

COPPER COINAGE.

LETTER

FROM

THE SECRETARY OF THE TREASURY,

TRANSMITTING

A communication from the Directors of the Mint, on the subject of the copper coinage.

JUNE 8, 1852.

Referred to the Committee of Ways and Means, and ordered to be printed.

TREASURY DEPARTMENT,
May 5, 1852.

SIR: I transmit herewith a copy of a letter from the director of the mint, on the subject of the copper coinage, in which he suggests that so much of the act of 18th January, 1837, which obliges the mint to purchase copper planchets, prepared for the copper coinage, be so far modified as to authorize the preparation, in the mint, of said planchets, from copper bullion; and I respectfully recommend to the favorable consideration of Congress, that the department should be authorized to purchase copper bullion, and have the planchets manufactured in the mint.

Very respectfully, your obedient servant,

THO. CORWIN,
Secretary of the Treasury.

Hon. LINN BOYD,
Speaker of the House of Representatives.

MINT OF THE UNITED STATES,
Philadelphia, April 17, 1852.

SIR: In a conversation which I had some weeks since with the Assistant Secretary of the Treasury, on his visit to the mint, I understood him to say that complaints had been made at the department that the cent coinage paid by the mint to Messrs. Willits & Co., the agents of the contractors for planchets, were sold by them at a discount.

If this fact were true it would be productive of great injustice to the public, and be at the same time a fraud upon the mint, which, however, we can readily correct by withdrawing our contracts from the offending

parties. I now, therefore, beg to be informed whether the charge against Messrs. Willits was supported by any such evidence laid before the department, as would justify me in examining into the subject, and respectfully ask the names of the parties who may furnish such evidence.

I embrace this occasion to refer to the plan by which, under the law, we procure copper for coinage, and to the objections to which that plan appears to me amenable.

The thirty-third section of the mint act of January 18, 1837, requires copper bullion to be purchased by the treasurer of the mint; to be of good quality, "and in the form of planchets fit for passing at once into the hands of the chief coiner." In other words, all the operations of mintage, except the mere striking of the impression, are performed outside of the mint, and paid for by the government.

The law provides that the weight of the cent shall be one hundred and sixty-eight grains. One pound avoirdupois of cent planchets will be, therefore, equivalent, in coins, to forty-one and two-thirds cents. But we can purchase a pound of planchets for twenty-eight cents; the difference, therefore, between the actual cost of copper coins to the mint and the price fixed upon them by law, is about thirty-three and one-third per cent., which is a profit made by the mint.

In paying for planchets we frequently return cent coins. The manufacturer, if he has got a better price for his planchets than their cost to him, with a fair profit, may be certainly tempted to part with the coins thus sent to him, on terms less than their par value. We have heard insinuations that such is the practice, but have never had any proof of it.

In the early experience of the mint there were reasons of convenience which justified the practice of purchasing copper already manufactured into planchets; but under our present organization we should experience no difficulty in performing ourselves every mint operation connected with this coinage. The copper could be purchased from the copper fund at the best price, and rolled, cut, milled, and coined within the mint, and sold only at par to the public at large.

Under such a plan there could be no danger of an overstocking of the market with copper, as now perhaps is the case as far as the distribution of the pieces is made by the manufacturers or their agents. We should avoid also the importunities of parties desiring contracts with the mint for the sale of planchets, and the dissatisfaction caused by refusals on our part, or by the imperfect manufacture of the planchets delivered to us. We could also regulate our coinage of copper so as to conform to the exigencies of the mint. At present other most important labors are frequently interfered with on account of the irregularities in the supply of material for that coinage.

All circumstances considered it would, it seems to me, be wise to make such an alteration in the mint law as would permit us to manufacture our own planchets, and I should be gratified, if you approve of this view, that you would call the attention of Congress, in any form you may deem expedient, to the subject. I append such a form of enactment as seems appropriate.

Very respectfully,

GEO. N. ECKERT, *Director.*

HON. THOMAS CORWIN,
Secretary of the Treasury.

An act to amend the existing laws relating to the coinage of copper.

SECTION 1. *Be it enacted, &c.*, That so much of the thirty-third and thirty-fourth sections of the act supplementary to the act entitled "An act establishing a mint and regulating the coins of the United States," passed January 18, 1847, as requires the treasurer of the mint to purchase copper in the form of planchets, and to deliver them in that form for coinage, is hereby amended, so as to authorize such purchase either in the form of bullion or planchets, as may be deemed expedient; and that such copper in bullion or in planchets shall be delivered from time to time by said treasurer to the chief coiner of the mint to be coined; and all such copper shall be returned to the treasurer by the chief coiner weight for weight, without allowance for waste, if the same be in planchets; but if the copper be in the form of bullion, there shall be an allowance for actual waste in the manufacture into coins, but not to exceed ten thousandths of the weight delivered.

