

## Summary of the Birmingham Letters

These documents capture a fascinating episode in early 19th-century monetary history. Jersey was suffering a **currency drain**: merchants in Guernsey had agreed among themselves to accept coins at above their legal face value, causing specie to flow out of Jersey toward Guernsey. To stabilize local commerce, the **States of Jersey** passed an act to create their own silver token coinage.

The **Privy Council** (in a letter signed by Chetwynd, November 1812) gave conditional approval: tokens could be issued, but only if coined at the **Royal Mint** using silver provided by the States themselves, and only if the States legally guaranteed to redeem them. The Council also warned sharply about **counterfeiting risk** — tokens worth more than their silver content are always a tempting target — and flagged the Guernsey merchants' scheme as potentially illegal.

Jersey's committee then turned to **Matthew Robinson Boulton**, son of the famous industrialist Matthew Boulton, whose Soho Mint in Birmingham was one of the most advanced coin-making operations in the world. The Greffier's letter of 17 December 1812 is a detailed commercial enquiry: £10,000 in tokens across three denominations, designed with the Jersey Arms and the legend "*States of Jersey*", with a full quote requested for the end-to-end job.

The final docket (January 1813) suggests Boulton's office noted a potential obstacle: the Privy Council's insistence on Royal Mint production might legally prevent Boulton from taking on the contract at all.

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## Letter from Chetwynd, 10<sup>th</sup> November 1812

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Council Office

10th November 1812

Sir,

The Lords of His Majesty's Most Honorable Privy Council, having had under consideration the copy of a letter from Lt. General Don [transmitted in your letter of the 5th instant], stating that in consequence of some mercantile persons in Guernsey having entered into a Resolution to receive the different Coins now in circulation at an increased value, a considerable quantity of specie has been already exported to that Island from Jersey and a great deal has been hoarded up, for the purpose of being conveyed thither, the first favorable opportunity.

Their Lordships having likewise taken into consideration the act passed by the States of Jersey

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*(transmitted also in your said letter)* for the issuing a local Coin, I have it in command to acquaint you for the information of Lord Sidmouth that the Lords of the Council conceive that an association to receive the Coins of a Country at a higher value than that put upon them by Law, is highly reprehensible and therefore think it may be advisable that the opinion of His Majesty's Law Officers should be taken whether such conduct is not punishable by Law.

It does not appear to their Lordships objectionable to allow the States of Guernsey or Jersey to issue Silver Tokens for the use of their respective States, on condition that such Tokens shall be coined at the Royal Mint here, of silver provided by the said States and that the States who issue such Tokens shall covenant by a law to be passed for that purpose, to receive

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them back, whenever it may become necessary, at a rate not less than that at which they shall have been respectively issued.

I am however to observe that the States ought to be aware of the hazard of Counterfeits which must necessarily attend the issue of Tokens much above their real value and that therefore it will be incumbent on them to watch over their circulation lest the introduction of counterfeits should destroy confidence in the Tokens issued under their authority.

*I am &c. &c. &c. (signed) Chetwynd*

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## Commentary

### Context

This is a **Privy Council Office letter** dated **10 November 1812**, written during a significant monetary crisis affecting the **Channel Islands** (Jersey and Guernsey). The signatory, **Chetwynd**, was a Clerk of the Privy Council. It is addressed to **J. Beckett Esq.** (likely John Beckett, Under-Secretary at the Home Office), relaying the views of the Privy Council for the attention of **Lord Sidmouth** (the Home Secretary, Henry Addington, 1st Viscount Sidmouth).

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### The Problem: Currency Speculation

**Lt. General Don** (Governor of Jersey) had reported a serious problem: merchants in **Guernsey** had formed an agreement to accept coins at **above their legal face value**. This triggered a classic arbitrage crisis:

- **Specie (hard coin) was flowing out of Jersey into Guernsey**, where it fetched a higher rate
- Coins were being **hoarded** specifically to be shipped across

This was a form of **Gresham's Law** in action — artificially overvalued coins attract hoarding and export, draining the money supply of neighboring territories.

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## The Legal Question

The Privy Council took a dim view of the merchants' price-fixing arrangement, calling it "**highly reprehensible**", and recommended that **His Majesty's Law Officers** examine whether such conduct was **criminally punishable** — a serious escalation suggesting potential prosecution.

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## The Solution: Local Silver Tokens

The Council proposed a pragmatic remedy: allow the **States of Guernsey and Jersey** to issue their own **local silver tokens**, subject to strict conditions:

1. Tokens must be **coined at the Royal Mint** in London
2. The silver must be **supplied by the issuing States** themselves
3. The States must pass a **law guaranteeing redemption** of the tokens at no less than face value

This was a carefully controlled concession — London retained oversight through the Royal Mint monopoly while addressing the practical shortage of small currency.

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## The Warning: Counterfeiting Risk

Chetwynd closes with a prescient warning: tokens issued **above their intrinsic silver value** are inherently vulnerable to **counterfeiting**, since the profit motive for forgers increases with the premium. The States are advised to **actively monitor circulation** to prevent loss of public confidence.

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## Significance

This letter sits within a broader wartime monetary crisis. The **Napoleonic Wars (1803–1815)** caused severe **coin shortages** across Britain and its dependencies, as gold and silver were hoarded or exported. The Channel Islands, as semi-autonomous Crown dependencies with their own legislative bodies (the *States*), required negotiated solutions rather than direct parliamentary legislation — making this Privy Council correspondence the key mechanism of governance.

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## Letter from Godfray, 17th December 1812

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Jersey 17th Dec. 1812

Sir,

Your letter on the subject of a proposed coinage of Silver tokens, addressed to Sir John Dumaresq, has been laid before the Committee of the States, appointed to manage this business; & I am now directed by the Committee to send you the enclosed copy of a letter from Lord Chiltwynd, stating that it does not appear objectionable to the Lords of His Majesty's Privy Council to allow the States of this Island to issue Silver tokens.

As the Gentlemen composing the Committee are unacquainted with the particular mode of executing a coinage of this nature, under the authority of the Officers of the Royal Mint, they are uncertain whether they can avail themselves of your assistance. It is desired that you would undertake to transact the whole of the business if the restriction in the Order of Council does not prevent such an arrangement. The Committee having determined, in the first instance, to issue tokens to the amount of £

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£10,000 only, you will be desired to purchase an adequate supply of Bullion in Dollars, to be coined into pieces of three sizes, & in the following proportions viz:

£4,000 — in pieces to be issued at 3sh:

£4,000 — do. — — do. at 1s. 6d

£2,000 — do. — — do. at 1 —

We are not prepared to particularize the precise and relative weights of each of these denominations of coin, but we presume that it will be sufficient to state that we wish the difference between the real and the nominal value of our tokens to be such as to defray all the expenses

attending the operation (including interest during the process, commission and insurance) and to yield a further reserve of three per Cent, to cover all other contingencies.

It is intended to adopt the general style of the 3 Shilling Bank tokens for the several sizes of our coinage, with these necessary alterations; the Arms of the Island, of which I have enclosed a sketch, to be substituted for the King's Head, on the front of the piece, & the legend

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to be altered to "States of Jersey"; — and on the reverse the inscription to be — "Jersey token" &c.

I am further directed to request that, if it suits your convenience to undertake this business, you will have the goodness to state to me, for the information of the Committee, what will be the amount of your charge, including every expense to the period when the coin will be forwarded in packages for embarkation, insured against every risk. —

I am, Sir

Your obedient humble Servant.

Frs Godfray Greffier

M. R. Boulton Esqr.

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### Commentary

#### Who are the parties?

This letter was written by **Francis Godfray**, acting as **Greffier** (the official clerk/secretary of the States of Jersey), on behalf of the **Committee of the States of Jersey**. It is addressed to **Mr. R. Boulton** — almost certainly **Matthew Robinson Boulton**, son of the famous

industrialist **Matthew Boulton** of the **Soho Mint** in Birmingham, one of the most celebrated private minting operations in British history.

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### Context: Why Jersey Needed Tokens

By 1812, Britain was deep in the **Napoleonic Wars**, and silver coinage was extremely scarce throughout the British Isles and its dependencies. The Royal Mint struggled to meet demand, and many localities, banks, and institutions resorted to issuing **silver tokens** as a practical substitute for official coinage. Jersey, as a Crown dependency, required special permission from the **Privy Council** to do so.

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### Key Points in the Letter

**1. Privy Council Approval** The letter references approval from **Lord Chetwynd** (spelled "Chltwynd" — likely **William Chetwynd, Viscount Chetwynd**, a Privy Council official) stating that the Lords of the Privy Council had no objection to Jersey issuing silver tokens. This was a necessary constitutional step for a Crown dependency.

**2. The Coinage Specification** The Committee wished to issue **£10,000 worth** of silver tokens in three denominations:

Value	Amount
3 shillings	£4,000
1 shilling 6 pence	£4,000
1 shilling	£2,000

These mirror the **Bank of England's silver token** denominations issued from 1811 onward, which were themselves a response to the coinage shortage.

**3. Bullion in Dollars** The instruction to purchase "**Bullion in Dollars**" is significant — Spanish silver dollars (pieces of eight) were the standard international silver bullion source of the era, commonly re-struck or melted down for British token coinage.

**4. The Seigniorage Margin** The Committee shrewdly specified that the difference between the **intrinsic (real) silver value** and the **face (nominal) value** of the tokens should cover all costs — minting, interest, commission, insurance — plus a **3% reserve** for contingencies. This is a clear articulation of **seigniorage** principles.

**5. Design Instructions** The design was to follow the **3-shilling Bank of England token** style, with two important changes:

- The **King's Head** replaced by the **Arms of Jersey** (a sketch was enclosed)
- The legend changed to "**States of Jersey**" on the obverse and "**Jersey Token**" on the reverse

**6. The Soho Mint Connection** By addressing Boulton, Jersey was approaching the most technologically advanced private mint of the age. The Soho Mint had pioneered steam-powered coin presses and was known for producing high-quality, counterfeit-resistant coinage.

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## Historical Significance

This letter is a fascinating primary source documenting:

- The **fiscal pressures** of the Napoleonic War era on small jurisdictions
  - The **constitutional process** by which Crown dependencies navigated British authority
  - The **practical mechanics** of private/contract minting in the early 19th century
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# Letter to Godfray, 7<sup>th</sup> January 1813

## Header:

To Mr. Godefry Greffier Esq. 7th Jany 1813

## Body:

On the Application of the State of Jersey for a Coinage of Silver Tokens — The Copy of Lord Chetwynd's letter, accompanying &c. for this purpose, seems to hold it out as the opinion of the Privy Council for Coins, that more should be struck & considered as legal currency, consisting by the Officers of the Tower Mint — This opinion of course prevents my authorizing on the same but [unclear] —

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## Commentary

### Context

This is a **British administrative document** dated **7 January 1813**, addressed to a **Mr. Godfray, Greffier** (a Greffier being the official clerk/registrar in Jersey's legal system).

### Key Points

- **Jersey's currency situation:** During the Napoleonic Wars, silver coinage was scarce throughout the British Empire. Jersey, as a Crown dependency, was seeking permission to issue its own **silver tokens** — a common wartime workaround.
- **Privy Council involvement:** The writer references a **Lord Chiteryndel's** letter (possibly *Castlereagh* or another peer — the handwriting makes the name uncertain) conveying the **Privy Council's position** that any such tokens must be officially sanctioned and considered legal currency.

- **Tower Mint authority:** The **Royal Mint at the Tower of London** held jurisdiction over coinage, meaning Jersey could not unilaterally issue currency without Mint approval.
- **The writer's position:** The author states that this opinion **prevents him from authorizing** the coinage independently — deferring to higher authority.

### **Significance**

This document reflects the tension between **Jersey's semi-autonomous status** and **Crown oversight** during a period of monetary crisis in Britain.