Coin and Country: visions of civilisation in the British recoinage debate, 1867-1891

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I have stuck up stoutly for the unimpeachable integrity of the Sovereign in affairs of the Mint as much as in those of Church and State, protesting against the abstraction of one tithe from our Monetary Law - holding a grain of Gold to be as prolific of consequences as a grain of mustard seed. Lord Overstone to G.W. Norman (18 September 1869)

... a gold currency is an expensive luxury, for whose enjoyment we must pay.

John Biddulph Martin (1884)

In most accounts, the gold standard looms large as a pillar of British financial and cultural dominance in the Victorian period. As a producer of gold (through its colonies in Australia), as an importer (through the Bank of England), and as the chief administrator of an international exchange mechanism pinned on world gold supplies, the British empire had many reasons to support the gold standard in the nineteenth century. Certainly the British themselves proudly regarded their stable gold currency as a sign of the unique level of civilisation they had carved out under Victoria’s reign. In a narrow financial sense, gold stood for civilisation because it was relatively scarce: only a country with a highly-developed cash economy could make do with such an expensive form of currency. Until the rise of foreign banking systems after 1850, and the concurrent influx of new gold from Australia and California, other countries had to settle for silver as a standard of value, or at best – as in the case of France – a hybrid standard of gold and silver. More generally, Britain’s status as manager of world gold supplies allowed its financiers to imagine themselves at the centre of an ever-expanding monetary cosmopolis.

The British were fairly sure that gold was the most civilised metal on which to base a cash economy – but by the final third of the nineteenth century they had become less certain about how civilisation should be
defined. Some continued to abide by the Liberal doctrine that civilisation was a commodity, to be exported from British factories and dockyards until eventually everyone in the world would share in the virtues of material well-being and self-improvement. As J.A. Hobson put it in his sympathetic biography of Richard Cobden, the ‘spread of Free Trade’ signified for Victorian Liberals ‘the healing and pacific influence of all economic intercourse between nations’. 5 Others, notably the imperialists who were the target of Hobson’s incessant criticisms, saw civilisation as a peculiarly British trait, to be protected against corruption from within and invasion from without. To this end, they anxiously measured symptoms of national degeneration, which they hoped to combat with increased military spending and (in the words of Karl Pearson) with ‘social feeling and ... an enlightened national pride’. 6

Gold could be incorporated into either a ‘Liberal’ or a ‘nationalist’ vision of civilisation with relative ease; it could also easily accommodate different meanings of civilisation within Liberalism. As a primary mechanism of international trade, gold seemed to be the perfect symbol of a world which knew no national boundaries. It was ‘an agent affecting the destinies of the world’, according to the Scottish journalist R.H. Patterson, both because it gathered together men ‘of every kindred and tongue’ at the diggings in California and Australia, and because it encouraged an ‘ever-widening commerce’ by which ‘all nations both of East and West will be drawn together in bonds of mutual interest and sympathy’. 7 Gold historically also supported another central tenet of Liberalism, the idea that the government should keep spending to a minimum in order to relieve industry of the burden of taxation. By giving people the right to convert their bank notes into gold at any time, the gold standard imposed a ‘natural’ check to prevent ministers from printing money indefinitely to pay for expensive wars. It also extended this ideal of restraint to the commercial community at large, by making money for potentially ‘speculative’ investment harder to come by. 8 These two significations of gold – as both liberating and disciplining – first appeared in tandem in the decade after 1810, when Liberal Tories defended a return to the gold standard both to encourage foreign trade and to check wartime inflation. 9 They started to drift apart after the mid-century gold discoveries, which led observers alternately to celebrate the new gold’s impetus to foreign trade and to worry about the social unrest that it produced.10

Such tensions notwithstanding, each of these ‘Liberal’ connotations of gold shared a common reference to the metal’s faceless, uncoined form: the bars of bullion which freely crossed international borders

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from one central bank to another. Once coined, gold came to signify a less cosmopolitan world, where national difference mattered more than commerce among nations. Ironically, the very abundance of gold after 1860 that led Patterson to look forward to the erosion of nationalism multiplied the number of opportunities to display national difference on the faces of gold coins – since, as more of the metal became available for commerce, more countries switched to gold as their only legal tender. This happened in 1871, when the victorious Germans turned the French bullion they received as indemnity payments into 'a common gold coin for the various States of the Empire'; and in 1874, when the newly-created South African Republic celebrated its sovereignty by unveiling a 20-shilling coin, minted with Transvaal gold and bearing the likeness of its president Thomas Burgers – who called the occasion 'one of the steps for forming a nation'. Far from remaining aloof from these developments, British politicians after 1880 gave careful consideration to the manner in which both the Queen's face and her expanding empire should be depicted on their circulating coin. These same tensions within Liberal connotations of gold, and between trans-national bullion and national coin, also appeared in a more specific context which forms the central theme of this article: the fact that coin, unlike bullion, wore down, and someone needed periodically to pay for its restoration. Because gold was a soft metal, it grew lighter as it passed from palm to palm. Actuarial calculations at the time estimated an average interval of 18 to 19 years before a gold sovereign fell below the legal weight, a figure which dropped to less than 10 years for the thinner half-sovereigns. The questions of who should pay for recoinage, and by what means, arose first in the late-1860s and again in 1884, before finally being resolved in 1891. In 1869 William Gladstone's Chancellor of the Exchequer, Robert Lowe, hoped to pay for recoinage by shaving a fraction off the sovereign's standard weight; he paired this plan with a scheme to join an international coinage convention, whereby the new sovereign would circulate interchangeably with coins of identical weight from participating countries. Lowe's proposal revived an ongoing dispute within traditional Liberal doctrine over the relative priority of the gold standard's internationalist and disciplinary implications. Lowe also confused the issue, by trying to fit an 'artificial' coinage convention into a traditionally 'natural' appeal to free international trade – something which was less obviously problematic when bullion bars (or even sovereigns) were exchanged without regard to nationality. Hence despite his efforts to sell the plan as a simple matter of saving government expenditure, his critics successfully responded that he had abandoned the
true moral teachings of both free trade and the gold standard in order to chase after a utopian dream of international co-operation.

The debate over recoinage resurfaced in 1884 when a second Gladstone-appointed Chancellor, Hugh Childers, offered to reduce the half-sovereign by 10% (thereby tokenising it) to cover minting costs for an intact pound coin. His proposal coincided with what many historians have observed to be the early undoing of a coherent commitment to internationalism within Liberal thought, owing to Gladstone’s imperial embroilments in Egypt and South Africa. Consequently, all Childers could offer in favour of his half-sovereign scheme was a warmed-over assertion of budgetary retrenchment as a core Liberal value. But since his cost-cutting device relied on tokenising a coin which had long been included in the gold standard’s guarantee of convertible paper money, it fell prey to the same moral logic that had stymied Lowe. Additionally, a new sort of criticism appeared in 1884, which openly identified an intact gold coinage with Britain’s distinctive claims to national greatness. What these two criticisms shared was a thorough-going scepticism about the capacity of either ordinary British citizens or foreigners to comprehend Childers’ claim to be able to tokenise some of Britain’s gold coin while leaving the rest unchanged as a standard both of value and of nationality.

Once allied, the older moralists and the new nationalists easily forced Childers to withdraw his recoinage scheme, but they could not force him to come up with an alternative. All the while, the state of the British sovereign continued to worsen. The proportion of sovereigns that were below their legal weight, already estimated at 31.5% in the 1860s, consequently rose to over 45% in 1890. The matter was only resolved when a new Chancellor of the Exchequer, the Liberal Unionist George Goschen, included £400,000 in his 1891 budget to coin over £40 million worth of new sovereigns and half-sovereigns. Besides restoring Britain’s legal tender to its legal weight, Goschen’s state-subsidised recoinage steered Britain toward a vision of financial civilisation in which national power shared centre stage with moral restraint, pushing to one side Cobden’s dream of world peace through international trade. Presiding over this vision, and perpetuating it from change purse to change purse, were millions of newly-minted images of Queen Victoria.

I

When the fate of the gold sovereign first became a serious matter of debate in 1869, the sovereign itself had only been in circulation
for slightly more than fifty years. Introduced under Lord Liverpool’s Coinage Act of 1816, it had replaced the slightly heavier guinea, which in turn had appeared during Isaac Newton’s tenure as Master of the Mint a century before. Of the new coins, some 14 million had been restored to full weight between 1842 and 1844, which would be the last time in nearly fifty years Parliament (acting through the Bank of England) paid full price for any underweight sovereigns that bankers and merchants voluntarily returned.\textsuperscript{15} That recoupage campaign accompanied a new law in 1843, requiring the last holder of any underweight sovereign or half-sovereign to cover the cost of restoring the coin to its pristine weight – a law which was a dead letter almost as soon as it was passed, since anything approaching proper enforcement of it would have required unrealistic levels of surveillance. The \textit{Economist’s} comment in 1884, that the law assumed ‘that all persons to whom gold coins are likely to be tendered go constantly about with a set of nicely-adjusted scales and coin-breaking instruments’, summed up the wholly inadequate nature of British coinage legislation in the intervening forty years.\textsuperscript{16} In practice, only the Bank of England employed coin-weighing machines to detect incoming underweight sovereigns and half-sovereigns; and since the vast majority of coins that found their way to the Bank came from other bankers, this placed the burden of paying the difference almost wholly on their shoulders.\textsuperscript{17} To the large extent that banks were able to evade this responsibility by keeping underweight coin in circulation, the spirit as well as the letter of the 1843 law suffered accordingly.

Grumbling about both the state of the sovereign and of British coinage laws commenced in the mid-1860s, in the midst of a debate over the feasibility of an Anglo-French gold currency based on the creation of a new 25-franc coin. This debate was part of a wider campaign, waged by Liberals from several different countries, for a common coin that could keep pace with the growing internationalism of trade. A universal gold coinage, they claimed, would save the wasteful expense of melting coins into bars as they entered new lands, and it would finally convert \textit{coins} as well as \textit{bullion} into a commodity like any other. It would extend to money the very basis of free trade’s cosmopolitan character: the fact that English people cheerfully consumed French wine, for instance, or Americans wore clothes with a British label. French coins that found their way into Britain would continue to circulate there as if they were sovereigns, instead of being confiscated at the border to be changed into coins with the suitable national stamp – just as French wine circulated freely in Britain until it reached the dinner table. For Lowe, this argument dovetailed with a second Liberal
justification for universal coinage: the coincidental fact that, since the 25-franc coin was 1% lighter than the sovereign, simply declaring existing light-weight sovereigns to be equivalent to the new coins would save the expense of reminting them.

Although the formal proposal for a universal coinage came from a French-hosted conference in 1867, the origins of the scheme dated back to an earlier debate on decimal currency in which British merchants and statisticians played the leading role. That debate, which moved in and out of the political spotlight in Britain between 1852 and 1864, was in many ways a dress rehearsal for the later performance on the theme of universal money. As G.R. Searle has noted, the debate was one occasion among many in the 1850s for a ‘clash between businessmen seeking to “rationalize” the country’s commercial procedures and those who clung to “customary practice”, invoking Magna Carta and the like’. Several future participants in the international coinage debate took the same sides on decimalisation. The statistician Leone Levi, the merchant Benjamin Smith, and the actuary Frederick Hendriks were all ringleaders in the decimalisation campaign, and would all emerge as active supporters of universal money. Lord Overstone, who chaired a Royal Commission which sank decimalisation in 1859, was likewise a force to be reckoned with in the recoineage debate.\(^\text{18}\)

Besides revealing their differences with fellow Liberals, decimalisation provided British internationalists with a chance to discover sympathisers in foreign climes, and from there work towards a common international coin. A London meeting of the International Statistical Congress in 1860 produced a report, largely written by Levi and the London actuary Samuel Brown, which recommended a decimal pound sterling as a basis for such a coinage. When this proposal failed to achieve a consensus among the American and European delegates at the next Congress in Berlin, the matter shifted to the Paris Exhibition of 1867. There, delegates from nineteen countries attended a conference presided over by Jerome Napoleon to determine the best form which a universal coin should take. This time the franc won out as a common denominator, with a new 25-franc coin being proposed to coincide more closely with the existing American half-eagle and British sovereign. Although both America and Britain ultimately stayed out of the proposed convention, the new coin did succeed in forming the basis of a ‘Latin Union’ of currency in France, Switzerland, Italy, and Belgium.\(^\text{19}\)

Back in England, the matter was referred in 1868 to a Royal Commission, which recommended against joining the convention on the grounds that turning sovereigns into 25-franc coins would be tanta-
mount to devaluing the pound sterling by 1%. The Commission admitted several arguments on behalf of a universal coinage, including its convenience to commercial travelers, its assistance in calculating foreign exchange rates, and more generally its role in ‘drawing closer the friendly relations between different countries’. Taken together, however, the Commissioners urged that these factors were still not sufficient grounds for altering the sovereign. Besides worrying about the ‘many very complicated arrangements’ that would be needed to readjust debt repayments equitably, they concluded that it ‘would be no light matter to depart from the old well-known and recognized basis on which the English currency has rested for so long a period’. They reasoned that the French should be forced to adapt their franc to the sovereign and not the other way around, since sterling was used in more parts of the world and had ‘retained its uniform value’ far longer than anything minted across the Channel.

Within months, the economist W.S. Jevons responded to the Commissioners’ report with a pair of papers at the London and Manchester Statistical Societies. He argued that the Commission had erred in assuming that the sovereign possessed an ‘intrinsic’ value which would lose 1% in the event of a reduction in weight. He claimed that what was at issue, in the context of the proposed international currency, was whether the lighter sovereign would possess the same value in exchange for the new 25-franc coin as the existing sovereign presently possessed in relation to 25 francs. This would be the case, he urged, simply because France and Britain would declare that the two new coins were equivalent in value. By ensuring that the same coin would circulate in both countries, such a decree would put an end to the practice of melting down gold coin into bullion whenever it was suspected that one coin was worth more than another. As Jevons concluded: ‘the whole necessity for the reduction of coin to bullion will disappear, and the coin, minted under uniform conditions, will form as perfect a measure of value for the future as bullion ... has been in the past confusion of currencies’.

To lend further support to this argument, Jevons undertook a thorough investigation into the physical condition of the sovereign to show that taking part in the international coinage scheme would be a convenient way to pay much-needed recoupage costs. Based on tests he performed at Owens College on a random sample of Manchester coins, and on private communications with bankers across England, he reported that 31.5% of British sovereigns were presently below their legal weight – a number which was sure to rise as time went on. By converting to a lighter sovereign, all that light coin would suddenly be legal
tender again; the Mint could then buy up the remaining full-weight coin with newly-minted 25-franc pieces and use the leftover gold to pay for the future maintenance of the coinage.22 At the General Registrar’s Office, William Farr lent his statistical talents to Jevons’ project by undertaking a study of the ‘Lifetime of Gold Coins’, in which he followed 10,000 coins from their ‘birth’ to their ‘return to the bank’, and arrived at similar conclusions about the detrimental impact of legislation requiring the last holder of coin to pay for its wear and tear.23

Jevons’ logic made a deep impact on Robert Lowe, who as Chancellor of the Exchequer in 1869 received a delegation of French currency reformers eager to see if Gladstone’s new ministry would prove amenable to their scheme. Referring to Jevons’ figures, Lowe told Parliament that so much underweight coin in circulation was ‘a great reproach and discredit ... for a country which prides itself above all things upon keeping up its gold standard’. His proposed solution also closely followed Jevons’ plan: he called for the legal weight of the sovereign to be reduced from 113 to 112 grains, with the difference being used to keep the coin at the latter weight. Like Jevons, he linked the proposed change with the hoped-for international currency agreement with France, arguing that the exchange value of the sovereign would in that case remain just as high as before: it was ‘not with the view of altering but retaining the value of the sovereign’ that he envisioned the new coin. And once a currency union with France had been secured, he hoped, coins of other realms approximating the sovereign in weight (including the Prussian Frederick, the Spanish doubloon, and the American half-eagle) might follow suit.24

Lowe’s quickness to embrace Jevons’ scheme, on the dual grounds of economy and internationalism, was in keeping with his emerging set of priorities at the Treasury. Owing partly to pressure from Gladstone (himself a famous friend of retrenchment), Lowe went down in history as one of the most frugal in a long line of frugal Victorian Chancellors. His belief that ‘economy was a great revenue’ led to such unpopular stands as his insistence that London, not Parliament, should pay for turning Epping Forest into a public park; and his refusal to pay for erecting monuments to British war heroes. Still, enough other MPs in 1869 shared Lowe’s commitment to economy to balance such fiascoes with the occasional triumph, as when he announced a surplus of £3.4 million in his 1869 budget to the loud cheers of the House of Commons.25 The plan to restore the sovereign by reducing its legal weight, in this context, was yet another case where he hoped to raise ‘a great revenue’ without raising taxes – even though, in the event, it qualified as more fiasco than triumph.
Lowe’s stance on internationalism was more complicated. Unlike Richard Cobden, who saw no contradiction between defending free trade and negotiating commercial treaties, Lowe called such treaties the ‘mother of the heresy of Reciprocity as against Free Trade’. If his suspicion of international conventions did not extend to coinage, it was probably because the coinage treaty would not require continuing diplomacy on the part of the subscribing countries – and hence would not commit future ministers to make room for such agreements in their budgets.26 Instead of relying on ministerial power to improve foreign relations, the treaty would imprint the ideal of international harmony onto every circulating gold coin, turning each into a tiny agent of civilisation. As people handled the coins, and came to realise that they could purchase just as much with a 25-franc piece, half-eagle, or sovereign, they would learn through the ‘natural’ means of commerce what no minister or diplomat could ever teach them: that economic relations transcended nationality. This assumption reinforced Lowe’s more general conception of statecraft, which has aptly been described as calling for ‘the liberation of the forces of rational thought [and] of morality expressed as a function of choice’ – not by creating ‘artificial incentives’, but by removing ‘inhibitions to the operation of “natural” incentives’.27

It was in this light that Lowe and his allies self-consciously presented the plan for a reduced-weight sovereign as ‘a great step in civilization’. Its most obvious sign of progress was its promise of international harmony: ‘the blessing of one coinage throughout Europe’, in Lowe’s words. Frederick Hendriks likewise noted the importance of spreading the ‘scientific and educational’ advantages of an international coinage to ‘the suffrages of the whole world’, and Jevons added that the English, who ‘trade with every nation under the sun’, were in the best position to bear this particular torch. ‘The unification of currencies’, he concluded, was ‘the appropriate sequel to the introduction of free trade’; it marked ‘a new step in the rapprochement of nations and the spread of civilization’. Referring to the three countries which had already joined France in monetary union, the mathematician Harvey Goodwin taunted his readers with the query: ‘why should we be behind them in civilization? why should we appear barbarous in their eyes?’28

When advocates of a lighter sovereign turned from their visions of the future to the prejudice of the present, they could not hide their impatience with the irrational appeal of metallic money. Echoing Jevons’ complaint about the widespread belief in the sovereign’s ‘intrinsic value’, Lowe remarked that the ‘possession of a gold and silver coinage’ was ‘an indulgence to popular taste’. The Times, the only paper

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that supported Lowe’s proposals, similarly contrasted the ‘rather transcendental idea’ which informed the public’s regard for their ‘pretty little bit of metal’ with the ‘continual contact with dirty palms and rougher coins and the miscellaneous contents of bags and pockets’ that was the sovereign’s necessary fate. The public, in other words, was left with a choice: either follow Lowe in viewing the sovereign as a commodity that was only valuable in exchange for other goods; or sit by as it depreciated before their eyes. Only rarely did advocates of international coinage concede that popular reverence for the coin of the realm was anything more than a minor inconvenience, and even in these cases they could not resist mixing their respect for custom with an itch to enlighten. Hence when the Birmingham banker Sampson Lloyd suggested that a special English version of the 25-franc piece might be stamped with ‘the Queen’s head’, he was quick to add that a conversion table of foreign currency denominations should be printed on the obverse side.

Against these arguments, a consensus quickly formed against Lowe’s plan which was enough to save the sovereign (if not the half-sovereign) from any talk of tampering for the rest of the century. Leading the charge against Lowe were the private banker Lord Overstone and the Bank of England directors George Norman, John Hubbard, Arthur Latham, and Thomson Hankey. Joining them were the scientist and former Master of the Mint, John Herschel, the Oxford economist Bonamy Price, and the combined forces of the financial press. Their main concern, not surprisingly among men who were in the business of lending money, was that debts which were repaid in the new sovereign would be worth 1% less than when they had been issued. Creditors, they claimed, would be subsidising Lowe’s nostrum of an international currency against their will. In Price’s words, Lowe hoped ‘to pay the national creditors with a part only of the commodity agreed upon, and with a currency-theory to make up the deficiency’. Instead of complaining too loudly about their own injured interests, however, they pursued the more politic plan of condemning the very idea of a universal coin as utopian. They grounded this criticism in a strand of Liberal thought which privileged the gold standard’s disciplinary effects over its liberating potential; and which, more generally, sternly viewed the nineteenth century as an ‘age of atonement’ rather than an age of indefinite expansion.

Since the exchange theory of value could only be applied to the sovereign on the assumption of an international coinage treaty, the feasibility of such a treaty ended up being the focus of the coinage debate in 1869. In effect, Lowe’s critics faulted him for failing to see
that any country could stop minting ‘international’ coins at any time, hence permanently threatening the civilising potential of such coins that did circulate. Latham worried that ‘the laws of an Amphictyonic council of all nations could not fail to be broken or circumvented somewhere, almost as soon as made’; and more tangibly, Herschel observed that no international coinage treaty would survive a war, a contingency that was notably absent in all defences of universal money.\(^{35}\) Such concerns did not preclude a belief in financial civilisation, but they did replace Lowe’s anticipated age of reason with a more sceptical here-and-now: an era in which reasonable people bit coins and examined watermarks, instead of trusting in enlightened despots. In such a world, the extra burden of melting and reminting coins was a necessary price to pay for ignorance and militarism, which were well-defined limits of cosmopolitanism as it actually existed.

In a clever twist, Herschel built on this concern to argue that Lowe’s proposal, far from moving toward the goal of internationalism, would actually diminish the sovereign’s international character. What presently made the sovereign ‘a cosmopolitan, not a national coin’, he claimed, was that it was ‘purposely calculated ... among civilized or uncivilized nations, as that which it really is – viz., a certain definite piece of gold’. Reducing its weight might have no effect in countries that had signed the treaty, but everywhere else the sovereign would become ‘a token or representative coin’. At best, Lowe would replace a smaller, more coherent nation with a larger, less stable one; a ‘conventional area’, beyond which a lighter sovereign would be no more acceptable than shillings or farthings presently were in non-British domains. This criticism cut deep, because it identified the tension inherent in Lowe’s reliance on political artifice to further the ‘natural’ mechanism of free trade. Defenders of an intact sovereign avoided this tension by insisting on bullion as the only suitable international exchange mechanism. Just as the bullion in the Bank of England gave value to otherwise worthless bank notes, it was the sovereign’s bullion content – not its superficial declaration of worth – that gave it value abroad. After that, argued the Observer, and the sovereign, which foreigners viewed as ‘nothing more than a piece of bullion’, would suffer accordingly.\(^{36}\)

The incapacity of an international coinage to achieve legitimacy among consumers abroad, in turn, would allegedly ruin Lowe’s hope that a lighter sovereign could circulate within Britain at the same value as its predecessor just because the Chancellor of the Exchequer said so. ‘The British Philistine’, observed the Daily Telegraph, with his ‘intense perception of the obvious, ... would promptly appraise the Lowe sovereign by the same rules as those used by his neighbour across the
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Channel'. More generally, it was urged that hard-headed Englishmen would immediately see through Lowe’s scheme as an attempt by an out-of-touch minister to foist his pet economic theories onto a fortunately suspecting public: ‘the new coin would be a Lowe, or a Jevons, or a Farr; but it would not have the familiar ring of unexceptionable sterling gold with which the careful Peel gave life to our monetary system’. 37

Throughout this debate, both sides claimed to be in favour of upholding the gold standard. Both sides also agreed that gold should perform the double duty of facilitating international trade and checking inflation. What made all the difference, in this context, was the relative priority ascribed to these two duties. For Lowe, gold’s capacity to check overtrading counted for less than its service in the greater good of commercial freedom. For his critics, free foreign competition was a secondary issue, an ally of divine retribution and of the ‘natural’ scarcity of gold in the great task of keeping traders’ dangerously speculative urges in check. Maintaining the gold standard, for such people, hence qualified as ‘a sacred obligation’ (according to The Bullionist) or as vital ‘for the interest of justice and for the well-being of the community’ (according to Overstone). 38 These different priorities had long divided Liberals on other issues as well as gold. In 1856, when Lowe passed new legislation that allowed any group of six or more partners to incorporate with limited liability, he claimed victory for ‘freedom of contract’ – the right of men to do as they pleased without state interference. It was no coincidence that Overstone took the lead in opposing that law as well, on the grounds that it would lead to a rash of speculative investment. 39 And in 1844, Robert Peel had clearly valued moral restraint over freedom of action when his Bank Charter Act rigidly subordinated bankers’ note-issuing powers to the ‘natural’ check of bullion levels in the Bank of England. It was also no coincidence that Peel was a popular hero in subsequent attacks on Lowe’s recoinage scheme. 40

Because the gold standard carried so much extra moral weight for Lowe’s critics – a duty to restrict overspending in general, and not just government extravagance – they faulted him for defending his scheme on the usually sound principle of economy. The Daily Telegraph called the £400,000 Lowe hoped to save in recoinage costs and the Mint’s annual budget of £40,000 ‘a miserably insufficient ground on which to base such a revolution’. The Observer similarly lamented that ‘[f]or such a bagatelle as this it is proposed to alter a system which has been in force for more than 200 years’. And in 1871, when Lowe continued to drag his feet on the matter of raising new revenue to pay for recoinage, the Bankers’ Magazine commented that ‘[w]e have a vigilant guardian of the

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public purse, and it is well; but the real duty of this custodian is to guard against corruption ... not to obstruct an equitable partition of the public burdens'. Trimming the national budget, such critics insisted, was not worth unsettling the solemn check against speculation that inhered in an unviolated gold standard.

II

The tenacious commitment to economy displayed by Lowe and his successors, paired with their opponents' successful appeal to the sanctity of a full-weight sovereign, kept the recoinage debate locked in a stalemate for another fifteen years. Throughout this time the sovereign's legal weight remained 123 grains, as confirmed by a new law in 1870 that consolidated the ineffective provisions of earlier coinage laws. But its defenders made no headway convincing Chancellors to find room in their budgets to restore circulating sovereigns back to that level, with the result that both their patience and their coins wore increasingly thin. In 1879 a banker informed The Times that more than half of the 129,000 gold coins paid into the Bank of England by the liquidators of the recently-failed West of England Bank were light. Two years later, the newly established Institute of Bankers set out to confirm these findings and at the same time bring the issue back into the spotlight. John Biddulph Martin, after sending circulars to fellow bankers, arrived at a figure of 55% for the proportion of underweight sovereigns. That conclusion, which R.H. Inglis Palgrave confirmed the following year, was enough to convince Martin that the time was ripe to move from fact-collating to political action. In the summer of 1883 the Institute sent circulars to 331 banks as a final confirmation of the amount of underweight gold, then Martin's brother Richard sent a letter to the Treasury demanding action.

By 1884 the letter-writing campaign had prompted a response from Hugh Childers, Chancellor of the Exchequer in Gladstone's second ministry. But although the bankers got his attention, his solution failed to depart far enough from Lowe's earlier scheme to break the political stalemate. Like Lowe, Childers tried to pay for restoring the sovereign by making do with existing light coins, instead of raising new taxes to mint new ones at full weight. Henceforth, under his plan, half-sovereigns containing nine shillings' worth of gold would circulate as though they continued to be worth ten. The new half-sovereign would become a token coin, just like the silver crown and half-crown already were, and would only be legal tender in sums less than £5. Childers calculated that the bullion skimmed from the old half-sovereigns would be
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enough to cover the cost of recoining the underweight sovereigns, with enough left over to create a fund for future upkeep. He ruled out all other methods for covering that cost, including Lowe’s plan, the replacement of sovereigns with one-pound notes, and charging the ‘immediate loss and the cost of re-coinage on the taxpayers to all time’. Hence he presented his scheme as the only way to ‘rehabilitate the sovereign, the character of which ... should be most jealously preserved’ – or at least, the only way to ‘maintain its integrity ... without any cost to the taxpayer’.45

As the first half of this statement suggests, Childers had at least learned from the 1869 debate that it was useless to try and alter the legal weight of the sovereign itself. Upon introducing the measure in his 1884 budget speech, he placed ‘great stress on the importance of making no change as to the sovereign’, which was ‘known to the greater part of the civilized world’. The half-sovereign, however, although it was made of gold, and hence ‘governed apparently by the same law’, was in fact ‘of an entirely different character’ than the sovereign. Because it was ‘a purely domestic coin’, its gold content had no bearing on the question. British consumers would quickly learn that ‘the 10-shilling pieces would have the same relation to the sovereign as the crown and half-crown’, and think nothing more of it.46 In terms of the visions of monetary civilisation that had appeared in the earlier debate, Childers conceded that foreign trade was not yet advanced enough to do without the more tangible assurance that all coins were worth their weight in gold; but he continued to assume with Lowe that the British public could be taught to substitute a rational trust in political economy for an unreasoning faith in bullion.

Intervening events in Germany and France, as well as Childers’ own diplomatic experience, provided him with more than enough evidence that Europe was far from ready for an international coinage of the sort Lowe had promoted. Almost exactly a year after Herschel predicted that military conflict would spell an end to any putative coinage convention, the Franco-Prussian War dramatically confirmed his pessimism. Upon defeating the French, the new German Empire collected its reparations in gold, which it used to convert to the gold standard in 1871. With the new standard came new gold coins, worth between 15 and 30 marks, to replace the older, regionally-circulating silver thalers. Some British onlookers were hopeful that Germany would modify its 20 mark piece, which was ‘so nearly of the same value as our sovereign’, in order to revive the ‘enlightened and beneficent project of an international coinage’.47 Such hopes were short-lived. Instead of abetting international harmony, the new German coinage had a profoundly dis-
ruptive effect on other national currencies. First, the Germans tried to sell France the silver from their valueless thalers, which would have permanently unbalanced the ratio between silver and gold on which the French bimetallic standard was based. France responded by suspending coinage of silver money (which circulated there, along with gold, as legal tender), hence depriving the Germans of an important outlet for their redundant metal. The other members of the 'Latin Union' quickly followed suit, driving down the demand for silver, and hence its value, even further. 48 Paired with new discoveries of silver in Nevada, the result was a major decline in the purchasing price of money in all nations on the gold standard, which many contemporaries suspected to be the source of the 'Great Depression' of the 1880s. 49

Childers' own experience as Chancellor also gave him cause to shy away from Lowe's prior commitment to internationalism. He first faced the problem of balancing international co-operation against Britain's patriotic interests in 1883, when he negotiated terms with France for freeing up British capital and skilled labour to build a second Suez Canal. The plan was curtly tabled in Parliament, due to suspicions that the French had gotten the better of the bargain. When Childers next convened with delegates from France to discuss Egyptian finance, negotiations again broke down - this time because the French refused to accept his proposal to cover a deficit in the Egyptian budget by reducing interest payments to Anglo-French creditors. With some relief, he privately confided that '[t]he failure of the Conference leaves us freer than ever ... [and] we shall take our own line now'. 50 While this attitude was consistent with Lowe's opinion that foreign policy should not be constrained by international pacts, it was significant that Childers (like Gladstone) faced such constraints in the 1880s on a far more regular basis than had ever been the case for Lowe. It mattered, furthermore, that when Gladstone and his successors took their 'own line', in this new context, the result was usually an expansion of the British Empire.

If Childers was less inclined than Lowe to view gold coins as vehicles for international co-operation, he shared his predecessor's steadfast refusal to pay for restoring the sovereign out of the public purse. Like Lowe, Childers earned a dubious reputation as a Chancellor with an unbending antipathy to public expenditure. A few weeks after announcing his 1884 budget, for instance, the Queen asked him to purchase several Dutch masterpieces which the Duke of Marlborough was thinking of selling to the Germans. Despite being urged by MPs in both parties 'to step outside the hard line of a severe economy in order at one stroke to raise to a higher level the collection of pictures of which
the whole nation is proud’, he consented to purchase only one Raphael and one Vandyke, and let the rest migrate back to Europe.\textsuperscript{51} Pride in paintings was one thing – Childers could refuse to flatter this with no more political backlash than Lowe had suffered. Pride in empire, as increasingly exhibited by Conservative MPs, created more serious problems for the frugal Chancellor, especially when he made excuses for imperial expenses that piled up under his watch. Hence when he debited £2.6 million for the Transvaal War to Disraeli’s ministry (as ‘inherited War Expenditure’), an Opposition MP berated him for ignoring that it was the Liberals, not the Conservatives, who had engaged the Boers for several months before reverting to Gladstone’s original policy of granting them independence.\textsuperscript{52}

Between his newfound suspicion of international co-operation and his unpopular commitment to economy, Childers found few people who were willing to support his half-sovereign scheme more than half-heartedly. The English Country Bankers’ Association approved a resolution in defence of Childers in May 1884, but only by a narrow margin. The London banker Francis Buxton supported him during the discussion of his budget in Parliament, but he did so mainly to underscore the point that bankers should not be blamed for evading the existing coinage laws. Others affirmed Childers’ claim to be upholding the standard of value, without offering much support for the specific plan. The statistician Robert Giffen observed in \textit{The Times} that ‘[t]here are few things about which English economists are more decided than against any tampering with the currency’, and added the vague assurance that all the economists he had talked to thought Childers’ scheme was unobjectionable.\textsuperscript{53}

Such tokens of support did little to satisfy a variety of critics who found nothing to praise in Childers’ proposal – including many who had supported Lowe in 1869. Once he had redefined the issue to be \textit{merely} about saving money, he could no longer count on any help from advocates of international coinage. The statistician Leone Levi, who had played a leading role on behalf of a lighter sovereign in 1867, complained that the ‘smoothing of a small financial difficulty’ was not sufficient grounds for sacrificing a full-weight gold coin. Jevons, similarly, rescinded his earlier support for altering the coinage in 1882, suggesting to his friend Charles Fremantle at the Mint that the government could easily pay for a full recoinage out of the seignorage it had been collecting on silver over the previous several years.\textsuperscript{54} Many bankers also expressed scepticism, about the details of the plan if not the principles involved. Palgrave, for instance, claimed that Childers was too optimistic about the interest rate at which the recoinage fund could
safely be invested, and that he had failed to factor in the material cost of recoining in his projected savings.\textsuperscript{55}

These criticisms at least shared Childers' assumption that there was nothing inherently wrong with altering the half-sovereign. Far more damaging to his scheme were those who protested that any coin with gold in it needed to be preserved, owing to the metal's strong identification with commercial morality and national pride. Such critics appealed to two different sorts of irrational attachment that molded the popular perception of gold coinage. One of these was \textit{faith}, which referred to the half-sovereign's symbolic representation of the gold standard and its message of moral restraint. Tokenisation might lead some to doubt that bank notes were actually worth their face value: more deeply, it might lead people to question whether gold was the best basis for Britain's paper money - just as many critics were already starting to do in the 1880s, without any help from Childers. The other type of unreason was \textit{sentiment}, which referred to the image of Victoria which graced every coin. This was an important supplement to faith, since it diverted attention away from an unseen monetary mechanism, and towards a widely-acclaimed symbol of national power. Many of those who defended the half-sovereign in these two overlapping ways were the same Bank of England directors and financial journalists who had earlier lined up against Lowe. Joining them were Opposition MPs, who hoped to earn political capital by declaring Childers doubly guilty of a breach of faith and a deficit of sentiment.

The same moral alarm that prompted Lord Overstone to compare grains of gold to mustard seeds in 1869 resurfaced in response to Childers. The Conservative MP Randolph Churchill complained that his scheme would 'lead to a violation of the Bank Charter'. John Hubbard similarly expressed concern for 'the integrity of the Gold Coinage', as did a London alderman who warned that Childers' proposal would 'shake faith in the half-sovereign at home and abroad'. By identifying an attribute of gold which was irrational yet virtuous, this appeal to faith allowed critics to overlook the claim that there was nothing in political economy to distinguish a tokenised half-sovereign from two crowns. The Bank of England director James Birch worried that the proposed '10 shilling bits' would 'naturally be considered as forming a part of the gold currency - call the bit whatever you like - for its chief ingredient would be "gold"'. This logic led easily to the more extreme (and unfounded) claim that Childers was guilty of debasing the currency. Ignoring the fact that the new half-sovereign would no longer pass as legal tender, the Radical MP James Picton discovered in the scheme 'rather too strong a resemblance to the malpractices of our
Plantagenet monarchs in debasing the coinage for their own benefit’. Hubbard likewise insinuated that ‘there was a point of interest in this matter of a Constitutional character’.56

According to such critics, it was especially important to maintain faith in the gold standard, and hence in the gold content of the half-sovereign, among foreigners – whose recently-acquired trust in gold was, as Walter Bagehot had remarked a few years earlier, ‘of a delicate and peculiar nature’. This complaint retained the assumption, which Lowe and his critics had shared in the 1860s, that it was of prime importance to preserve London’s status as an international entrepot – although in 1884 even this cosmopolitan argument came with a nationalist sheen. Churchill predicted that Childers’ assault on ‘the hitherto inviolable purity of our gold coinage’ would, by tainting British credit abroad, ‘transfer the centre of trade from London to the Continent’: a prospect that was ‘the cause of great joy to financial and commercial circles in Paris’. Childers’ efforts to mollify fears about foreign acceptance of the sovereign, in this context, went for naught. A few half-sovereigns would ‘find their way’ across the Channel now and then, remarked the Economist, ‘and be made the means of deceiving ill-informed persons ... thus throwing doubt upon the only good portion of our coinage, namely, the pound sterling, and thereby dethroning it from the position of undoubted, unquestioned pre-eminence it has hitherto enjoyed’.57

If concerns about upsetting people’s irrational faith in gold carried more urgency in 1884 than in 1869, this was mainly due to the intervening rise of bimetallism as a serious alternative to the gold standard in England. In arguing for a double standard of gold and silver, the relative value of which would be fixed by an international treaty, bimetallists condemned the gold standard as neither rational nor virtuous. Financiers, they charged, were preying on the irrational appeal of gold to shift wealth from the producing to the ‘rentier’ class.58 Compared with the earlier advocates of a universal coinage, bimetallists subscribed to an internationalism of a far more radical variety – one which claimed that ‘value’ itself was arbitrary, and not just the relative value of different national coins. One response to this claim, as Ewen Green has noted, was to reassert the litany of economic arguments that enrowned the gold standard on the ‘rational’ basis of supply and demand.59 But this response coincided with another, which had more to do with Herschel’s earlier distrust of rationalist appeals to international accord. Faith, not economic interest, was at stake in 1888 when the City banker Bertram Currie argued that ‘it is not laws which make silver and gold valuable, it is the belief ... of mankind’.60
Against this backdrop, Childers’ scheme drew fire from two directions: either it went too far down the utopian road to bimetallism, or it did not go far enough to stop bimetallists in their tracks. Many English bankers drew the moral that tokenising the half-sovereign would provide advocates of a bimetallic currency with a wedge to introduce such a plan into Britain. Others appealed to the threat of bimetallism to call on Childers to reduce the minimum denomination of English paper money from £5 to £1, which would solve the problem of underweight sovereigns by removing most of them from circulation, and would relieve deflation without abandoning the gold standard. The best way to maintain faith in gold, on this view, was to keep as much of it as possible in the bank where it belonged. This was an especially popular argument in Scotland, where one-pound notes had circulated for over a century and sovereigns seldom strayed far from the bank. As one Glasgow MP observed, ‘Scotland did not contribute to the wearing of the gold [sovereign] in the pockets of the people’, since they used one-pound notes instead. Hence, he concluded, it would make more sense to extend those notes to England than to discredit the half- sover eign, which Scots and English alike used as change for their paper money.

Such arguments, however, suffered from the problem that faith in gold, like faith in God, by definition referred to something which was unseen – in gold’s case, the bullion that lay hidden in the Bank of England. For people who were not prepared to accompany Overstone or Hubbard into the theological niceties of currency school doctrine (and far more such people existed in the 1880s than a generation earlier), there was little in the gold standard to arouse public support. Furthermore, to the extent that the bimetallists were successful in blaming sluggish trade on diminished gold supplies, the gold standard also implied a faith in the unwanted. Unlike in the 1860s, when it was plausible to defend gold coins because they signified moral restraint, this defence appealed to features of gold which were perceived to be unnecessary and possibly undesirable in the deflationary 1880s, when nobody was complaining about trade getting out of hand.

As a result, defenders of the half-sovereign supplemented their professions of faith with a more basic appeal to sentiment: the traditional regard for what the coin looked and felt like, as opposed to the distant respect for what gold accomplished in the economy. This strategy was greatly assisted by the fact that Queen Victoria, whose image bore most of the sentimental work in this case, was herself in the process of regaining some of the popularity she had lost during her years of mourning for the dead Albert. As David Cannadine has observed, a ‘splendid,
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public and popular image of Victoria started to appear in the late-1870s, replacing earlier royal rituals which had been ‘inept, private and of limited appeal’.64 A contemporary observation by Palgrave suggests that this transition was beginning to leave its mark on the public’s regard for British coins by 1883:

Within the limits of the realm the impress of the Queen’s head on the coin gives it currency. At all places of business, at banks, at shops, at railway-stations, sovereigns are readily taken, almost irrespective of their weight, so long as they are believed to be genuine.

When Childers presented his scheme the following year, the Economist returned to such ‘sentimental’ attachments to the half-sovereign, the legality of which had been ‘burnt in upon our minds’; and Birch similarly noted that “sentiment” is very nearly allied to credit when we are discussing delicate matters connected with the currency of a country’. Unlike the appeal to faith in the gold standard, which was partly based on gold’s role in facilitating international trade, appeals to sentiment marked a clear departure from internationalism. Chief among the ‘sentimental objections’ against Childers, noted the Economist, was the idea that using a debased half-sovereign to pay for an intact sovereign put foreigners’ interests above those of ordinary Britons: ‘if you speak to [British people] of the difference between an international and a home coin, they will be very apt to say that they do not see why we should be content with a debased coin for our own use in order that we may provide full weighted coin for use abroad’.65

Such ‘sentimental objections’ also carried imperial significance, in part due to the coincidence that the Egyptian government had recently appointed a Commission to inquire into the state of English sovereigns circulating in the Middle East. Owing to the scarcity of native coin, the sovereign had come to dominate as the Egyptians’ coin of choice – but they feared, as the Commission would later report, that Britain’s notorious supply of light coins would ‘seek refuge in Egypt, where they are not subjected to the same strict control as in England’. Birch was quick to infer that if the Bank could not police coins circulating in Egypt, Childers could at least remind the sovereign in such a way as to satisfy those people who ‘will not go into the complicated question of what is, or is not, a token coin’.66 This argument had the potential of extending far beyond Egypt, since Britain had over the previous two decades been busy introducing new coins into India, Hong Kong, Ceylon, Cyprus, and Mauritius as well.67 Almost none of these were made of gold. All, however, were stamped with the face of Victoria, whose authority would stand to be diminished among ‘uncivilised’ subjects once they heard about the fate of the half-sovereign.

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As had been the case with Lowe’s proposal in 1869, Childers’ critics chided him for sacrificing the sanctity of the sovereign at the altar of economy. Economy, normally praised as a check against corruption and government waste, was here presented as a dangerous and potentially corrupting policy. The Economist worried that ‘if for the sake of cheapness we consent to adulterate the half-sovereign, we shall be led in time to do the same with the sovereign’. Since Britain was ‘quite able to pay for a good, sound, and convenient currency’, it was better to ‘incur the necessary expense of maintaining it than for the sake of a small saving debase a coinage which is well suited to our wants’. A Westminster Review writer similarly opposed Childers’ ‘new-fangled scheme’ by arguing that ‘the imposition of a land tax’ would be a much better method of paying for recoinage, and others suggested that a tax on cheques or a new annuity would suit the purpose.

III

As with the debate in 1869, the storm over Childers’ proposal resulted in more ministerial inaction. In his brief tenure as Chancellor of the Exchequer during 1886, Randolph Churchill refused to do anything about coinage, claiming that he had not had time to study the issue – although (recognising, like a good Chancellor, that talk was cheap) he generously added that ‘if anything is to be done to rehabilitate the gold coinage of the country it must be done at the cost of the State’. After two more years passed without any legislative stirrings on the coinage question, Palgrave and Martin went back to work, producing more extensive and alarming findings of underweight coin. In 1886 they enlisted the support of the economists Alfred Marshall and Francis Edgeworth to update Jevons’ ‘gold coinage census’ under the auspices of the British Association for the Advancement of Science, while Palgrave supplemented their data by spot-checking his local merchants’ and bankers’ tills.

Besides forging a stronger consensus in the financial and scientific communities, the bankers also benefited from a changing of the guard at the Treasury, where the Liberal Unionist George Goschen had taken over as Chancellor of the Exchequer under Lord Salisbury. Goschen, who had sided against Lowe in 1869, agreed to introduce a feeler bill calling for the withdrawal of all coins minted before 1837. Such a bill, he claimed, would ‘supply invaluable experience and material on which to found a larger measure’; supporters, like the Liberal MP William Harcourt, also interpreted the measure as a sign that Goschen ‘still intends that we shall keep gold as the basis of the currency of
the country, and that he has not adopted any new-fangled ideas of bi-
metallism. That autumn Palgrave and Martin took Goschen at his
word, calculating the total amount of light coin in circulation by count-
ing the proportion of pre-Victorian coins in circulation before the
Act took effect, then extrapolating from the absolute figures for the
returned pre-Victorian coin. Goschen also authorised the first-ever
Royal Mint gold census, which collected sovereigns and half-sovereigns
from 300 post office branches and ran them through ‘automaton
balances’. This survey revealed a lower proportion of underweight coin
than the BAAS study had indicated, but resulted in the same call for an
immediate and state-subsidised recoinage.

Finally, in 1891, Goschen proposed legislation for withdrawing the
remainder of the light coins at the state’s expense, specifically citing
‘[t]he experience we have gained in the withdrawal of the pre-Victorian
sovereigns’ as a ‘valuable source of guidance’, and basing his forecast of
£400,000 for the recoinage on the statistics of Palgrave and Martin.
Furthermore, he confirmed Jevons’ observation from a decade earlier
that profits from minting silver would be more than sufficient to cover
this cost: while presenting his bill in Parliament he announced ‘a great
windfall’ from that source, to the extent of £800,000 over two years.
With no Chancellor of the Exchequer bothering to worry about
budgetary restrictions, and with official and financial opinion finally
agreed as to the need for immediate restoration, the bill passed easily.

Enforcement of the new law, which called on bankers to return all
underweight coin to the bank as quickly as possible, was similarly effi-
cient. Palgrave and Martin called in the professional debts owed to
them by bankers for their role in convincing Goschen to make the state
pay for the recoinage, and paid back Goschen’s political favour by
ensuring that the Acts ran smoothly. Martin opened the new year in
1890 suggesting to Palgrave that ‘some concerted action might be taken
between the clearing House and with the London Bankers and the
Country Bankers Association … so as to expedite the operation of the
Coinage Act’. After the second coinage act passed in 1891, Palgrave
used his position as editor of the Banking Almanac to encourage finan-
ciers to ‘co-operate cordially with the Government in taking their share
of the work’. By 1893, £29 million in sovereigns and £14 million in
half-sovereigns had been collected and recoined by the Mint, at a cost
overrun of £250,000 which Goschen’s successor, William Harcourt,
raised with hardly any debate. In 1896 the Mint commissioned a second
census, revealing that only 12% of sovereigns and 18% of half-
sovereigns in circulation were still underweight – figures which fell to
2.7% and 13.7%, respectively, by 1903.
IV

From the perspective of high politics, the achievement of a state-subsidised recoinage can be explained in terms of the interests of the City, personified by the fortuitous appearance of the former broker Goschen, finally prevailing over a Liberal commitment to retrenchment that had turned a blind eye to the more important issue of moral restraint. From a wider cultural perspective, the victory of the full-weight sovereign can also be accounted for in terms of the politics and economics of iconography in the late-Victorian era. In the end, those who urged the state to pay for restoring the sovereign were able to sell their case that gold coinage was truly a national question. Once this point had been made, returning both the sovereign and half-sovereign to their pristine form appeared to be more than worth the cost – much as it was accepted as a matter of course that Goschen would find ample room in his 1887 budget to pay for Victoria’s Jubilee celebration. In that case, the Office of Works enlisted ten state carriages and a regiment of First Life Guards for the event, and London authorities draped their city in banners; the result, noted the *Illustrated London News*, was ‘the grandest State ceremony of this generation’. Certainly compared with more substantive symbols of national strength like public education and military preparedness, both sorts of sovereign (the Queen and the coin) were also relatively cheap symbols to uphold. Sentiment conspired with faith, during the Jubilee, to keep the country thoroughly committed to its gold coinage – at least until the Great War exacted a price which far exceeded the nation’s supply of gold.

Yet Goschen’s recoinage act was not quite the end of the story. What sentiment gave to Goschen in the form of gold’s irrational allure, it took away in the form of an enhanced – and unpredictable – concern for what sort of image appeared on gold coins. Exactly how unpredictable became clear during Goschen’s first year as Chancellor, when he brought to a conclusion ongoing plans to celebrate the upcoming Jubilee with a new set of coins. In May of 1887 he proudly presented Parliament with the new effigy, an adaptation of a design by the renowned sculptor Joseph Boehm, which realistically depicted the Queen as middle-aged and wearing the small crown that she typically used for public sittings. Fremantle, the Master of the Mint, greeted the arrival of the new coin with an article in *Murray’s Magazine* celebrating its ‘faithful portrait destined to hand down to posterity the likeness of a Sovereign beloved by her people, and with it the recollections of a glorious and happy reign’.

Unfortunately, posterity begged to differ. The MP Henry Howarth
summed up the general tenor of public opinion, and subsequent historical judgment, in a letter to *The Times*: ‘[a]ssuredly the ugliest, the most unmeaning, and most inartistic coining which has ever been issued in England’. Representing the Queen with a long neck, and topping her head with an arched crown, remarked *The Times*, ‘would have been a mistake in a statue or a picture, but on a coin it was simply disastrous’. The *Daily News* thought the new effigy failed to do justice to the ‘natural grace and majesty of the Royal countenance’, and compared the crown to ‘the apple which William Tell’s son was said to have been called upon to stand upon his head’. Another critic, who faulted the coin’s workmanship more than its portrait, called on Goschen to ‘recoin the whole issue ... and thus preserve it from the ridiculous and mortifying travesty which Mr. Boehm’s model has suffered’; and Victoria herself agreed, informing Goschen in 1889 that ‘the Queen dislikes the new coinage very much, and wishes the old one could still be used and the new one gradually disused, and then a new one struck’.79

The restoration of sovereigns and half-sovereigns to their legal weight in 1891 conveniently gave Goschen the perfect opportunity to accomplish exactly such a recoinage, without directly acknowledging his role in the Jubilee debacle. In 1893 he referred the question of a new design to ‘a strong Commission’, which included a combination of artists and City bankers, and which decided among new designs submitted by England’s top medallists. The committee awarded the job to Thomas Brock, who ‘got rid of the crown and of the unduly long neck’, the first of which he replaced with a tiara. An experienced designer, Brock also remembered what coins were used for, remarked *The Times*: he understood that ‘while the relief should appear to be high, it should really be low enough to allow the coins to be piled one upon the other without danger to the stability of the heap’.80

A final detail about the appearance of the new coinage further indicates the extent to which imperial sentiment (including the Queen’s own feelings) had come to share space with earlier Liberal justifications for a gold currency. In 1888, in the course of discussing what to do about the embarrassing Jubilee coin, Queen Victoria urged Goschen to remove from the new coins the initials ‘D.F.’, which stood for ‘Defender of the Faith’, and to replace them with ‘Imp.’ to signify her new status as Empress. The latter denomination, she observed, was among her ‘proudest titles while the D.F. is really a most unnecessary one’. At this point the Cabinet intervened, recommending that the ‘D.F.’ should stay, and urging the Queen to settle for ‘Ind. Imp.’ (short for Indiæ Imperatrix, or Empress of India) instead of the more general title of

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Empress – which would have been illegal under the Royal Titles Act of 1876. Victoria consented, and the new coins were issued with both inscriptions.  

All three different meanings of civilisation discussed above – moral restraint, imperialism, and internationalism – converged, not very gracefully, in this debate over fine print. ‘D.F’, of course, referred to faith in God, not gold – but the many Liberals who saw little difference between the two would have been relieved that Victoria was not permitted to cast faithless sovereigns into circulation. The fact that ‘Ind. Imp.’ was allowed to join the existing inscription on the sovereign produced a different sort of debate, over whether a Queen or an Empress should be depicted on domestically-circulating coin. The Times considered this problem, especially in reference to a section of the Royal Titles Act which prohibited imperial inscriptions on objects that remained within the British Isles; and concluded that this rule did not apply to the coinage, ‘which circulates in colonies and dependencies far beyond the limits of Great Britain and Ireland’. But the newspaper also admitted that the new inscription, ‘if it had happened in Lord Beaconsfield’s lifetime, would have raised a storm’. This admission revealed that what had once been ‘international coins’, owing to their standard gold content and the brisk pace of British trade, had become, over the course of a generation, coins that traveled increasingly to ‘colonies and dependencies’. For Victoria, along with the new imperialists of the late nineteenth century, ‘enlightened national pride’ had taken precedence over international harmony as a defining marker of civilisation.

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Endnotes

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7. R.H. Patterson, The Economy of Capital; or Gold and Trade (Edinburgh, 1865), 32-3, 42.


14. W.S. Jevons, Investigations in Currency and Finance (London, 1884), 257; Twentieth Annual Report, 106 (the Mint's estimate of 45.9% underweight sovereigns was the lowest of several guesses in the 1880s). The legal weight of the sovereign was established in 1844, and reaffirmed by the 1870 Coinage Act, at 125.27 grains troy, or 0.342 ounces.

15. A.F. Feavearyear, The Pound Sterling: A History of English Money (London: Oxford University Press, 1931), 197-8, 294. The guinea had 5% more gold by weight than the sovereign, i.e. it was worth 21 shillings instead of 20. It continued to be used to denominate payments of 21 shillings throughout the nineteenth century, e.g., doctors' fees and authors' royalties.


22. Ibid., 258; Jevons, Papers and Correspondence (London: Macmillan, 1972), VII, 71. Jevons had earlier expressed concern about the amount of light coin in circulation.


30. Report, q. 27.

31. As the example of Sampson Lloyd indicates, not all bankers opposed Lowe’s proposal. Those who did tended to be attached to older City firms or (as in Overstone’s case) private country bankers who felt threatened by the rise of the new joint-stock banks.

32. In *A Universal Money* (1869; 2nd ed. London, 1889), xxix-xxii, Walter Bagehot sided with those who thought the obstacles against a single international coin were ‘simply insurmountable’, but he added that ‘we could get as far as two moneys ... which nations could one by one join as they chose’. Later in the book he clarified that he had in mind a ‘Teutonic coinage league’ including Britain, Germany, and the United States, which would counter the existing ‘Latin’ union: Ibid., 68.


36. *Gold Coinage Controversy*, 118-19, 152. See the similar argument by John Hubbard in Ibid., 32. Mint officials estimated that upwards of 50 million sovereigns, or around one quarter of those in circulation, were tendered abroad – although many of these were melted down upon arrival: Ibid., 15-16.

37. Ibid., 205-206.

38. Ibid., 42, 215. Overstone added, consistently with his view that God had a habit of justly punishing people for undisclosed reasons, that variation in the value of gold caused by ‘[n]atural and uncontrollable causes’ (such as the recent gold discoveries) was ‘unfortunate, but ... not unjust’.


41. Ibid., 206, 151; *Bankers’ Magazine* 31 (1871): 973.
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43. The Times 20 December 1879.
45. Hansard’s Parliamentary Debates 3rd ser. 287 (1884), 517-19. Childers’ correspondence with J.W. Birch, a Bank of England director who opposed his scheme, suggests that he was sincere in his claim that no alternatives were admissible. ‘If my plan is defeated’, he wrote, ‘I suppose I must make the best of the present law, but in ten or fifteen years the result will be intolerable’: Spencer Childers, *The Life and Correspondence of the Right Hon. Hugh C.E. Childers*, 1827-1896 (London, 1901), 161.
46. Hansard’s Parliamentary Debates 3rd ser. 287 (1884), 515-19. Silver crowns and half-crowns were legal tender up to £2, i.e. no more than that could be exchanged for gold at the Bank of England. Bronze farthings, similarly, were legal tender up to one shilling.
47. The Times 28 October 1871 (letter from Benjamin Smith); see coverage in The Times between 10 October through 31 October.
49. See Third Report of the Royal Commission... [on] the Depression of Trade and Industry (British Parliamentary Papers 1886, vol. XXIII), 3-5, 341-2. A similar increase in the demand for gold coinage was occasioned by America’s conversion from paper money back to the gold standard in 1875.
51. Ibid., 163-5.
52. Hansard’s Parliamentary Debates 3rd ser. 277 (1883), 1515, 1584-85.
53. Childers, *Life and Correspondence*, 160; Hansard’s Parliamentary Debates 3rd ser. 287 (1884), 541-3; The Times 29 April 1884. See also the letter from George de Worms in The Times 1 May 1884.
54. The Times 7 May 1884; Jevons to Fremantle, 1 April 1882, in Jevons, *Papers and Correspondence*, V, 183. Jevons’ allusion to available profits from silver coins was echoed by the Economist 42 (1884): 691.
57. Bagehot, *Collected Works* (Cambridge, MA: Harvard University Press, 1965-86): IX, 64; The Times 28 April 1884; Economist 42 (1884): 690. The Economist conjured the image of a French tourist changing a five-pound note into half-sovereigns just before boarding a ship back to France, then discovering that the coins were worthless outside of Britain.
59. Green, ‘Rentiers versus Producers?’.

62. George Goschen also proposed the introduction of one-pound notes when he became Chancellor of the Exchequer, but this was unrelated to his concurrent plans for restoring gold coinage to its legal weight. Rather, he hoped to use the extra gold which was freed up by the issue of small notes as the basis for stronger bank reserves. See Goschen, *Address to the London Chamber of Commerce … on the Metallic Reserve* (London, 1891), 9-24; *Hansard’s Parliamentary Debates* 3rd ser. 349 (1891), 239.


70. Martin to Palgrave, 24 October 1886, Palgrave Papers (privately held); *British Association Report* (1888), 219-224.

71. *Hansard’s Parliamentary Debates* 3rd ser. 338 (1889), 1804; 339 (1889), 1293.

72. *Twentieth Annual Report of the Deputy Master of the Mint* (1895), 95-103. Charles Fremantle, the Deputy Master of the Mint and overseer of the Mint’s census, was a close friend of Palgrave and a constant correspondent on coinage-related issues during the 1880s: see, e.g., Fremantle to Palgrave, 1 August 1884, Palgrave Papers.

73. *Hansard’s Parliamentary Debates* 3rd ser. 355 (1891), 681-2, 685.

74. Martin to Palgrave, 7 November 1889, 23 November 1889, 5 January 1890, Palgrave Papers; *Banking Almanac* (1893), 27.


76. Thomas Richards, *The Commodity Culture of Victorian England: Advertising and Spectacle, 1851-1914* (Stanford, CA: Stanford University Press, 1990), 76. See also his suggestive remarks on p. 74: ‘[i] just a few months before the image of Victoria was revived and extended during the Jubilee summer, it was universally considered to be the debased coin of the realm’.

77. Substantive and showy national symbols often joined forces, as when London’s school boards brought together 26,000 students for a ‘Children’s Jubilee’ in 1887:
Richards, *Commodity Culture*, 80.