

The introduction of copper coinage in England



How did copper coinage arrive in English pockets to complement silver and what can we learn from its introduction?

Across Europe after the collapse of western Rome, there wasn't a consistent coinage overtly restricted; communities, churches as well as local warlords issued coins in their own names.

After the unification of England, from C9th to C13th, the sole currency of England was the silver penny: defined as 1/240 parts of a 'Tower pound' of silver. Our understanding of this definition of a penny relies on *another* definition; namely that of a 'pound,' so isn't particularly rigorous †. Halfpennies were not common; when fractions of pennies were needed, whole pennies were cut into halves or quarters usually at a mint. The penny was quite a small coin itself; halves and quarters would have been much smaller and easily lost. This ease of loss was the basis for the need of a larger copper coin to clear 'small' goods.

Copper coins weren't initially minted by the crown; local merchants undertook the production of copper 'tokens' for small change. [How would the appropriate mass of the copper token be determined by the merchants? Raw copper was offered for sale against silver pennies; the appropriate mass of the copper token to represent a silver halfpenny would be reflected by half the mass of copper that could be obtained for one silver penny. Should the quotation of copper against silver pennies change, then the appropriate size copper token would also change.](#)

In 1613, James I banned this activity for no reason other than to somehow 'profit' from the activity itself. The minting of copper coins was transferred by 'royal patent' to various crown flunkies. These coins were always considered 'light' but what does this precisely mean? The crown restricted the right to make what it called money by this stage in British history; the legal name around the coin rather than the coin itself. Anyone else apart from the crown striking an indistinguishable coin could *not* call it money but 'token' ‡. This 'right' (against common law) was reserved by the crown to *change* what it called 'money.' The crown flunkies holding the royal patent to produce 'monetary' copper coins could theoretically make the copper coins *any* weight they wanted.

The patent holder could exchange ten silver pennies for a mass of copper and mint it into *arbitrary* weight 'legal' halfpennies and farthings with a 'monetary value' combined of *greater* than ten silver pennies. Of course, the discrepancy between the theoretical mass of a copper [silver] halfpenny calculated through the exchange of copper against silver pennies (copper's market price) couldn't be too great, otherwise they'd be refused when the patent holder tried to exchange their copper coins for goods or [try to] sell them for silver pennies to merchants. Nevertheless, the 'profit' from such activity – better classed as 'fraud' – would have been substantial ††. This is fraud in the *strictest* sense for trying to pass off 'an object' (the copper coin) as two contradictory 'objects' simultaneously (the copper coin and a *heavier* version of itself as one would expect from the market price) but such a fraudulent stance cannot be avoided with the occidental 'statute' notions of money.

Such dishonest practices were put to an end during the English Commonwealth under Oliver Cromwell and communities resorted to their own copper token coinage again. As one might expect, these 'community' halfpennies and farthings were *much* larger in mass than the discontinued patent halfpennies and farthings. Such tokens continued in use until the restoration of the monarchy with Charles II. By this time, the idea of 'profiting' from the minting of copper coinage as with the earlier patent farthings had been put on the back burner...but not for too long.



It's undeniable that a 'large' mass of silver is *valued more greatly by someone* than a 'small' mass of gold for some 'large'/'small' and some 'someone' thereby turning the notion that gold is 'intrinsically more valuable' than silver on its head! The same backdrop is true in a comparison of silver to copper. This backdrop gives rise to the free exchange ratios between (unitised; same mass) gold, silver and copper coins *at some place to some person(s)*. Attempting to somehow 'fix' these ratios within a 'state' leads us to an abstract 'unit of value' for the 'state'...and has led to the nonsense of fiat 'money' and its counterpart of fiat 'debt.'

Overtly, the 'state' attempted to 'fix' the ratios between copper, silver and gold coins to make it easier for merchants conducting general exchange and for the settlement of taxes. Such a stance assumes that merchants would have not been able to figure out how to use copper, silver and gold coins simultaneously without 'fixing' their ratios.

For the end of somehow 'fixing' the exchange ratio between the coins, an abstract 'unit of value' in some indemonstrable way independent of the coins is a supposed necessity. The 'logic' behind such a perversion is as follows: there's no doubt that copper, silver and gold coins have value – whatever we mean by the term 'value' – the question is how to supposedly fix the unit coin(s) values relative to each other so that the apparently different unit coins have some form of 'equivalence.' For anyone – 'state' authority included – to attempt to 'fix' the exchange ratios between copper, silver and gold would mean having access to unlimited quantities of the metals to deal with *any* occurrence that's contrary to the maintenance of the prescribed ratios. No one possesses such authority; not even 'state' authority.



The 'cost' of making the unit gold coin can be considered as the gold 'lost' when changing gold bars into coins (non-zero cost) or gold grains into coins (zero cost). The same is true of the unit silver/copper coin with the mass of silver/copper lost respectively during manufacturing.

That mechanism behind the establishment of the free exchange ratios between the unit gold, silver and copper coins amongst some group of people is currently under research. One (gold) pound does not 'equal' twenty silver shillings but they are somehow 'similar' to at least some one.

Road to reform

Each 'location' should make provision for the manufacture of the unit gold/silver/copper coin of 10g. The free relationship between the coins at each location should be maintained; this means that should someone be willing to accept payment in any particular unit coin, they mustn't be willing to refuse the appropriate quanta of the other unit coins instead. For example, should someone at a particular location be willing to accept the unit gold coin, they mustn't be willing to refuse the quantum of unit copper coins which could at the very least 'obtain' the unit gold coin. This quantum would broadly be figured out by observing the minimal out of those willing to accept copper for gold at this location (i.e. those willing 'to buy' copper – determined by the copper consumers.)

'Location' here means [those comprising] market places of villages, towns and cities. The difference in the exchange ratios between the unit gold/silver/copper coins at different locations is intimately connected to the exchange ratios at a particular location itself through the process of arbitrage. For example, at one particular location *A*, 240 unit copper coins might go for a unit copper coin and in another location *B*, it might be 241. There'd be an impetus to send gold coins from location *A* to exchange for copper coins at location *B* thereby reducing the difference. Whether this impetus can be enacted upon due to legal or other considerations is another matter and not germane to the discussion.

Reiterating a point made earlier, it should be imbibed that trying to impart a relationship between the unit gold/silver/copper coins through some external ‘unit of value’ to which the gold/silver/copper coin must be somehow ‘brought to’ isn’t a scientifically valid process.

It's unarguable that gold, silver and copper have ‘value’ whatever we mean by this term. The methodology behind how uniform coins made of gold, silver and copper are *valued against each other* is of the greatest interest. The process behind the establishment of the exchange ratios between unit gold/silver/copper coins will be expanded upon in much greater detail at a later stage.



† The Tower pound was originally defined in terms of ‘grains’ (5,760 grains.) Why define a coin not in terms of grains but parts of a pound? Curiously, the Indian and American definitions of their respective ‘rupee’ and ‘dollar’ silver coins didn’t have this topsy-turvy, messy definition favoured in Europe but were in terms of ‘grains.’

‡ It’s not known whether this was the original intention of the Saxon rulers; but with widely varying weights in silver pennies, authorities had turned the striking of coins into a quasi–royal privilege certainly by the time of Offa (c.730 – 796AD.)

‡‡ The first of these ‘patent’ farthings were easily ‘counterfeited’ but what does ‘counterfeited’ mean in this context? It means someone doing *precisely* the same activity as the ‘royal patent holder’ but without a ‘royal patent.’

Bibliography

A New History of the Royal Mint, *C. E. Challis*, Cambridge University Press, 1992.