated the expedients to which a governor might have to go to reconcile conflicting directions. The Treasury's response to Head's ill-considered request for a second issue demonstrates how imperial authorities were learning to bend in meeting colonial wishes. Thus the gradual implementation of responsible government allowed New Brunswick to develop the domestic small denomination coinage thought necessary for internal transactions.

The financial side of the story of New Brunswick's first copper coins also leads to a possible revision of notions about the economics of coining in the 19th century. The profits of providing coin as an item of commerce (when the provider had no obligation to redeem the coin) are revealed as quite substantial. Whether Lower Canadian banks had as much leeway as Mr. Hammond and Captain Dudne nearly to double their investment remains to be seen. But in future we will be less ready to assume, with R.W. McLachlan, that banks issued coins "without any adequate remuneration".<sup>53</sup>

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51 Sir Edmund Walker Head to the Colonial Secretary, 18 September 1853, CO 188, vol. 121, pp. 135-7, NAC.

52 Affidavit from the Provincial Secretary's Papers, 12 November 1853, Provincial Archives of New Brunswick

53 McLachlan, "The Copper Currency of Canadian Banks", p. 231.