

PO-CH/NL/0125

PART E

Chex
Lawson

PART E

CONFIDENTIAL
(Circulate under cover and
notify REGISTRY of movement)



PO -CH /NL/0125



PART E

THE ROYAL MINT AND
FUTURE COINAGE OPTIONS

PO -CH /NL/0125
PART E

Begin: 22/12/87

DD: 25 years

Ends: 15/2/89 (CONTINUED)

22/9/95



Minute to
Gill Noble
about coinage .



In view of the
improvement in
acceptance from the
College authorities,
I shall be grateful for
a note (o.v.) on the
possibility of making a
check on some of the
business in the
announcement.

Yr.

only had a Meeting
this Morning about
Settling the Cost
so it will be about
another week ~~Salary~~
EARLY NEXT WEEK

-4493

13/1

Alex

papers
as requested

UNCLASSIFIED



FROM: MISS M P WALLACE
DATE: 22 December 1987

~~BF~~ to Maria
~~BF~~

~~6/1~~

MISS NOBLE

cc PS/Paymaster General
Sir P Middleton
Mrs Lomax
Mr Devereux

~~8/1~~

NEW COINAGE

pse chase,
~~bf 15/1~~

Thanks ~~BF 20/1~~

In view of the surprisingly good reception given to the coinage announcement, the Chancellor would be grateful for a note (on his return in January) on the possibility of making the change sooner than envisaged in the announcement.

22/1

~~BF~~

BF 8/2

~~MP~~

MOIRA WALLACE

→ pse chase again
and bf ~~25/1~~ 28/1 ✓

(M)

BY THE END
OF NEXT
WEEK

Maria. Robert Devereux is now doing the submission. He is working on it now & providing Gill doesn't cause too much agro we'll have it very soon. Paul. 3/2

Sarah
BF ~~2/1~~ 5/2



Royal Mint

7 Grosvenor Gardens, London, SW1W 0BH. Telex 267321 Telephone 01 828 8724-8

5 January 1988

The Principal Private Secretary
to the Chancellor of the Exchequer
HM Treasury
Parliament Street
London
SW1E 3AG

Ch/ Shall we confirm?

Yh psr. ✓ mpw
7/1

Dear Sir

MAUNDY MONEY 1988

I should be grateful if you would confirm that the Chancellor wishes to take up his authorised allocation of twelve sets of Her Majesty's Maundy money this year when arrangements will be made for them to be delivered on the morning of Thursday, March 31st.

The price this year is £13 per set, including case and VAT. I should be grateful if the sum of £156 could be forwarded to me as soon as convenient after delivery.

Yours faithfully

Fred Cullen

Ch/PQ answer to
come from you
rather than

FROM: G C HAYDON
DATE: 7 January 1988

- 1. MISS NOBLE *note PMG, I assume. Content*
- 2. PAYMASTER GENERAL

cc
Principal Private Secretary
PS/Chief Secretary
PS/Financial Secretary
PS/Economic Secretary
Parliamentary Clerk
Press Office - Mr Gunton
Mrs Lomax
Mr Devereux
Mr Garrett - Royal Mint

WA OK (as PM OK. As is usual, I will answer PQ, & media approach. with drafts & press notice? mpm 7/1

ISSUE OF COINS TO COMMEMORATE THE TERCENTENARY OF THE BILL OF RIGHTS

The Paymaster General's Assistant Private Secretary's minute of 16 December agreed with Miss Noble's suggestion that the Parliamentary announcement of the issue of £2 coins to commemorate the Tercentenary of the Bill of Rights should be made in the first week after the Christmas Recess. I have been in touch with the Parliamentary Branch and the arranged Written Question will be tabled on 12 January for answer on 13 January. As requested by the Assistant Private Secretary, Parliamentary Branch hope to give the question to Mr John Stokes MP.

2. I attach a draft question and answer, which has been agreed with the Royal Mint. A short background note is attached.

3. There will be three coins. One version will be in nickel brass, the same size as the Commonwealth Games coin, and available at face value through various retail outlets in the same way as the £2 Commonwealth Games coin issued in 1986. These will also be two special collectors versions, available in silver and base metal, sold at a premium.

4. The coins would not issued to the public until 1989. It is not intended that these coins would be put into general circulation.

5. The Royal Mint would like to issue a short press notice, which was the practice for the announcement of the £2 coin to commemorate the Commonwealth Games. They will be forwarding across a text beforehand. (Now attached.)

6. If you are content Parliamentary Section will arrange for the question to be tabled on 12 January for answer on 13 January.

George Hayden.

G C HAYDON

DRAFT WRITTEN QUESTION AND ANSWER:

Mr John Stokes MP

To ask whether Mr Chancellor of the Exchequer if Her Majesty's Government have plans to issue any new commemorative coins.

DRAFT REPLY:

Her Majesty the Queen has been graciously pleased to approve ^{my} ~~the Master~~
~~of the Mint's~~ recommendation that a special £2 coin be issued to
commemorate the Tercentenary of the Bill of Rights in 1989. There
will be a normal version of the coin issued at face value, and collectors'
versions, in precious metal and base metal, issued at a premium.

BACKGROUND NOTE

The Bill of Rights enshrines the aims of the Glorious Revolution of 1688 which overthrew James II and brought William and Mary to the throne.

The Bill of Rights Tercentenary will take place in 1989 since the Bill passed into law on 13 February 1689. So the coins will be dated 1989. However, Parliamentary celebrations will start this summer with a Joint Address to the Queen on 20 July 1988, designed in part to avoid a clash with the French Bicentenary in 1989.

This will be the second time the Royal Mint have issued a commemorative £2 coin. The first was to commemorate the Commonwealth Games held in Scotland in 1986.

All versions of the coin will be legal tender for £2.

No plans to issue coin of this denomination for general circulation.

The obverse will feature the approved portrait of Her Majesty prepared by Mr Raphael Maklouf, FRSA, and the reverse design would be considered by the Royal Mint Advisory Committee with a recommendation to the Queen in due course.

DRAFT PRESS RELEASE

In answer to a written Parliamentary Question from
the Chancellor of the Exchequer, The Rt Hon Nigel Lawson MP, made the
following statement:

"

QUOTE ANSWER

"

The obverse of the coins will bear an approved portrait of Her Majesty
The Queen by Raphael Maklouf. The reverse design will be selected and
approved by the Royal Mint Advisory Committee, the President of which
is HRH, Prince Philip, The Duke of Edinburgh.

The coins will be the same size as the Commonwealth Games £2 piece
issued in 1986 to commemorate the Commonwealth Games in Scotland.
They will be issued in nickel-brass at face value, while special
collectors versions will be available at a premium in both base and
precious metal.

Although the coins will have legal tender status there are no plans to
introduce them for general circulation.

Further details about the coins will be announced in due course.

NOTES FOR EDITORS

1. The Bill of Rights of 1689 is an important constitutional document, enshrining the aims of the Glorious Revolution of 1688 which overthrew James II and brought William and Mary to the throne. By shifting the balance of power from Crown to Parliament, the Bill marks a notable stage in the progression towards democratic parliamentary government.
2. Commemorative coins are not often struck for the United Kingdom. They have normally been restricted to Royal events such as the Silver Jubilee of Her Majesty The Queen in 1977 or to important national occasions such as the Festival of Britain in 1951. The most recent commemorative coin is the £2 piece struck for the XIII Commonwealth Games, held in Edinburgh in 1986.
3. The new coin will bear the portrait of Her Majesty The Queen by Raphael Maklouf which has appeared on all circulating coins since 1 January 1985. A competition will be held to obtain an appropriate design for the reverse. All entries will be examined by the Royal Mint Advisory Committee, who will recommend a design for Royal Approval.
4. The standard version of the new coin will be struck in a nickel-brass alloy containing 70% copper, 5.5% nickel, 24.5% zinc. It will weigh 15.98 grammes and will have a diameter of 28.4 millimetres.
5. ^{not} The coins will, be released before the beginning of 1989, and further details will be announced in due course.

UNCLASSIFIED



my

FROM: MOIRA WALLACE

DATE: 8 JANUARY 1988

APS/PAYMASTER GENERAL

cc Principal Private Secretary
 PS/Chief Secretary
 PS/Financial Secretary
 PS/Economic Secretary
 Parliamentary Clerk
 Press Office - Mr Gunton
 Mrs Lomax ← Miss Noble
 Mr Devereux
 Mr G C Haydon
 Mr Garrett - Royal Mint

ISSUE OF COINS TO COMMEMORATE THE TERCENTENARY OF THE BILL OF RIGHTS

The Chancellor has seen Mr Haydon's minute of 7 January. As is customary, the Chancellor will answer the PQ, but he would be grateful if the Paymaster General could handle any media appearances. Accordingly, the draft answer ought to be amended, with "the Master of the Mint's" replaced by "my". The Chancellor is otherwise content with the written answer, and the press notice.

mpw.

MOIRA WALLACE

BF 15/2



FROM: A C S ALLAN
DATE: 8 February 1988

psyp

MISS NOBLE

cc PS/Paymaster General
Sir P Middleton
Mrs Lomax
Mr Devereux

NEW COINAGE

Further to Miss Wallace's note of 22 December, the Chancellor would be most grateful for an early response to his request about the possibility of making the change to a new coinage sooner than envisaged in the announcement. In particular, how much is the existing timetable constrained by PES considerations?

NOT SENT

A C S ALLAN

moira



*Thatcher. v. much high
wt. will be all to
return No claim.
Pistrucci answer.
Pistrucci M.*

With the Compliments
of the
Paymaster General's
Private Secretary

The Paymaster thought the
Chancellor should see
this.

RC.

Treasury Chambers,
Parliament Street,
SW1P 3AG



PMG

- 9

... we told you
R 9/2

Cc Deputy Master
and the Master

PB"/ii

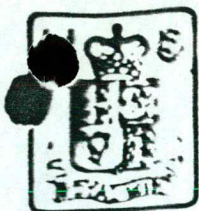
PS/PAYMASTER GENERAL

500TH ANNIVERSARY OF THE SOVEREIGN

For your information, I enclose herewith a copy of the memorandum and Notes for Guidance of Artists which have been sent to members of the Royal Mint Advisory Committee on the Design of Coins, Medals, Seals and Decorations in connection with this matter.

A R W Lotherington
Sales Director

5 February 1988



Royal Mint

7 Grosvenor Gardens, London, SW1W 0BH. Telex 267321 Telephone 01 828 8724-8

A. R. W. LOTHERINGTON

Secretary to the Royal Mint Advisory Committee on the Design of Coins, Medals, Seals and Decorations

CONFIDENTIAL

29 January 1988

Dear

500TH ANNIVERSARY OF THE INTRODUCTION OF THE GOLD SOVEREIGN

Although a formal approach has yet to be made to Ministers and to Her Majesty The Queen, the President has agreed that members of the Advisory Committee should be consulted at this preliminary stage about the possible issue next year of commemorative gold coins.

The coins will be half-sovereigns, sovereigns, two pounds and five pounds of traditional size but bearing special designs to commemorate the 500th anniversary of the introduction of the gold sovereign in 1489. The sovereign subsequently developed into one of the most important and popular coins in the world, and its 500th anniversary seems an appropriate occasion on which to acknowledge its numismatic significance. It also seems sensible to include the other three gold coins associated with the sovereign, and not least because the sovereign at only 22.05 millimetres does not readily lend itself to a commemorative design.

Our initial thoughts about the design of the four coins are set out in the enclosed draft brief for artists. As you will see, we think it desirable that all four coins should bear the same design, and for the obverse we should like to specify an enthroned portrait of The Queen. This will recall for numismatists the enthroned portrait of the monarch which is such a distinctive feature of the original Tudor sovereigns, one of which is illustrated on the enclosed blue card. These early sovereigns, however, were nearly twice as large as the present sovereign and it may be that an enthroned portrait will not work so well on smaller coins. With this in mind members may care to study the enclosed photographs of a design, submitted for the Silver Jubilee crown of 1977, which has been reproduced at the four sizes required.

For the reverse we intend that artists should be given an entirely free hand. It may be a good idea to provide a photograph of the reverse of the sovereign of Henry VII, and if required we shall of course be able to provide artists with information about other designs which have appeared on the reverse of the sovereign during its long history. The task may prove difficult for artists and for this reason the brief reserves the right not to recommend any of the designs which are submitted. In this event we would revert to the usual Pistrucci design of St George and the Dragon.

CONFIDENTIAL

GOLD COINS TO COMMEMORATE THE 500TH
ANNIVERSARY OF THE GOLD SOVEREIGN

Notes for the Guidance of Artists

It will be announced later this year that Her Majesty The Queen has given her approval to the issue in 1989 of half-sovereigns, sovereigns, two-pound pieces and five-pound pieces of special design to commemorate the 500th anniversary of the introduction of the gold sovereign.

Selected artists are now being invited to submit designs for the obverse and reverse of the four coins. All designs received will be examined by the Royal Mint Advisory Committee, whose recommendations will be forwarded to the Chancellor of the Exchequer for Royal Approval.

CONFIDENTIALITY

Until there has been a public announcement the intention to issue commemorative coins must remain strictly confidential. Accordingly artists must not communicate any information about this competition to the press or to anyone other than members of their immediate families.

SIZE OF COINS

The four coins, which are intended for sale to collectors and not for general circulation, will be struck in 22 carat gold. They will be of the same size as the present gold coins of these denominations:

half-sovereign	:	19.30 millimetres
sovereign	:	22.05 millimetres
two pounds	:	28.40 millimetres
five pounds	:	36.02 millimetres.

As collectors pieces, they will be struck in frosted proof standard and brilliant uncirculated standard.

OBVERSE

A single design is required which will serve for all four coins. It must show a seated and enthroned portrait of Her Majesty The Queen, but need not necessarily follow the style of the original sovereign of Henry VII, photographs of which are enclosed.

The following Royal Style and Titles, or an abbreviated version, must be included:

ELIZABETH II DEI GRATIA REGINA FID: DEF:

REVERSE

Again a single design is required which will serve for all four coins. The design should symbolise in some way the long history of the sovereign and should convey a sense of its significance as one of the most important coins in the world. If possible, the design should also capture the romance and popular affection which still attaches to the sovereign.

Inclusion of an inscription is optional. If one is considered desirable for purposes of balance or explanation it should be along the lines of 500 YEARS OF THE GOLD SOVEREIGN 1489-1989. The denominational value of the coins is not required but the date 1989 must be included, though if this causes difficulty artists may transfer it to the obverse.

TECHNICAL REQUIREMENTS

In the first instance sketches only are required. These will be photographed in black and white by Royal Mint photographers and reduced to the four coin sizes for submission to the Royal Mint Advisory Committee. For this purpose white paper gives the best results and artists are advised not to exceed 7 inches for their sketches, allowing a border of about 1 inch around each sketch.

Artists subsequently invited by the Advisory Committee to model their designs will be expected to supply a plaster model which must be no larger than 7 inches in diameter. For this model the following measurements must be observed:

maximum relief	0.048 inches (1.22 mm)
minimum relief	0.015 inches (0.38 mm)
relief of letters	0.024 inches (0.61 mm)

If the model is smaller than 7 inches these figures may be reduced in proportion.

DELIVERY OF SKETCHES

There is no restriction on the number of sketches which an artist may submit and all sketches will, as a matter of course, be shown to the Advisory Committee. They must, however, reach the Royal Mint by 27 May 1988 and should be sent to Mr A R W Lotherington, Royal Mint, 7 Grosvenor Gardens, London SW1W 0BH.

SELECTION

All sketches will be inspected by the Royal Mint Advisory Committee under the Presidency of HRH The Prince Philip, Duke of Edinburgh. To ensure impartiality artists are asked not to include any initials or identifying marks on the front of their sketches, though the winning artists will later be allowed to include their initials if this can be done inconspicuously.

The Committee reserves the right not to recommend any of the designs submitted. |

PAYMENT

A fee of £2500 will be paid for the obverse model and a similar fee of £2500 for the reverse model which are recommended by the Advisory Committee and which receive Royal Approval. The two designs will thereby become crown property and the sum of £2500 represents payment in full for all purposes for which the designs will be used.

A second prize of £750 and a third prize of £350 will be awarded on the recommendation of the Advisory Committee in respect of the obverse and there will be two similar prizes in respect of the reverse. In addition, payments

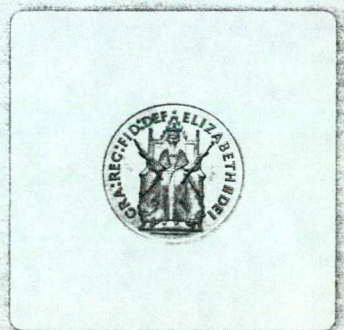
of £150 each will be made to any artists who are invited to model their designs but who are not subsequently placed among the prize winners. In all these cases the designs will again become crown property.

ENQUIRIES

Any enquiries in connection with this competition should be addressed to Mr A R W Lotherington, Royal Mint, 7 Grosvenor Gardens, London SW1W 0BH (telephone number 01-828-8724).



Gold sovereign of Henry VII



Silver Jubilee design by Bernard Sindall



St George and the Dragon by Benedetto Pistrucci

Cast list?



FROM: ROSIE CHADWICK
DATE: 15 February 1988

PS/CHANCELLOR

- cc PS/Chief Secretary
- Sir Peter Middleton
- Mr Anson
- Mr C D Butler
- Mrs Lomax
- Miss Noble
- Mr Devereux
- Mr Richardson
- Mr A M White

Ch/ You will wish to see, before
 11 minute our your comments.
 A word at Prayers/short
meeting? ✓

mpw 15/2

NEW COINAGE

The Paymaster General has seen Mr Devereux's minute of 12 February. He does not regard the gains from bringing the issue date forward as worth the extra public expenditure and notes that we have already set out a timetable without occasioning dissent. However, the public expenditure issue is really for others.

REC

ROSIE CHADWICK
 Assistant Private Secretary

*pw*

FROM: MOIRA WALLACE

DATE: 16 February 1988

APS/PAYMASTER GENERAL

500 YEARS OF SOVEREIGNS

The Chancellor was most grateful for a copy of Mr Lotherington's note of 5 February, covering the Mint's notes to artists about the gold coins commemorating the 500th anniversary of the gold sovereign. The Chancellor very much hopes we will be able to retain the classic Pistrucci reverse.

Mpw.

MOIRA WALLACE



Ch/
Mint have come to
know of your comment
on Pistrucci reverse by
roundabout route, and
want to know how
strongly you favour -
as a fallback? or
in preference to any
new design?

I have
anv. -
Vitus
16/3



PS/AMG (top)

Cc Mrs R Lomax - Treasury
(without attachments)
Deputy Master

Miss Noble
Mr Devereux

PPS

PS/PAYMASTER GENERAL

There is the potential for another
misunderstanding with PP + the RMAC.
Can you (+PS/AMG) ensure we get a

ROYAL MINT ADVISORY COMMITTEE

clear steer on X, before 18/3. Please?
(forget about the Budget...!)

Further to my minute of 11 January and your reply of 12 January, I am enclosing herewith copies of the Agenda and papers already circulated to members of the Royal Mint Advisory Committee.

Re.
11/3

At the last meeting of the Royal Mint Advisory Committee the Paymaster General said that he saw no reason why members of the Committee should not be consulted at an early stage about the design of special coins. Accordingly on 29 January I sent a letter to members suggesting that to commemorate 500 years of the first sovereign a special coin be issued in 1989 with new designs for both the obverse and reverse. It was made clear to members of the Committee that Ministers had not yet given formal approval to the issue of such a coin. Three members of the Committee have replied specifically supporting the idea of a new reverse design. Other members were generally content with the draft proposals circulated.

The next meeting of the Royal Mint Advisory Committee is on 18 March 1988 when a formal discussion will take place to ascertain whether members feel that they like the idea of issuing a special coin and whether such a coin should have new designs on the obverse and reverse. If the idea gains support a recommendation will be put to Ministers seeking approval to issue a special coin.

This would be a one-off commemorative issue in 1989 only.

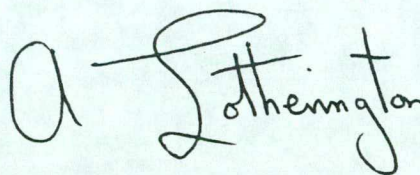
Under these circumstances, it is suggested that the Royal Mint might commission new designs for the obverse and reverse of the coin. It would be helpful to members of the Committee if I could take along to the meeting Ministers' views about designs. In particular, I should be grateful if the Paymaster General would clarify the Chancellor's position following Miss Wallace's minute of 16 February 1987. Specifically, are Ministers content to proceed on the basis that designs for both the obverse and reverse should be commissioned,

X |

9/23411

holding the classic Pistrucci design in reserve in case no satisfactory new design for the reverse is forthcoming. Or would the Chancellor want to retain the classic Pistrucci design for the reverse in any event, in which case it would be better not to commission a new reverse design in the first place, and also to advise Members of the Royal Mint Advisory Committee of this decision at the outset of the meeting.

It is understood that the Paymaster General will be unable to attend the meeting on 18 March and I should, therefore, be grateful if you would let me have comments as soon as possible.

A handwritten signature in cursive script, reading "A R W Lotherington". The signature is written in dark ink on a light-colored background.

A R W LOTHERINGTON

Secretary to the
Royal Mint Advisory Committee on the
Design of Coins, Medals, Seals
and Decorations

11 March 1988

Pisani

→ to speak to him...
→ or Dept. of...
...to be happy with...

Pistrucci

The position is this.

I am a great admirer of the Pistrucci design, and ~~believe there is much to be said for~~ ^{believe there is} ~~to be said for~~ ^{having it} ~~on the new coin.~~

But while I wd like this
I wd convey to Prince Philip^{III},
~~if~~ if he disagrees, or feels
that he wd have difficulty in
his letter, I wd certainly not
press the point any further.

Chce
If I did I get a decent
design and send to
Pistrucci.

George & Dragon
W/S

purp


FROM: MISS G M NOBLE
DATE: 17 March 1988

CHANCELLOR

c c Paymaster General
Economic Secretary
PS/Sir P Middleton
Mr Scholar
Mrs Lomax
Mr Watts
Mr R I G Allen
Mr Devereux
Mr Haydon

£1 NOTES

Just for the record, the £1 note ceased to be legal tender last Friday, March 11th and have now formally been withdrawn from circulation. Only about 2 million of the 71 million notes outstanding at the end of December have been paid into the Bank. Although formally withdrawn, the Bank will continue to honour any notes which are returned to them.



MISS G M NOBLE

UNCLASSIFIED



FROM: A C S ALLAN
 DATE: 17 March 1988

*1 Mr Lomax
 2 Miss Noble*

PS/PAYMASTER GENERAL

cc Mrs Lomax
 Miss Noble
 Mr Devereux

ROYAL MINT ADVISORY COMMITTEE: COMMEMORATIVE SOVEREIGN

I spoke to Prince Phillip's private secretary, and said that the Chancellor was a great admirer of the Pistrucchi design, and believed that there was much to be said for reviving it on the new coin. But, while he would like this view conveyed to Prince Phillip, if he disagreed, or felt that it would cause difficulties with his committee, the Chancellor would certainly not press the point any further.

A handwritten signature in dark ink, appearing to read 'A C S Allan'.

A C S ALLAN



PMG
22 MAR 1988 19

sph GILLIN 4.30 → 5.

BF 24/3
25/3

Cc Deputy Master
Mr R Devereux - Treasury

PS
Mrs Lomax
Miss Noble

PS/PAYMASTER GENERAL

ROYAL MINT ADVISORY COMMITTEE ON THE DESIGN OF COINS, MEDALS,
SEALS AND DECORATIONS

I enclose herewith a note which summarises the Committee's deliberations on both the new reverse design of the £2 coin commemorating the 300th anniversary of the Bill of Rights and the designs for the 500th anniversary of the introduction of the gold sovereign.

If there are any points arising please let me know.

Ch/ not Pistrucci.
The 1489 reverse
is illustrated at X.

A R W Lotherington
Sales Director

22 March 1988

mpw
25/3

PMG
I am very glad
to note X. I do not
think I would ~~accept~~
~~a design~~ ~~from~~ ~~you~~
to HM as a
design based on the
historic 11(a).
M.

ROYAL MINT ADVISORY COMMITTEE

At its meeting on Friday, 18th March 1988, the Committee considered 85 designs by 31 artists for the reverse of the £2 coin to commemorate the 300th anniversary of the Bill of Rights in 1689.

2. Two designs, 17(b) and 11(a), were selected by the Committee for further development. In the case of 17(b) the Committee would like to see three plaster models; one showing the design as it is, one without inscription, and one with the inscription in larger letters running from about 8 o'clock to 4 o'clock. For 11(a) the Committee has asked for two models to be prepared; one showing the design as it is and the other with the four leaf ornaments from St Stephen's Chapel replaced by four oak leaves to represent royalty. Designer 22 was awarded third prize in respect of his designs (a), (b) and (c) but the competition has now resolved itself into a straight contest between the various versions of 17(b) and 11(a), with 17(b) in one of its versions appearing at present to be the likely recommendation of the Committee.

3. The Committee also considered the design for the proposed gold coins commemorating the 500th anniversary next year of the introduction of the gold sovereign. Members felt that the enthroned portrait of the Queen prepared by Bernard Sindall for the Silver Jubilee in 1977 would be entirely appropriate for the obverse, recalling as it does the enthroned portrait of the monarch which is such a distinctive feature of the early gold sovereigns. To emphasise the anniversary, the Committee would like to combine the Sindall obverse with a reverse design based closely on the reverse of the first sovereign of 1489 but with the shield of the Royal Arms amended to show the present heraldic charges of the four quarters. Plaster models of obverse and reverse will now be prepared, with the style of lettering on the obverse adjusted to provide a better match with that on the reverse.

4. All the plaster models, for both the Bill of Rights £2 coin and the gold coins, should be ready by the end of May. This will enable a meeting to be held during June at which it is hoped the Committee will be able to make its final recommendation.



AMC 25 MAR 1988 - 13

Cc Deputy Master
Mr R Devereux - Treasury

PPS
Mrs Lomax
Miss Noble

PS/PAYMASTER GENERAL

ROYAL MINT ADVISORY COMMITTEE MEETING 18 MARCH 1988

The Paymaster General may like to see copies of the various designs referred to in my note of 22 March and these are shown on the attached card.

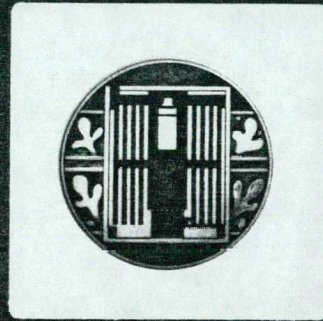
A R W Lotherington
Sales Director

23 March 1988

BILL OF RIGHTS £2 COIN



17 (b)

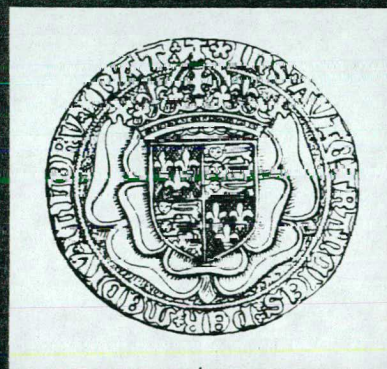


11 (a)

500TH ANNIVERSARY OF THE GOLD SOVEREIGN



1977 OBVERSE



ORIGINAL REVERSE

ph:102

CONFIDENTIAL AND PERSONAL



FROM: MISS M P WALLACE

DATE: 28 MARCH 1988

APS/PAYMASTER GENERAL

cc Mrs Lomax
Miss Noble
Mr Devereux

**ROYAL MINT ADVISORY COMMITTEE ON THE DESIGN OF COINS, MEDALS,
SEALS AND DECORATIONS**

The Chancellor has seen Mr Lotherington's notes of 22 and 23 March, detailing the Committee's discussion of the designs for the £2 coins commemorating the Bill of Rights and the 500th anniversary of the gold sovereign. He was glad to see that the Committee preferred design 17(b) for the Bill of Rights £2 coin, as he would not feel very happy recommending 11(a) to the Queen. In this context, it might be helpful if the Paymaster were able to attend the meeting of the Advisory Committee at which this question will be decided. Otherwise, Mr Allan could pass on the Chancellor's views to Prince Philip's Private Secretary, by telephone.

Mpw.

MOIRA WALLACE



FROM: S P JUDGE
DATE: 30 March 1988

MR LOTHERINGTON - RM

cc PPS
Mrs Lomax
Miss Noble
Mr Devereux
Mr Garrett - RM

ROYAL MINT ADVISORY COMMITTEE MEETING: 18 MARCH

The Paymaster General was grateful for your minutes of 22 and 23 March. He much prefers design 17(b).

2. Your Secretary is investigating with the Palace the possibility of the next Advisory Committee meeting being held at 10.30am on Wednesday, 22 June. We are keeping this time free in the Paymaster's diary, but would be grateful for early confirmation of the date.

S P JUDGE
Private Secretary



Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

31 March 1988

F Cullen Esq
Royal Mint
7 Grosvenor Gardens
London SW1

Dear Mr Cullen,

The Chancellor has asked me to thank you for arranging to have his allocation of Maundy money delivered here today. This is just to confirm that it arrived safely and to let you have the enclosed cheque for £156.

Yours sincerely,

Maira Wallace

MOIRA WALLACE
Private Secretary



Handwritten initials

Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

5 April 1988

F Cullen Esq
Royal Mint
7 Grosvenor Gardens
LONDON SW1

Dear Mr Cullen,

... I enclose the promised cheque for £156.00 for the Chancellor's Maundy money. I am sorry this was not sent with my letter of 31 March.

Yours sincerely,

Moira Wallace

MOIRA WALLACE
Private Secretary



BF 18/4
My 22/4

1. PAYMASTER GENERAL
2. MASTER OF THE MINT

cc PS/Master of the Mint
Mrs Lomax) Treasury
Miss Noble)
Mint Directors
Mr Cragg

ROYAL MINT CORPORATE PLAN: 1988/89 - 1991/92

Enclosed for approval is the Mint's Corporate Plan for the 4-year period 1988/89 to 1991/92. It has been discussed with Treasury officials.

INTRODUCTION

2. On average over the 4-year period, the Plan projects annual sales of £92m, operating profits of £9.2m, a return on sales of 9.9% and a current cost return on current cost capital of 16.8%. On all these performance measurements, this would be a substantially better performance than over the past four years.
3. It is, however, based upon a projected unit volume trend which, with the exception of the Britannia bullion coin, is essentially flat. Against a background of fairly solid sales and profits, therefore, we consider the main task in the next year to be to identify volume growth opportunities, particularly overseas. But first a brief review of the year just completed.

REVIEW OF 1987/88

4. The Mint has had a satisfactory year. Sales of £64m, operating profit of £6.1m, a return on sales of 9.5% and on current cost capital of 12.3% were all well ahead of plan.
5. With standard coin performing overall about as expected, the gains against Plan have come from collector coin and the introduction of Britannia. Collector coin produced the best results for some years and sales of the Britannia bullion coin in its first five months, virtually all of them overseas, were double the initial projection at 200,000 ounces. If sustained over a full year, we estimate that this will give Britannia a 12% share of the world market.
6. Within the Mint, there were good productivity gains in most areas of production, operating costs were well controlled and the Mint is now on the threshold of having a competitive copper and nickel-plating capability. This last could prove critical to achievement of overseas standard coin objectives.

7. The one disappointment was in overseas standard coin where significant expected business from India did not materialise and increasing competition squeezed margins. Nevertheless, a good start has been made overall toward achievement of the established financial objective for the three years 1987/88 to 1989/90.

1988/89 - 1991/92 PLAN OBJECTIVES AND SUMMARY

8. Sections 2 and 3 of the Plan set out the overall business and market sector objectives to which we will be working and I will not repeat them here. I do want to emphasise, however, the Mint's determination to go for profitable growth, to be led by the market place and to become increasingly professional in the marketing of its products.
9. With the caveat that forecasts for 1990/91 and 1991/92 are indicative of trends only at this stage, the following are the financial essentials of the Plan forecasts:

	<u>1988/89</u>	<u>1989/90</u>	<u>1990/91</u>	<u>1991/92</u>
Sales Value (£m)	81.3	83.8	108.4	95.3
Operating Profit (£m)	7.8	8.1	12.1	8.8
Op. Profit % Sales	9.6	9.7	11.2	9.2
Current Cost Profit % Assets	15.2	15.1	22.0	14.9

DISCUSSION

10. There are two significantly positive features to the Plan:

10.1 Changes to the UK coinage impact importantly on the Mint's utilisation of capacity and on sales value and profits for UK Standard Coin, particularly in 1990/91. The objective is to execute the introduction of new 5p and 10p coins smoothly, efficiently and at least within the cost parameters established.

10.2 Forecasts reflect optimism for the prospects of the Britannia Bullion Coin. Given strong marketing support, especially in Europe and the Far East, we see no reason why Britannia's share of market should not be increased from 12% to 20% over the period of the Plan. Expenditure on market research, advertising and promotion will be increased with the expectation that, by 1991/92, Britannia will be producing premium income in excess of £10m and a profit contribution of over £3m.

11. There are also two aspects that cause me some concern and on which we have work to do:

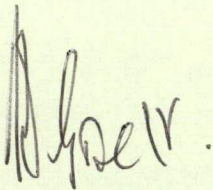
11.1. The Plan requires that we secure at least 50% of the available Overseas Circulating Coin business. Against increasingly active competition, particularly from the Canadians, this is going to require more sharply targetted marketing and pricing strategies based on improved market intelligence. In the short-term, we must be prepared tactically to accept lower than normally acceptable margins to protect traditional markets for the future.

11.2 Concerns about underlying volume growth, expressed earlier, relate particularly to the Collector Coin business in which volume depends heavily on regular design change. The projections of volume, sales value and profit for this sector in the final two years of the Plan cannot be regarded as satisfactory. I believe it is incumbent upon us to develop a planned and managed programme of change, for several years ahead, which is appropriate to the heritage, tradition and status of the UK coinage. We aim to present such a programme covering our entire range, for consideration by ministers, by autumn this year.

12. Also on the subject of generating profitable growth, it is our intention to examine ways of developing the business of high quality medals and medallions and to search for other ways of broadening the base of the business within the Mint's fields of business and technological capability.

GENERAL COMMENT

13. I think this Plan represents a sound basis for planning and activity over the next two years, the only real uncertainty being the strength of sterling for a business with so much of its sales and earnings coming from overseas markets.
14. Beyond that, I am hopeful that the research and development work we do this year will be reflected in a better growth forecast in next year's Plan.



A D GARRETT
DEPUTY MASTER

11 April 1988



CH/EXCHEQUER	
REC.	11 APR 1988
ACTION	
COPIES TO	

BF 14/4

Cc PPS)
 Mrs Lomax)
 Miss Noble) Treasury
 Mr Devereux)
 Deputy Master - RM

pmg

PS/PAYMASTER GENERAL

ROYAL MINT ADVISORY COMMITTEE

With reference to your minute dated 30 March, the Paymaster General's preference for design 17(b) has been noted.

(2) I confirm that my secretary telephoned on 6 April advising that the next meeting of the Advisory Committee is to be at Buckingham Palace on Wednesday, 22 June 1988, at 10.00 a.m.



checked OK for PMG

m

A R W Lotherington

A R W LOTHERINGTON
Sales Director

11 April 1988



FROM: PAYMASTER GENERAL
DATE: 25 April 1988

CHANCELLOR OF THE EXCHEQUER

cc PS/Sir Peter Middleton
Mr Scholar
Mrs Lomax
Miss Noble
Mr Devereux

Thanks. Control will Plan. Success of Britannia. 2. I will do X. Look in your??
Corporate plan for your approval -
Ch/On X, apparently Mr Garrett
said they were looking at proposals
"consistent with the dignity of the Mint"

ROYAL MINT CORPORATE PLAN: 1988-89 TO 1991-92

mpow 25/4

I met Royal Mint and Treasury officials last week to discuss the Mint's Corporate Plan for 1988-89 to 1991-92 and the Deputy Master's minute of 11 April. All in all, the plan is a good one, and one which I recommend you to endorse.

2. It was clear from our discussion that the Mint have performed well in 1987-88, comfortably exceeding their financial objective of a 10 per cent return on assets. Although recording a small loss (on account of launch costs) in 1987-88 the Britannia is rapidly becoming the Mint's flagship, and they expect that, by 1992, it will account for 40 per cent of total profits and more than 20 per cent of the world bullion market. Productivity improvements, particularly in blank manufacture, contributed to the satisfactory performance.

Jan

3. The outlook, also, is better than at this time last year. Accounting changes have inflated the projected returns on net assets, but even allowing for this, and in spite of growing competition in the market for overseas standard coin, the Mint are confident they will exceed their target in each of the next two years. They are concerned by falling profits and volume for UK collector coin (which accounted for 36 per cent of total profit last year). They are looking at various growth opportunities, and trailed a package of proposals which they are planning to put to Ministers in due course.

X

4. Other points to emerge, which I endorse, were:

- the difficulty of forecasting demand for UK standard coin; and

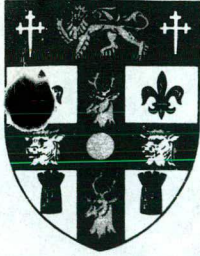
COMMERCIAL IN CONFIDENCE

- the greater emphasis being placed on market research, and promotion activities - especially given the increasing competition in the overseas standard coin market.

X | 5. Finally, there was some discussion of the effect on the vending industry of new 5p and 10p coins. Given that it would be helpful to the industry to have early notification of the new timetable for their introduction, I suggest that you might like to announce it in your speech on the Verdict of the Pyx on 6 May.

P.B.

PETER BROOKE



From the Master of the Royal Mint

FROM: MISS M P WALLACE

DATE: 28 April 1988

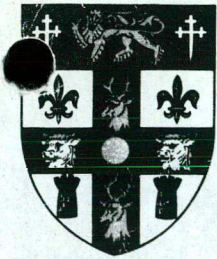
PS/PAYMASTER GENERAL

cc Sir Peter Middleton
Mr Scholar
Mrs Lomax
Miss Noble
Mr Devereux

ROYAL MINT CORPORATE PLAN: 1988-89 TO 1991-92

The Chancellor was most grateful for the Paymaster General's minute of 25 April. He is content with the Plan, and particularly pleased with the success of the Britannia.

MOIRA WALLACE



From the Master of the Royal Mint

FROM: MISS M P WALLACE

DATE: 10 May 1988

DEPUTY MASTER

cc PS/Paymaster General
Mrs Lomax
Ms Noble

ROYAL MINT CORPORATE PLAN: 1988-89 TO 1991-92

The Chancellor was most grateful for your minute of 11 April, enclosing the Mint's Corporate Plan for the years 1988-89 to 1991-92. The Chancellor is content with the plan, and particularly pleased with the success of the Britannia.

M.P.W.

MOIRA WALLACE



The only strong view I have -
 of the design I hold is strong,
 is that we should choose the
 Simdall design < not (at any price)
 as it is the better. I am happy
 to have the vote to the PMG
 & no RMAC. I have no objection
 to putting it a separate sub-committee.

CC PS/Master of the Mint
 Deputy Master
 Mr R Devereux - Treasury

PS/PAYMASTER GENERAL

← gist passed
 on to PS/PMG

I am enclosing copies of the various papers which the Paymaster-General will need for the meeting of the Royal Mint Advisory Committee on 22 June.

I should be grateful if you would draw the Minister's attention to the first page of the Notes on the Agenda, where he will see a suggestion that there might be a second version of the Bill of Rights commemorative coin in view of the separate status of the Scottish Claim of Right. This suggestion emanates from the Clerk of Committees at the House of Commons, and we have established informally that such a coin would be welcomed by the Scottish Office. We, ourselves, are sympathetic to the idea but because the manner of its implementation will be largely determined by the design selected for the Bill of Rights coin, we have thought it right to wait for the outcome of next week's Advisory Committee meeting before making any formal submission to Ministers.

Please remind the Paymaster General that the Advisory Committee meeting begins at 10.00 a.m. and that he should aim to arrive at the Palace at 9.45 a.m using the Privy Purse entrance. Carparking is allowed and I am enclosing a carparking sticker for that purpose.

A R W LOTHERINGTON

Secretary to the Royal Mint Advisory Committee on the Design of Coins, Medals, Seals and Decorations

17 June 1988

ROYAL MINT ADVISORY COMMITTEE
ON THE DESIGN OF COINS, MEDALS, SEALS AND DECORATIONS

195TH MEETING
BUCKINGHAM PALACE
10.00 A.M. WEDNESDAY, 22ND JUNE 1988

A G E N D A

- Item 1 ✓ Minutes of the 194th Meeting
- Item 2 Commemorative £2 coin for the Tercentenary of the
Bill of Rights, 1989
- Item 3 Commemorative gold coins for the 500th Anniversary
of the Gold Sovereign, 1989
- Item 4 Other business

ROYAL MINT ADVISORY COMMITTEE
195TH MEETING TO BE HELD AT BUCKINGHAM PALACE
AT 10.00 AM WEDNESDAY, 22ND JUNE 1988

NOTES ON THE AGENDA

ITEM 2 - COMMEMORATIVE £2 COIN FOR THE TERCENTENARY OF THE BILL OF RIGHTS, 1689

At the last meeting members selected designs 17(b) and 11(a) for further development. Three versions of 17(b) and four of 11(a) are now available, from which it is hoped that the Committee will be able to make a final selection.

In accordance with the wishes of the Committee, three models have been prepared of Mr John Lobban's design, 17(b). The first (a) has been based closely on the original sketch, the second (b) shows the inscription in larger letters, and the third (c) is without inscription.

Similarly, four models have been prepared of the design by Mrs Mary Dickens, 11(a). The first (d) shows the design exactly as the original sketch, with the decorative leaf pattern from fragments of stained glass from the old St Stephen's Chapel. On a second model (f), this leaf pattern has been replaced by oak leaves as suggested by the Committee, while to meet another suggestion by members each of these two designs has been modelled in an alternative version incorporating the dates 1689 and 1989 (e and g).

The original sketches have been seen by the Clerk of Committees at the House of Commons, who has shown them informally to his colleagues and to the Speaker. He has reported a very strong preference for 17(b), but has also drawn attention to the fact that the design is not particularly appropriate for Scotland, whose Parliament passed its own Claim of Right in 1689. He has suggested that the words CLAIM OF RIGHT could be placed on the edge in addition to BILL OF RIGHTS, or else that there might be a separate version of 17(b) for Scotland with CLAIM OF RIGHT in the inscription in place of BILL OF RIGHTS.

The Scottish Office have been consulted and officials there have indicated that they would welcome some form of recognition for Scotland. Lord Lyon King of Arms has also been approached and is sympathetic, though he has pointed out that St Edward's crown as shown in 17(b) is not popular in Scotland. In its place he has suggested the use of a stylised version of the Scottish crown if there is to be a special coin for Scotland. He sees no difficulty, however, about the form of the mace.

The Deputy Master would be grateful for the Committee's views on how far it will be practical and desirable to meet these wishes. Much will depend, of course, on whether members prefer the work of Mr Lobban or that of Mrs Dickens, but in any case members are reminded that with time beginning to get short it is important that a final decision should be reached quickly.

ITEM 3 - COMMEMORATIVE GOLD COINS FOR THE 500TH ANNIVERSARY OF THE GOLD SOVEREIGN, 1989

It was suggested at the last meeting that the proposed coins might combine Mr Bernard Sindall's Silver Jubilee obverse with the reverse of the original sovereign of Henry VII.

Mr Sindall subsequently provided two sketches showing how his obverse design might be modified to match the original reverse, with lettering of a similar style and the date in Roman numerals. The sketches have been modelled by the Royal Mint Engraving Department and photographs are attached at £5, £2, sovereign and half-sovereign size.

As regards the reverse, Mr Sindall was invited to submit a model based on the reverse of the original sovereign but showing the modern quartering of the Royal Arms as suggested at the last meeting. In addition, in order to provide the Committee with other options, the Royal Mint Engraving Department was asked to supply models of the original design without amendment and with a surrounding commemorative inscription. Photographs of these models are also attached at the four coin sizes.

ROYAL MINT ADVISORY COMMITTEE
ON THE DESIGN OF COINS, MEDALS, SEALS AND DECORATIONS

MINUTES OF THE 194TH MEETING
HELD AT BUCKINGHAM PALACE
ON FRIDAY, 18TH MARCH 1988

Present: His Royal Highness, The Prince Philip, Duke of Edinburgh, KG, KT, OM,
GBE (President)

Mr A D Garrett (Chairman)
Mr W Carter, OBE
Sir Hugh Casson, CH, KCVO
Sir Colin Cole, KCVO
Mr V Duggleby
Sir John Hale
Mr J Porteous

Mr R W Gravenor
Mr A R W Lotherington (Secretary)
Mr G P Dyer (Assistant Secretary)

The President welcomed Mr Garrett, who was attending the first meeting of the Advisory Committee since his appointment as Deputy Master in succession to Dr Gerhard. Apologies for absence were received from Mr N D Cadbury, Sir Peter Scott and Miss M Warner, while the Paymaster General was also unable to attend.

ITEM 1 - MINUTES OF THE 193RD MEETING

The minutes of the meeting held on 18th November 1987 were approved and were signed by the President.

ITEM 2 - COMMEMORATIVE £2 COIN FOR THE TERCENTENARY OF THE BILL OF RIGHTS, 1689

Photographs of 85 designs submitted by 31 artists had been circulated before the meeting and the President began by reading out a summary of the votes cast by members. Designer 17 had received six votes, Designers 1, 4, 7, 8, 10 and 22 three votes each, and Designer 15 two votes.

The President observed that Designer 17 was therefore a clear leader, and he had himself been struck by design 17(b), which had a nice look about it. Mr Carter thought the inscription rather spindly in comparison with the very attractive lettering of 17(a), but the President pointed out that the larger letters could only be accommodated on 17(b) by squeezing the middle of the design. To this Mr Carter saw no objection since it would allow the inscription to come round the design instead of being broken into two arcs as on 17(a).

Mr Porteous also expressed support for 17(b) but found the inscription rather dull. This suggested to the President that an inscription was not essential and he was inclined to agree with Mr Porteous that 17(b) would be improved if the inscription were transferred to the edge. In view of the presence in the design of the cypher WM, the Deputy Master reminded members that artists had been advised to avoid the association with William and Mary. The Committee, however, felt that the cypher was sufficiently obscure and was in any case an important element of the design.

The claims of design 11(a) were advanced by Sir John Hale, who thought it strong and memorable. He particularly liked the way in which the leaf motif provided an apparent link with the crown and with the Bill of Rights, in the sense of leaves falling from the tree of royalty. Such a design would provide a welcome departure from heraldry, a view supported by Sir Hugh Casson, who also found 11(a) strong and original. It would perhaps require explanation and the President wondered how many people would read the leaflet which accompanied the coins. Sir John Hale replied that the Bill of Rights would itself require explanation and that 11(a) would therefore have the advantage of prompting more discussion than a design with the immediate appeal of 17(b).

Mr Porteous said that as there was time for plaster models of the short-listed designs to be prepared it would be useful to see a model of 17(b) in its unamended form. The President agreed and suggested that if the artist merely provided a model of the central portion of his design it would be possible to show by photography alternative arrangements of the inscription. Sir Hugh Casson expressed some doubt about the dates, but the President was content to wait and see what they looked like on the model. To Mr Porteous the shading around the dates was no more than a trick of draughtsmanship.

As for 11(a), the President complained that the four leaf ornaments looked like abstract jellyfish. Sir John Hale said that they should be more like oak leaves, while the inclusion of dates would do no harm and might make the design more coin-like. The President wondered if a rose, thistle, shamrock and leek would be more appropriate but the suggestion was resisted by Sir John Hale, though he conceded that the leaves could be made more royal. Sir Colin Cole added that the oak leaf had royal associations and he would prefer it to be shown more heraldically.

Members agreed that designs 17(b) and 11(a) should now be modelled and that their detailed comments should be conveyed to the two artists concerned. The Secretary pointed out that under the terms of the competition a third prize was to be awarded. Sir Hugh Casson's suggestion of Designer 22 was supported by Mr Porteous, though only in respect of those designs which were relevant to the Bill of Rights, and was accepted by the Committee. The Secretary then announced that Designer 11 was Mary Dickens, Designer 17 John Lobban, and Designer 22 Philip Nathan.

ITEM 3 - COMMEMORATIVE GOLD COINS FOR THE 500TH ANNIVERSARY OF THE GOLD SOVEREIGN, 1989

The Secretary explained that a brief had not yet been sent to artists pending further discussion of the draft by the Committee.

The President began by informing members that it had now been established that the Master of the Mint's stated preference for the St George and Dragon reverse would not be pressed against the wishes of the Committee. It seemed to the President, from an informal exchange of views which had occurred immediately before the meeting, that the solution might be to combine the reverse of the original sovereign of Henry VII with the enthroned portrait of Her Majesty The Queen prepared by Bernard Sindall for the Silver Jubilee. If the Committee agreed, these designs could be progressed to the stage of plaster models.

Sir Colin Cole feared that a direct reproduction of the Henry VII Coat of Arms in the manner proposed might be a little unfortunate because of the inclusion of fleurs-de-lys for France. To avoid this difficulty, Mr Porteous suggested that the quarters could be modified to show those of the present Arms without destroying the medieval feel of the design. Mr Porteous also urged that the reverse should reproduce the hammered, somewhat rustic appearance of the original, while he shared with Sir John Hale the view that the lettering should be copied exactly. As regards the obverse, he thought that Mr Sindall might be asked to consider what alterations he would like to make and in particular whether it would be desirable to use Gothic lettering to match the style of the reverse.

There was general agreement that this would be a sensible approach and the Committee undertook to meet again in June to look at plaster models prepared along these lines.

OBVERSE



Original sovereign of Henry VII



Silver Jubilee obverse by Mr Bernard Sindall



Model of sketch (a) by Mr Sindall



Model of sketch (b) by Mr Sindall

ITEM 2 : BILL OF RIGHTS £2 COIN

DESIGNS BY MR JOHN LOBBAN



Original sketch



(a)



(b)



(c)

DESIGNS BY MRS MARY DICKENS



Original sketch



(d)



(e)



(f)



(g)

REVERSE



Original sovereign of Henry VII



Mr Sindall's model with current Shield of Arms



Model of original reverse design



Model of original reverse design with commemorative inscription



PH

Ch.

Royal Mint Advisory Ctee

You may not be surprised to learn that HRH thought that the rectangular, hi-tech design had much to commend it (as a symbol of modernity, etc.). You will be pleased to learn, however, that he was eventually persuaded off this! *good!*

2. I gather that the rest of the discussion was pretty inconclusive. It was thought that there might be a case for a Scottish commemorative coin.

Thanks.

JH

22/6



FROM: ROSIE CHADWICK
DATE: 27 June 1988

MR LOTHERINGTON - ROYAL MINT

cc PS/Chancellor
Mrs Lomax
Miss Noble
Mr Devereux
Deputy Master - RM

BILL OF RIGHTS COMMEMORATIVE COIN: SCOTTISH CLAIM OF RIGHT

I understand that, at the last Royal Mint Advisory Committee meeting, the Paymaster General undertook to find out, informally, what the Secretary of State for Scotland thought about the idea of a coin to commemorate the Scottish Claim of Right.

The Paymaster has now done this. He reports that the Secretary of State regards a Scottish coin as very important, the Claim of Rights holding as important a place in pre-Act of Union Scotland as the Bill of Rights in England.

The Paymaster has asked me to relay this information to you. He adds that the Secretary of State underlined the merits of consulting Lord Lyon King of Arms about the design of any "Scottish" coin.

RRC

ROSIE CHADWICK
Assistant Private Secretary

Margaret

cc Mr GARRETT - RM
Mr Cussen - RM
Miss Viner - RM



PPS
Mrs Lomax
Miss Noble
Mr Devereux

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Bernard Weatherill M.P.
The Speaker
Speaker's House
Palace of Westminster
LONDON SW1A 0AA

✓

6 July 1988

Dear Mr Speaker,

£2 COIN COMMEMORATING THE TERCENTENARY OF THE BILL OF RIGHTS

Earlier this year the Chancellor announced that the Royal Mint (of which he is Master and for which I am Minister responsible) would be issuing a special £2 coin to commemorate the Tercentenary of the Bill of Rights. The date scheduled for the coin's launch is 13 or 14 February 1989, and our thoughts are now turning to a venue.

This was the subject to which I alluded as being something I wanted to discuss with you, when we saw each other at the Tercentenary Exhibition yesterday.

Given the Tercentenary's Parliamentary dimension it would seem most appropriate for the ceremony to be held at the House. Would there be any possibility of it being held in the Speaker's House itself?

The ceremony itself would be a fairly formal affair, attended by Ministers, MPs, and other invited guests and the press. The Mint also have it in mind to mount a display of coins and related material.

*Yours sincerely
Peter Brooke*

PETER BROOKE

(Handwritten signature line)



Speaker's House Westminster London SW1A 0AA
12th July 1988

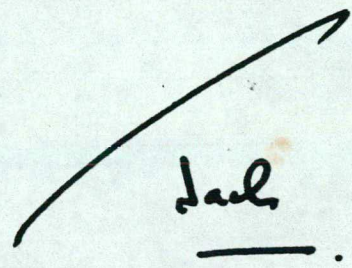
MP

Dear Peter,

Thank you for your letter of 6th July about the £2 Coin to commemorate the Tercentenary of the Bill of Rights.

I should be very happy for the ceremony to take place in the State Rooms on 13th or 14th February. May I suggest that your Office contacts Mrs Norvell in my Office to sort out the necessary arrangements.

Yours ever


Jack

Speaker

The Rt Hon Peter Brooke MP
Paymaster General
Treasury Chambers
Parliament Street
London SW1P 3AG

PAYMASTER GENERAL	
REC.	13 JUN 1988
ACTION	Mr Carrrett
	pps
	Mrs Lomax
	Miss Noble
	Mr Demeroux

Mr Cussen - RM
Miss Viper RM

MANAGEMENT IN CONFIDENCE

From: S D H SARGENT

Date: 26 July 1988

NOTE FOR THE RECORDAGENCY STATUS FOR THE ROYAL MINT

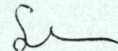
Mr Garrett (Deputy Master of the Mint) came to see Sir Peter Middleton at 11 am on 25 July 1988. Mr Harris and Mrs Lomax were also present.

2. Mr Garrett said that, following further discussions with Mr Harris, he was now content for the Royal Mint to be a candidate for agency status under the Next Steps proposals. Given the political realities, he accepted that there were no strong reasons for resisting this. However, he still had some concerns; in particular he would not want this to result in a greater degree of Select Committee scrutiny than was currently the case. He was also apprehensive about the requirement to produce a major framework document. Mr Harris pointed out that the draft HMSO framework document was only 4 pages long, and while these documents were published they had no statutory basis and did not commit the organisation in any way. Mrs Lomax added that agency status did not of course preclude further developments such as privatisation or the establishment of a closer relationship with the private sector.

3. Sir Peter Middleton said that agency status did not seem likely to make a dramatic difference to the Mint. It should however provide some added flexibility, in return for which the Treasury would expect to see some increase in output. Mr Garrett said that as far as timing was concerned April 1990 would suit the

MANAGEMENT IN CONFIDENCE

Mint best. Sir Peter Middleton said that this appeared to be acceptable. An announcement could be made when a further list of agency candidates was put out around Christmas.



S D H SARGENT

Private Secretary

Circulation: Those present
PPS ~~PPS~~
PS/Paymaster General

PMG -8 SEP 1988 7

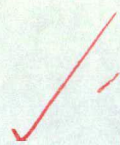
Prof

6/9/88



COMMERCIAL IN CONFIDENCE

PAYMASTER GENERAL



cc Mrs Lomax
Miss Noble
Mint Directors

BRITANNIA

We now have to conclude that the outlook for sales and profits for Britannia this financial year has changed significantly for the worse. I felt you should be advised quickly of this, the background, the implication for the Mint's 1988/89 financial performance and what we are doing to limit the damage.

BACKGROUND

1. The Mint's Corporate Plan forecast 1988-89 Britannia bullion coin sales of £5.7m and profits of £1.5m. This was based on achievement of a 14% share of a world-wide bullion coin market of 3.4 million ounces; an average gold price of £280 per ounce and an advertising/promotion support level of £2.9m.
2. Since that forecast was prepared, there has been a steady fall in the gold price which has now settled at around £254 per ounce. This has been accompanied by a major world-wide fall-off in bullion coin sales and a reduction in the 1988-89 total market estimate of 30% from 3.4m to 2.35m ounces.
3. We have now completed 5 months of the year and there is as yet no sign of upward movement in gold price or bullion coin sales levels. We have no alternative to a downward revision in our forecasts for Britannia bringing volume down 34% (broadly maintaining share of the reduced market) and reducing the average gold price assumption from £280 to £260 per ounce.

Since Britannia revenue is based on a premium over the gold price, this latter change further reduces income by about 10%. The new forecast of 1988-89 Britannia sales is £3.4m.

FINANCIAL IMPLICATIONS AND ACTION

1. If we did nothing else, these changes would turn a 1988-89 Britannia profit of £1.5m into a loss of £(0.8m) and affect the Mint's bottom line adversely by £2.3m.

COMMERCIAL IN CONFIDENCE

2. This is unacceptable and we have therefore, with considerable reluctance, reduced planned marketing support levels for the balance of the year wherever this can be done without doing major damage to Britannia's future prospects. We will of course retain flexibility to reinstate support should market conditions improve.
3. In essence, support is being maintained in Hong Kong and Taiwan, where markets are resisting the world trend, and in our key European market - West Germany. Major advertising activity has been suspended in the rest of our markets for the time being.
4. On this basis Britannia will just about break even this year, which is a major disappointment to all of us. Market sentiment is not positive about the next few months - we will just have to wait it out.

Overall, the financial outlook for the Mint as a whole this year is now less good than originally forecast. We believe, however, that the effect of Britannia is likely to be partly offset by an improvement in the outlook for other parts of our operations. We will cover this in more detail when we meet with you to review half-year performance.

Meantime, you may wish to advise the Chancellor of the contents of this minute in view of his particular interest in Britannia.

Ken Green

DEPUTY MASTER
6 September 1988



PS/THE MASTER OF THE MINT

No thistles
MP
CU/ thistles or no thistles? [or await PMG's views]
And content with
draft submission
at A?
OK as
M.P.W.

Cc Paymaster General
Mrs Lomax
Miss Noble
Mr Devereux
Deputy Master
the Royal Mint

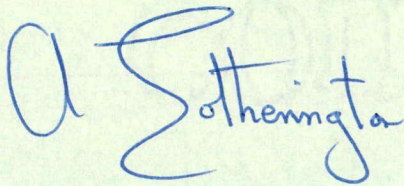
£2 COMMEMORATIVE COIN - TRICENTENARY OF THE BILL OF RIGHTS/CLAIM OF RIGHT

Earlier this year Her Majesty The Queen approved the issue of a £2 coin to commemorate the tricentenary of the Bill of Rights in 1989. As a result of a competition in which 31 artists took part, the Royal Mint Advisory Committee have recommended for approval the attached design by Mr John Lobban for the reverse of the coin.

2. In the course of the selection process a suggestion was received from the Clerk of Committees at the House of Commons that there should be a second version of the coin to commemorate the tricentenary of the Scottish Claim of Right, which also falls in 1989. This suggestion was referred by the Paymaster General to the Secretary of State for Scotland, who welcomed it on the grounds that the Claim of Right holds as significant a place in pre-Act of Union Scotland as the Bill of Rights in England.

3. Mr Lobban was accordingly invited to modify his Bill of Rights design by altering the inscription and incorporating a stylised Scottish crown recommended by Lord Lyon King of Arms. This he has done (a), along with an alternative (b) which includes two thistles to emphasise the Scottish nature of the coin. Lord Lyon considers either to be acceptable, members of the Advisory Committee are evenly divided, while the Secretary of State has a preference for the design with thistles (b). In making his own selection between (a) and (b) the Master of the Mint may like to be aware that His Royal Highness Prince Philip, Duke of Edinburgh, prefers the simpler version (a) without thistles.

4. If the Master of the Mint is content to proceed with a Claim of Right coin in addition to the Bill of Rights coin, he should seek Her Majesty's approval both for the additional coin and the designs on each coin. I attach a draft submission with two alternative enclosures, depending on which design the Master most favours for the Claim of Right coin. It will also be necessary for an announcement to be made to Parliament about the Scottish coin, but the Royal Mint would prefer that details of the designs are not released until nearer the time of issue next February.

A handwritten signature in blue ink, reading "A R W Lotherington". The signature is written in a cursive style with a large initial 'A' and a long, sweeping underline.

A R W Lotherington
9 September 1988

COMMEMORATIVE £2 COINS



Bill of Rights



Claim of Right



Bill of Rights



Claim of Right

PROPOSED DESIGNS FOR COMMEMORATIVE £2 COINS



Bill of Rights



(a)



(b)

Claim of Right

COMMERCIAL IN CONFIDENCE



FROM: Ms K ELLIMAN
DATE: 9 September 1988

MR DEVEREUX

cc PPS
Mrs Lomax
Miss Noble

ROYAL MINT: BRITANNIA COIN

You have seen Mr Garrett's minute of 6 September. *mp*

2. The Paymaster General has asked because the Gold Price is so central, how much analysis was that given in the market forecasts last year?

Kim Elliman

KIM ELLIMAN
Private Secretary



R-P

FROM: Ms K ELLIMAN

DATE: 13 September 1988

APS/CHANCELLOR

cc Mrs Lomax
Miss Noble
Mr Devereux

£2 COMMEMORATIVE COIN - TERCENTENARY OF THE BILL OF RIGHTS/CLAIMS OF RIGHT

The Paymaster General has seen Mr Lotherington's minute of 9 September.

2. As I told you he has commented he prefers the thistles, but you could make out a perfectly solid case for retaining the English design thistleless.

KIM ELLIMAN
Private Secretary



cc. PS / PMG
MRS LOMAX
MISS NOBLE
MR DEVEREUX

From the Master of the Royal Mint

mint { Deputy Master
MR Letherington

13 September 1988

MP

HER MAJESTY THE QUEEN

The Master of Your Majesty's Mint with his humble duty to Your Majesty begs leave to submit for your gracious consideration the proposal that in addition to the £2 coin to commemorate the Bill of Rights, a coin of the same dimensions and the same materials be issued to commemorate the Scottish Claim of Right which will also celebrate its Tercentenary in February 1989. Your Majesty approved the issue of the Bill of Rights coin earlier this year.

It is recommended that the obverse of both coins should feature the approved portrait of Your Majesty prepared by Mr Raphael Maklouf, FRSA. Reverse designs prepared by Mr John Lobban, featuring the Crown and the Mace, are shown in the attached photographs and have been recommended by the Royal Mint Advisory Committee. The differences are that the Claim of Right coin includes a stylised version of the Scottish Crown instead of the St Edward's Crown, and refers to the Claim of Right in its inscription.

Apart from the standard versions of these coins in nickel-brass, there will be special versions available in silver and base metal. The coins will be issued to the public early next year.

I have the honour to remain

Your Majesty's most obedient servant,

NIGEL LAWSON

Master of the Mint



Ch/ We went through all this earlier in the year. You had a preference for the Pistrucci design for this 500th anniversary coin, but did not press the point. As Mr L points out at

Cc Paymaster General
Mrs Lomax
Miss Noble
Mr Devereux
Deputy Master of the Royal Mint

PS/THE MASTER OF THE MINT

X, the plan would be to revert to Pistrucci thereafter. Content to write as drafted? mpw.

1989 GOLD COINS

X

I attach a draft submission to Her Majesty The Queen recommending new designs for the half-sovereigns, sovereigns, two-pound pieces and five-pound pieces to be struck in 1989. It is planned to revert to Pistrucci's portrayal of St George slaying the dragon for the reverse and Raphael Maklouf's portrait of Her Majesty The Queen for the obverse of sovereigns issued after 1989.

As the Master is already aware, next year marks the 500th anniversary of the introduction of the gold sovereign. It is proposed to commemorate this important occasion by the issue of gold coins of special design, directly inspired at the wish of the Royal Mint Advisory Committee by the design of the original sovereign of Henry VII.

The obverse and reverse designs recommended by the Committee will be the same for all four coins. The obverse shows an enthroned portrait of The Queen, based on an approved design prepared for commemorative medals struck for the Silver Jubilee in 1977. On the reverse is featured a crowned shield of the Royal Arms, together with an appropriate inscription. Both designs are the work of Mr Bernard Sindall.

The coins are intended for sale to collectors and are expected to become available early next summer.

A R W Lotherington

A R W Lotherington
14 September 1988

OK. This will become known as the Knitting needle sovereign (see design for British)

pl type final
for ch to read.

DRAFT SUBMISSION FROM THE MASTER OF THE MINT

HER MAJESTY THE QUEEN

The Master of Your Majesty's Mint with his humble duty to Your Majesty begs leave to submit for Your gracious consideration photographs of the designs recommended for the obverse and reverse of gold coins to be issued in 1989.

Next year marks the 500th anniversary of the introduction of the gold sovereign in 1489 and it is proposed to commemorate this important occasion by the issue of half-sovereigns, sovereigns, two-pound pieces and five-pound pieces. All four coins will share the same design, which has been directly inspired by the design of the original ¹⁴⁸⁹ sovereign of Henry VII.

The recommended obverse and reverse are the work of Mr Bernard Sindall. The obverse shows an enthroned portrait of Your Majesty, based on an approved design prepared for commemorative medals for Your Majesty's Silver Jubilee in 1977. On the reverse is featured a crowned shield of Your Royal Arms, together with an appropriate inscription.

The coins will be struck for sale to collectors and are expected to become available early next summer.

[I have the honour to remain Your Majesty's most obedient servant.]
(You do in manuscript)

NIGEL LAWSON.

COMMERCIAL IN CONFIDENCE

PPS pr
MP

FROM: R J DEVEREUX

DATE: 15 September 1988

PS/PAYMASTER GENERAL

cc PPS
Mrs Lomax
Miss Noble

ROYAL MINT : BRITANNIA COIN

The Paymaster General asked how much attention was given to the effect of the gold price when forecasting the size of the market for Britannia.

2. We have always recognised that forecasts for the Britannia are highly speculative. Those included in the 1987 Corporate Plan were, in retrospect, very cautious; while those in the latest Plan were acknowledged as optimistic. The problem is that the market for gold coin is particularly difficult to measure, and any estimates of possible changes in size (whether because of gold price movements or other events) correspondingly more ^{un} certain. And estimates that the Mint might have made (for example of the effect on their profit of a bullion market half the size of their central estimate) would have been rather academic without a better understanding of the relationships between the gold price and the size of the market. (The Mint did include a sensitivity analysis of the effect of changes in the gold price on a given volume of business).

3. The latest results and forecasts in Mr Garrett's minute of 6 September are undoubtedly disappointing. Although it is doubtful that analysing alternative scenarios would have produced a better result at the end of the day, we will see whether next year's Corporate Plan could not give some indication of the uncertainty surrounding the Mint's profits from Britannia.

George Hayden
for R J DEVEREUX



Julie MP
has does
this look?

M

MS MOIRA WALLACE
APS, CHANCELLOR OF THE EXCHEQUER

16 September 1988

£2 COIN COMMEMORATING THE TERCENTENARY OF THE BILL OF RIGHTS

Further to the introduction next year of £2 coins to commemorate the Tercentenaries of the Bill of Rights and the Scottish Claim of Right, the Speaker has kindly given permission for a ceremony to be held at the Speaker's House to introduce the new coins.

The date of the ceremony is 14th February, 6.00 pm to 7.30 pm, and in view of the Tercentenary's Parliamentary dimension and his links with the Royal Mint we should be very pleased if the Chancellor would attend.

Until we have been able to discuss the arrangements with the Speaker's office, would you please accept this as informal advance notice. As soon as we have more information the Deputy Master will formally write to the Chancellor.

Similar 'diary notes' have been sent to the Paymaster General and the Secretary of State for Scotland.

Jeune

JE CUSSEN
SECRETARIAT
ROYAL MINT

Moira
Diary is clear, but it
falls within Purdah.

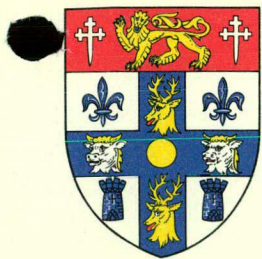
(Because of Purdah
- whether it is a good
use of his time is more
debated)

Julie

cc: Miss G Noble for information

Yes: does Purdah
prevent him doing
this? If so, Riffard
wd be only Min here.
[not funny, know]

Moira
I can't see any reason
why he shouldn't do this.
But who is speaking etc?



Approved

From the Master of the Royal Mint

HER MAJESTY THE QUEEN

The Master of Your Majesty's Mint with his humble duty to Your Majesty begs leave to submit for Your gracious consideration photographs of the designs recommended for the obverse and reverse of gold coins to be issued in 1989.

Next year marks the 500th anniversary of the introduction of the gold sovereign in 1489, and it is proposed to commemorate this important occasion by the issue of half-sovereigns, sovereigns, two-pound pieces and five-pound pieces. All four coins will share the same design, which has been inspired by the design of the original 1489 sovereign of Henry VII.

The recommended obverse and reverse are the work of Mr Bernard Sindall. The obverse shows an enthroned portrait of Your Majesty, based on an approved design prepared for commemorative medals for Your Majesty's Silver Jubilee in 1977. On the reverse is featured a crowned shield of Your Royal Arms, together with an appropriate inscription.

The coins will be struck for sale to collectors and are expected to become available early next summer.

*I have the honour to remain
Your Majesty's most Obedient servant,*

Nigel Lawson

NIGEL LAWSON
19 September 1988



FROM: MISS M P WALLACE
DATE: 23 September 1988

MP

MR LOTHERINGTON - ROYAL MINT

cc PS/Paymaster General
Mrs Lomax
Miss Noble
Mr Devereux

Deputy Master

DESIGNS FOR THE 500TH ANNIVERSARY SOVEREIGNS

... I attach a copy of the Chancellor's submission to Her Majesty the Queen, which has now been approved and returned to us.

M. P. Wallace

MOIRA WALLACE



Approved

From the Master of the Royal Mint

HER MAJESTY THE QUEEN

The Master of Your Majesty's Mint with his humble duty to Your Majesty begs leave to submit for Your gracious consideration photographs of the designs recommended for the obverse and reverse of gold coins to be issued in 1989.

Next year marks the 500th anniversary of the introduction of the gold sovereign in 1489, and it is proposed to commemorate this important occasion by the issue of half-sovereigns, sovereigns, two-pound pieces and five-pound pieces. All four coins will share the same design, which has been inspired by the design of the original 1489 sovereign of Henry VII.

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I have the honour to remain

Your Majesty's most Obedient servant,

Nigel Lawson

NIGEL LAWSON
19 September 1988



Original sovereign of Henry VII



Obverse of commemorative coins



Reverse of commemorative coins

COMMEMORATIVE GOLD COINS



Original sovereign of Henry VII



Obverse of commemorative coins



Reverse of commemorative coins



Handwritten initials

MS MOIRA WALLACE
APS CHANCELLOR OF THE EXCHEQUER

cc APS PAYMASTER GENERAL
MISS G NOBLE

Following Her Majesty's approval of new designs for the 1989 Sovereign issues we are planning to unveil the new coins at a formal ceremony in the Tower of London, a most appropriate venue, on Tuesday 31 January 1989 (6.30 to 8.00 pm)

We would be very pleased if the Chancellor would attend the ceremony to which Government Ministers, Members of Parliament, other guests and the press will be invited.

The Deputy Master will, of course, write to the Chancellor nearer the time with a formal invitation and more information about the event.

Handwritten signature: Linda Viner.

LINDA VINER
BOARD SECRETARY
22 November 1988

COMPLETION
*Copy to be submitted to the Treasury
Finance Dept have one*

Handwritten notes and initials

CHANCELLOR



Handwritten signature in red ink.

MINT - INVITATIONS

I have had a word with Gill Noble about a clutch of Mint invitations, behind.

On the Mint Directors' Conference (1990!), both Gill and Rachel advise strongly that this is the sort of thing the Master ought to do, if you can face it. (By the way, Gill confirms that you DO remain Master, Agency or no Agency - phew!) The speech need not be much, just a few words of formal welcome. I gather the PMG has been asked by Garret to lobby you if you are unkeen. Unless you have great forebodings, I would think we ought to give in gracefully. OK? *OK~*

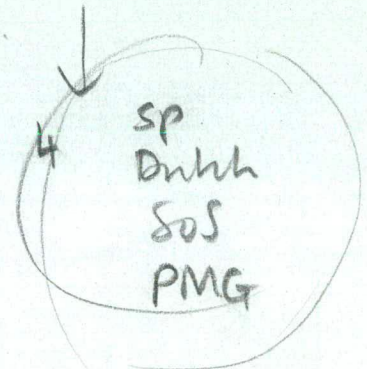
We also have two other invitations - not quite so far away on the horizon. First a ceremony at the Tower to unveil the 89 sovereign, on Tuesday 31 January from 6.30 to 8.00. I gather there is no expectation that you would be required to do any formal "unveiling" - unless you wanted to. And certainly not a speech occasion, nor one that would cause Purdah problems. I would have thought - and Gill agrees - that this might be quite a nice occasion to go to, and the diary is clear. But shall I make further enquiries with the Mint before we commit ourselves?

Finally, as you know, the PMG has been involved in setting up a reception at the Speaker's House to introduce the Bill of Rights £2 coin - planned for 14 February from 6.00 to 7.30. The Mint have now rung to ask if you can make it. This, as far as I can see, is simply a social occasion - though again I will check with the Mint that they are not hatching more grandiose ideas. But subject to that, I would think this might be worth accepting, or "calling in", as diary is clear. OK?

*Solv out if R coming
OK
(P. P. P.)*

*"Call in"
P. P. P.*

*OK in principle nothing too big
pl solv out
and come back
rapidly*



M. P. W.

✓✓ Subject to PMG clearance



CHANCELLOR OF THE EXCHEQUER

(. Andrew

Miss G Noble
Rachel or better you or PMG
must be of this
AHH

RF

2 Ch/ diary is clear. Advice
from Gill Noble below.

yes
pmg

Do you want more advice from
PMG or Rachel before deciding
on this?

Julie
29/11.

cc Paymaster General
Miss G Noble

MINT DIRECTORS' CONFERENCE: UK: 1990

1. The Royal Mint is hosting a Conference for Mint Directors in June 1990 at Effingham Park, near Gatwick.
2. This international conference is held every two years, in different countries, to discuss monetary, legal and technical matters of common interest.
3. It would be most appropriate, and I would be very pleased if you would open the Conference on behalf of the Royal Mint. A formal inauguration will take place on Monday 4 June 1990 at 9.00am and would take no more than 30 minutes. (Though a lot of travelling time.)
4. I will, of course, write to you nearer the time with more information but in the meantime perhaps you would be kind enough to give the matter some consideration.

A D Garrett

A D GARRETT
DEPUTY MASTER

23 November 1988



CHANCELLOR OF THE EXCHEQUER

cc Paymaster General

Miss G Noble

MINT DIRECTORS' CONFERENCE: UK: 1990

1. The Royal Mint is hosting a Conference for Mint Directors in June 1990 at Effingham Park, near Gatwick.
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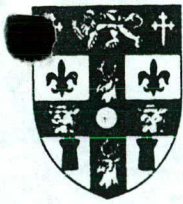
A D GARRETT
DEPUTY MASTER

23 November 1988

Miss Wallace

This is a very long way ahead
but it is an occasion which the
Chancellor, as Master of the Mint,
should attend if at all possible

24/3/82/11



Royal Mint

Copy

Llantrisant, Pontyclun, Mid Glamorgan CF7 8YT. Telex 498353 Telephone Llantrisant (0443) 222111

A. D. GARRETT
Deputy Master and Comptroller
(Chief Executive)

500TH ANNIVERSARY OF THE GOLD SOVEREIGN CEREMONY

December 1988

We are holding a ceremony at the Tower of London on Tuesday, 31st January to celebrate the 500th anniversary of that most popular of coins, the gold sovereign.

To commemorate the 500th anniversary, Her Majesty The Queen has given approval for the issue of 1989 dated sovereigns bearing a new design.

The first gold sovereign was, of course, struck at the Tower of London in 1489 and the designs of the 1989 sovereign were inspired by those of the original Tudor coins.

An invitation to the ceremony is enclosed and I do hope that you are able to attend.

The new designs are to be unveiled during the course of the evening and there will be a display of coins and material relating to the history of the gold sovereign, including examples of coins dating from the reign of Henry VII.

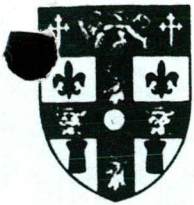
In addition to the designer of the new coins, Bernard Sindall, guests will include Members of Parliament, Government Ministers and eminent numismatists. Representatives of the press are expected and a buffet will be available upon arrival at 6.00 pm.

There are no parking facilities at the Tower of London, I am afraid, and the authorities emphasise the need to bring your invitation card as proof of right to enter.

I, and those members of my staff who will be present, look forward to meeting you and to an enjoyable evening.

Yours sincerely





Royal Mint

COPY

Llantrisant, Pontyclun, Mid Glamorgan CF7 8YT. Telex 498353 Telephone Llantrisant (0443) 222111

A. D. GARRETT
Deputy Master and Comptroller
(Chief Executive)

BILL OF RIGHTS/CLAIM OF RIGHT £2 COIN CEREMONY

December 1988

Dear

As promised I am sending an invitation card and details of the ceremony to introduce, or launch, the £2 Bill of Rights/Claim of Right commemorative coins on 14th February.

The ceremony will be held in the State Rooms at the House of Commons, and the Speaker's office has requested that guests arrive promptly at 6.00 pm, but please, no earlier.

The Speaker is expected to greet guests on arrival and a buffet will be available from 6.00 pm.

Representations of £2 coins bearing different designs for the Bill of Rights and Scottish Claim of Right will be unveiled. The proceedings leading up to the unveiling will start at around 6.30 pm and will involve brief speeches by the Speaker, Secretary of State for Scotland, and The Paymaster General, the Rt Hon Peter Brooke MP.

The Paymaster General will unveil the coins and will make presentations to the Speaker, the Secretary of State for Scotland and the Dutch Ambassador.

Guests will include members of both Houses, the press, members of the William and Mary Trust, the coin designer, eminent numismatists and representatives from the clearing banks and the Treasury.

There will be a display of coins, medals and seals relating to William and Mary and, by kind permission of the House of Lords' Record Office, the Bill of Rights itself will be on view.

It promises to be an interesting and enjoyable occasion and I, with those of my staff who will be present, look forward to meeting you.

Yours faithfully





Amj

FROM: S M A JAMES
DATE: 12 DECEMBER 1988

PS/CHANCELLOR

LEGAL TENDER LAWS

The Economic Secretary was interested in the reason for retaining legal tender laws. It had struck him that these laws served essentially to force people to accept currencies liable to depreciation. He felt it would be a worthwhile market discipline on governments to produce a currency people would accept without coercion. This was especially true with free capital movement in Europe and parallel currencies.

2. Mr Devereux has provided a brief note on the technical meaning of legal tender (attached). The Economic Secretary cannot see any way the law could or need be liberalised. He feels that the note kills his idea stone dead. I understand the Chancellor is also interested in this question and might therefore wish to see Mr Devereux's note.

Amj

S M A JAMES
Private Secretary

FROM: R J DEVEREUX

DATE: 9 December 1988

PS/ECONOMIC SECRETARY

LEGAL TENDER LAWS

You asked for a brief note on this subject.

2. Coins in general circulation are legal tender up to the following amounts:

£1	- for any amount
50p/20p	- for not more than £10
10p/5p	- for not more than £5
2p/1p	- for not more than 20p

Bank of England notes are legal tender (in England and Wales) up to any amount.

3. The strict, technical meaning of legal tender is very narrow. All it means is that a debtor cannot successfully be sued for non-payment if he pays into court in legal tender. It does not mean that transactions have to take place in legal tender, or only within the amounts set out above. Both parties are free to accept any forms of payment whether legal tender or not, according to their wishes. The Government is not therefore compelling anyone to hold cash; but people willingly use it as the most convenient, and widely accepted, means of exchange.

RJD

R J DEVEREUX

MP

FROM: R J DEVEREUX
DATE: 21 October 1988

1. MRS LOMAX *RL 21/10*
2. MR C D BUTLER
3. SIR PETER MIDDLETON
4. PAYMASTER GENERAL
5. RETURN TO VOTE CORDINATOR

cc PS/Chancellor
Miss Noble o/r
Mrs Wiseman
Mr Salveson

**WINTER SUPPLEMENTARY ESTIMATES 1988-89
CLASS XIX VOTE 12 ; HM TREASURY UK COINAGE**

This submission seeks your approval for a Supplementary Estimate of £14.075m for the Coinage Vote. While a Supplementary of this size would normally be dealt with by Miss Noble, as a Treasury Vote it requires the approval of the Principal Finance Officer, the Accounting Officer, and the responsible Treasury Minister.

2. The Vote covers expenditure by the Treasury made under contract to the Royal Mint for the manufacture and distribution of UK coins, and the storage of withdrawn coin. The vote is not cash limited.

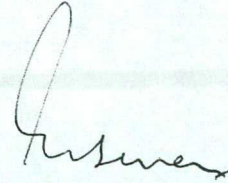
3. The recommended increase is £14.075m, 85 per cent above the existing Main Estimate and PES provision, and involves an equivalent claim on the Reserve. There is no scope for offsetting savings, and the claim on the Reserve was approved by Mr Anson on 21 October.

4. The risk of a Supplementary on this Vote was noted in my Main Estimate submission. The provision sought then was constrained exactly in line with the previous year's Survey, despite the high probability that additional provision would be required later in the year. Since then demand for UK coin has continued to rise, to the extent that we now expect to issue nearly fifty per cent more coins than we envisaged even in January. Demand for bronze coin has been particularly high.

5. We would prefer to wait until the Christmas peak for coin issues has passed before seeking a Supplementary. However, the extraordinary level of demand so far this year means that we have already had to draw on the Contingencies Fund and so cannot avoid a Winter Supplementary.

The MO problem!

6. I recommend that you approve a £14.075m increase in provision on this vote, bringing the total provision to £30.650m.

A handwritten signature in black ink, appearing to read 'R J Devereux', written in a cursive style.

R J DEVEREUX

Class XIX, Vote 12

HM Treasury: UK coinage

- Introduction**
1. Expenditure borne on this Vote is not subject to a cash limit.
 2. Additional provision is sought for extra payments to the Royal Mint for the manufacture, storage and distribution of UK coins on behalf of the Treasury as a result of higher than expected demand for coins.
 3. Symbols are explained in the introduction to this booklet.

Part I **£14,075,000**

SUPPLEMENTARY amount required in the year ending 31 March 1989 for expenditure by the Treasury in connection with the manufacture, storage and distribution of coinage for use in the United Kingdom.

HM Treasury will account for this Vote.

Part II Summary and subhead detail

Summary

Present net provision	Changes proposed			New net provision
	Gross provision	Appropriations in aid	Net provision	
£'000	£'000	£'000	£'000	£'000
16,575* UK Coinage	14,075	—	14,075	30,650

*As in original Estimate (HC 339-XIX of 1988-89).

Subhead detail

Present provision		Increase/ excess	Decrease/ shortfall	New provision
£'000		£'000	£'000	£'000
16,500	A1 United Kingdom coinage	14,000	—	30,500
275	A2 Incidental expenses Cost of storage, processing and other related expenses of handling returned coins	75	—	350
	Total	14,075	—	

Part III Extra receipts payable to the Consolidated Fund

As in existing provision.

UNCLASSIFIED

1. Julie to note
2. MP



FROM: MISS M P WALLACE
DATE: 15 DECEMBER 1988

MR J E CUSSON - Royal Mint

cc: PS/Paymaster General
Miss Noble o/r
Mr Devereux

**CEREMONY AT THE SPEAKER'S HOUSE TO INTRODUCE THE
BILL OF RIGHTS £2 COIN**

Thank you for your note about the ceremony to be held on
14 February at 6.00pm to introduce the new £2 coin. The
Chancellor was grateful for this advance notice, and will call in
if he can.

Note

Mr Devereux
to investigate
what Mint have in
mind on 31/1 - sovereign ceremony at Tower.

Mpw.

MOIRA WALLACE
Assistant Private Secretary

Mpw.



6669.

CHANCELLOR

CEREMONIES FOR LAUNCHING:

1. GOLD SOVEREIGNS TO COMMEMORATE 500TH ANNIVERSARY 31 JANUARY 1989
2. BILL OF RIGHTS/CLAIM OF RIGHT £2 COINS 14 FEBRUARY 1989

Invitations to both ceremonies are enclosed and I am pleased to tell you that HRH Princess Alexandra has today agreed to attend the 500th Anniversary of the Sovereign ceremony.

The simplest way of providing details of each ceremony is to let you have copies of the formal letters which accompanied invitations sent to guests other than those from the Treasury and the Royal Mint. The letters are self-explanatory and provide a broad outline of each occasion.

-hardy!

Precise details of both ceremonies have yet to be agreed, but this information and a guest list can be provided early in the new year.

Please let me know if you have any specific queries at this stage.

I would add that the Tower of London is prepared - in the case of Government Ministers - to relax its strict 'no parking' rule!

A D Garrett

A D GARRETT
DEPUTY MASTER
16 December 1988

BF 9/11 10/11



FROM: MISS M P WALLACE

DATE: 5 January 1989

MR ODLING-SMEE

cc Mr Devereux

MINT INVITATIONS

I gather from Robert Devereux that you are seeing Mr Garrett tomorrow. Robert asked whether the Mint had provided all the details we need for the two forthcoming Mint events - the '89 Sovereign ceremony at the Tower on Tuesday 31 January, and the Bill of Rights £2 coin Reception at the Speaker's house on 14 February. I attach copies of the notes we have had from Mr Garrett, which we have not yet put to the Chancellor. Arrangements for the Bill of Rights Reception on 14 February seem unexceptionable. The Paymaster General is taking the lead, and the Chancellor has said he will call in if he can. However, all is still not clear on the Sovereign ceremony at the Tower on 31 January. The Mint have informed us that HRH Princess Alexandra has agreed to attend, and they say that "the new designs are to be unveiled during the course of the evening". What we need to know is who the Mint propose should do the unveiling. Have they led Princess Alexandra to believe that she will be doing this; have they someone else in mind; or are they expecting the Chancellor to do it? If the latter, we ought to consult the Chancellor again - his last word on this was that he would be happy to turn up (and the Mint know this) but he wanted to know precisely what they had in mind. Perhaps you can smoke them out when you see Mr Garrett, and then I can put the whole thing back to the Chancellor.

A handwritten signature in cursive script, appearing to read 'mpw'.

MOIRA WALLACE

1. Cannot see why a CCA implies We are doing this for banks. No public product, etc) it is a machine & companies are the heavy lift.

FROM: R J DEVEREUX
DATE: 6 January 1989

FINANCIAL SECRETARY

cc: PPS
PS/Paymaster General
Sir Peter Middleton
Mr Odling-Smee
Ms Young

COMPLIANCE COST ASSESSMENTS AND THE NEW 5P AND 10P COINS

The Enterprise and Deregulation Unit at DTI has asked the Treasury to produce a Compliance Cost Assessment (CCA) of the impact on businesses of the introduction of the new 5p and 10p coins in the 1990s.

2. This puts the Treasury in a rather awkward position. On the one hand we have supported the principle of CCAs to ensure that plans for new Government Regulations take sufficient account of their financial impact on industry. But on this occasion a CCA would not be helpful. The Chancellor has already announced his decision on the new coins after a thorough public consultation. And the CCA has been prompted by the Automatic Vending Association of Britain and will undoubtedly be used by them to re-open their claim for Government compensation (a claim the Paymaster General has resisted repeatedly).

3. We have explained the position once already to officials at DTI. I recommend we continue to resist a CCA. But given your own support for the principle of CCAs I would be grateful for your views before we reply to DTI's latest request.

Background

4. The Chancellor launched a public consultation on the coinage in June 1987, offering four options for change. The consultation pamphlet (attached for top copy only) recognised the widespread view that the present coinage was too heavy and concluded that -

"Before any decision is taken, it will be necessary to establish whether the changes would lead to savings or increased costs in maintaining the coinage in good order; and what benefits or disadvantages there would be for bulk users of coins such as banks, the vending industry [etc] Comments from these groups would be welcome....."

5. During the consultation the Automatic Vending Association of Britain (AVAB) met with the Paymaster to press their case for Government compensation. In their view, AVAB members would be forced to incur significant costs either by having to adjust their

machines to take smaller coins, or in buying completely new machines. The Royal Mint's advice at the time was that the AVAB's case was overstated, and that most machines could be adjusted in the course of routine maintenance. In addition, it would be impossible to devise a compensation scheme that was fair to all parties (including those AVAB members who had invested in modern, computer-operated, machinery and who now stood to gain from that investment because such machines can easily be reprogrammed to take the smaller coins). In view of this advice, and in the light of the decision not to offer compensation at decimalisation, the Paymaster rejected the AVAB claim.

6. Other interested parties (like the banks) were keen to reduce the overall weight of the coins in circulation, and a majority of the responses from the public favoured a change to lighter coinage. The overall benefits of lighter coinage are not easily quantified, but the change was expected to save the Treasury itself about £1 million per annum (once the coins were in circulation) by reducing production costs.

7. In December 1987 the Chancellor announced that "having carefully considered the responses to the consultation" he had decided to proceed with the most popular of the four options for change - a smaller 5p and a smaller 10p. At the Trial of the Pyx in May 1988 he announced the issue dates of June 1990 and June 1992 respectively.

8. Since then the AVAB have written twice to the Paymaster with further requests for compensation (or tax concessions against the purchase of new machines). These have all been turned down.

Analysis

9. Against this background the CCA now would be most unhelpful. It would be very difficult to prepare estimates of the effect on the AVAB which would not be disputed - in public - re-opening the claim for compensation that the Paymaster-General has successfully seen off. It would also be virtually impossible to quantify the general benefit to the public and bulk coin users (including the AVAB) of dealing with lighter coinage.

10. More fundamentally, even if an informative CCA were produced it could have no positive effect now. As DTI's own public guidance states -

".....it is vital for CCAs to be drawn up as early as possible, as proposals are formulated. The assessment should be available to Ministers when they take decisions. If CCAs do not inform decisions their purpose is lost."

Although no formal CCA was prepared, we did engage in a thorough public consultation of all interested parties (including the AVAB). The decision to proceed with the new coins was taken only after the Chancellor had carefully assessed the responses.

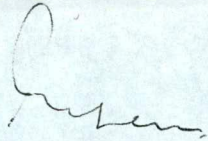
11. AVAB members and other businesses (not least the Mint itself) are now preparing for the change. A CCA at this stage would only

provide an opportunity to question the merits of the decision and revive the AVAB's claim for compensation.

Recommendation

12. I recommend that we write back to DTI - at official level - making the points above as forcefully as possible. But we cannot rule out the possibility that Mr Maude would then write to you questioning the Treasury refusal. Are you content that, in this particular case, the Treasury's stand is defensible?

13. This submission has been cleared with IAE3.



R J DEVEREUX



Royal Mint

7 Grosvenor Gardens, London, SW1W 0BH. Telex 267321 Telephone 01 828 8724-8

→ Marva

→ Public for
P/f

6 January 1989

The Principal Private Secretary
to the Chancellor of the Exchequer
HM Treasury
Parliament Street
London
SW1E 3AG

Ch/yes, I presume?

yes. mpm

Dear Sir

MAUNDY MONEY 1989

I should be grateful if you would confirm that the Chancellor wishes to take up his authorised allocation of twelve sets of Her Majesty's Maundy money this year, when arrangements will be made for them to be delivered on the morning of Thursday, March 23rd.

The price this year is £13 per set, including case and VAT. I should be grateful if the sum of £156 could be forwarded to me as soon as convenient after delivery.

Yours faithfully

Fred Cullen

~~Tony~~

cd you pl write
back and promise
payment after
delivery.

Thanks

M.



MISS MOIRA WALLACE
APS CHANCELLOR

cc PS/Paymaster General
Mr J Odling-Smee
Mr R Devereux
Deputy Master

CEREMONY AT THE TOWER OF LONDON TO COMMEMORATE THE 500TH
ANNIVERSARY OF THE GOLD SOVEREIGN : 31 JANUARY 1989

The Deputy Master wrote to the Chancellor on 16 December 1988 about the ceremony, also that HRH Princess Alexandra had agreed to attend.

We have now been able to discuss details of the ceremony with Princess Alexandra's staff and the proposal - tentatively - was for the Chancellor to make a brief speech and to present the first set of 1989 gold sovereigns to the Princess.

Princess Alexandra's office understands that the Chancellor has yet to agree to the suggestion and that the responsibilities of his office might prevent his attendance.

The time of the ceremony is 6.30pm to 8.00pm. The Princess will arrive at 7.00pm and will stay for about 45 minutes.

The actual 'unveiling' ceremony will last about 10-15 minutes and will consist of a welcome by the Deputy Master, a speech from the Chancellor and a response from the Princess who will unveil the new sovereigns.

I do apologise for this late request, but it would be most appreciated if the Chancellor would come.

I will, of course, provide a brief and all the necessary details, including a guest list. Please let me know if you need any further information now.

J E CUSSEN
9 January 1989

ppst pt - on BF

From: J ODLING-SMEE
9th January 1989

PS/CHANCELLOR

cc Mr Devereux

MINT INVITATIONS

X

I spoke to Mr Garrett about the ceremony at the Tower and the Bill of Rights reception. He would like the Chancellor to unveil the Sovereigns at the ceremony at the Tower on 31 January, and to make a few remarks. He will be writing to the Chancellor to clarify this.

2. There seems to be no problem with the Bill of Rights reception. Mr Garrett understands that the Chancellor will drop in if he can, but he is not expecting any performance from him.

14/2

(PMG ~~is~~ will probably say a few words)

Don

J ODLING-SMEE

Ch

Are you happy to do X, which I gather wd involve nothing more than a few words and presenting a set to HRH Princess Alexandra (who Mint have invited pretty much off their own bat) ?

OK

hpn



From the Master of the Royal Mint

11 January 1989

F Cullen Esq
Royal Mint
7 Grosvenor Gardens
London SW1W 0BH

VP

Dear Mr Cullen

The Chancellor has asked me to confirm that he wishes to take up his authorised allocation of Maundy Money this year.

We shall arrange for payment to be made after delivery, as you asked.

Yours Sincerely
A A Dight
A A DIGHT



MW
FROM: MISS M P WALLACE
DATE: 12 January 1989

PS/FINANCIAL SECRETARY

cc PS/Paymaster General
Sir P Middleton
Mr Odling-Smee
Ms Young
Mr Devereux

COMPLIANCE COST ASSESSMENTS AND THE NEW 5P AND 10P COINS

The Chancellor has seen Mr Devereux's minute of 6 January. He notes, incidentally, that of itself a compliance cost assessment would not imply anything about compensation. We are changing the coinage in order to benefit the public (lighter coins, etc) and if there is some inconvenience and cost to the vending machine companies, that is too bad.

MW

MOIRA WALLACE



FROM: MISS M P WALLACE
DATE: 12 January 1989

MR J E CUSSEN - ROYAL MINT

cc PS/Paymaster General
Mr Odling-Smee
Mr Devereux

Deputy Master - Mint

CEREMONY AT THE TOWER OF LONDON TO COMMEMORATE THE 500TH
ANNIVERSARY OF THE GOLD SOVEREIGN: 31 JANUARY 1989

Thank you for your note of 9 January, setting out further details of what you have in mind for the ceremony at the Tower of London on 31 January. The Chancellor is content with the proposal that he should say a few words, and present the first set of 1989 gold sovereigns to HRH Princess Alexandra. He would be grateful if the Mint could provide a few thoughts on what he might say, in particular on the historical side. Could we have this by close on Wednesday 25 January, please?

Mpw.

MOIRA WALLACE

1 Inhi

2 BFLS Duncan 13/1

PWP



FROM: MALCOLM BUCKLER

DATE: 12 January 1989

PS/CHANCELLOR

cc PS/Financial Secretary

INTERNATIONAL VENDING EXHIBITION (AVEX '89)

As you know, the Paymaster General is to open this Exhibition on 2 March. The Automatic Vending Association of Britain (AVAB) want to put the attached piece in their Exhibition handbook. The Paymaster nor IDT see any problem in this. I should be grateful for your confirmation that the Chancellor also is content.

Otherwise the event entails a short opening ceremony followed by a tour of the stands and an informal lunch. AVAB have agreed to avoid the compensation issue.

Ch/
Are you content?

Dis

MALCOLM BUCKLER
Private Secretary

OK.
2. I think Pms
will take oppo. etc
& square in
of compensation.
M.

Draft copy for AVEX '89 exhibition preview in vending
International and for the Exhibition Handbook

"Coinage being the life-blood of the automatic vending industry, I was very pleased to be asked to open AVEX '89, the industry's largest-ever exhibition.

"I am particularly looking forward to seeing the latest developments in coin-operated equipment, and am pleased to acknowledge the considerable initiative, that has been shown by the vending industry as it gears itself towards the introduction of the new 5p and 10p coins planned for 1990 and 1992.

"A great deal of work has been put into the design and manufacture of new mechanisms. Indeed, some already being fitted to new vending machines which are calibrated to accept the current coinage, are already prepared for the conversion dates when a simple flick of a switch will enable the new coins to be accepted. X

"This is just the latest of a number of recent innovations in vending which have proved, time and again, the flexibility and foresight of this industry and its ever-growing desire to give customers more choice, greater quality and even better value for money."

PETER BROOKE

-ends-

Please amend/approve and immediately inform John Sewell, Publicity Matters (tel: 01-637 7808, fax: 01-255 1577).



[An assent
suggestion is
that as a
whole we will
not open
PMG]

chy

MINT: £2 COIN PROGRAMME

Mint proposes annual commemorative issue of £2 coin to mark an event in British history.

I gather PMG doesn't like the idea - too obviously commercial, will end up commemorating events for the sake of it. He would rather have commemorative coins on an irregular basis, where genuinely merited.

My only thought is that an annual issue would quite probably duplicate events commemorated on postage stamps.

PMG will discuss with you, probably on margin of prayers.

013
26.11



PAYMASTER GENERAL

cc PS/Chancellor ✓
Mr Odling-Smee
Mr Devereux

UNITED KINGDOM COINAGE: £2 COIN DESIGN CHANGE PROGRAMME

My covering minute to this year's Corporate Plan recorded my concerns about the prospects for the Mint's Collector coin business in the absence of regular design changes. As we agreed, we have developed proposals for a planned and managed programme of design changes appropriate to the heritage, tradition and stature of the UK coinage. I would like to take your mind on these proposals now so that, if you are content in principle, I can include the programme in the next Corporate Plan.

In brief, I propose, a ten-year programme of annual commemorative issues of the £2 coin, executed in base-metal, silver and gold. The series would follow directly upon the 1989 issue of £2 coins commemorating the tercentenary of the Bill of Rights and would have a British History theme throughout.

It is our belief that this programme will restore volume and profit growth to the Royal Mint's UK collector coin business in a way that is entirely consistent with the dignity and integrity of the coinage. We estimate an annual net increase in collector coin profits of £1.4m, with an additional average net benefit to the Exchequer of £6.0m per annum from seigniorage on the associated issue of a limited number of circulation standard pieces.

BACKGROUND

1. The Mint's 1988 Corporate Plan identified the need for a structured programme of design change to reverse the longterm declining trend in UK collector coin volume and profits, which presently account for about 43% of overall Mint profit.
2. Design variation has an important bearing upon the numismatic popularity and volume of our collector coin both in the absolute and also in relation to our principal competitors who, introduce much greater variety than do we. (Annex III illustrates a typical programme for the US, Canada and West German mints). 1988 has proved an unfortunate demonstration of the importance of design variation, as you know. Experience has led us to reduce the estimate of 1988-89 UK collector coin profits by 22% and I believe that the total absence of design change has been an important contributory factor.

ch?

The 1988 Plan also recognised, however, that an increase in the frequency of design change must be handled very carefully in order not to damage the stature, heritage and integrity of the coinage, which is at the core of the Mint's high standing in this field. For this reason, we have spent several months researching a number of alternatives covering all the coins in our present range. This proposal is the product of that review.

DISCUSSION

1. Annual design changes to present standard circulating coin, or to the sovereign, and Britannia or the commemorative Crown were quickly eliminated as inappropriate. The £2 coin became the obvious candidate and increased in attractiveness as we reviewed experience of the £2 Commonwealth Games commemorative coin in 1986. This coin was popular with our many regular customers, satisfied the need of the general public for a memento of the event and provided opportunities for collectors of base-metal, silver and gold. We sold 950,000 collector versions and 7.7 million standard pieces with a profit to the Mint of over £1.5m and a net benefit to the Exchequer of £13.6m from seigniorage.
2. Research covering a wide range of subject matter for a potential design theme produced our history as the most appealing, covering as it does the breadth of our heritage and culture. We have also concluded that such a theme would present many good opportunities for marking UK anniversaries which also have appeal in our important overseas markets.
3. It is therefore proposed that, beginning in 1990, there be the annual issue of a £2 commemorative coin, executed in base-metal silver and gold. The series would commemorate events in British History such as those listed in Annex I. You will see that the 50th Anniversary of the Battle of Britain is suggested for commemoration in 1990. It is our belief that this would kick off an historical series with great success.
4. We suggest that subjects for commemoration be agreed two years in advance with Ministers and designs be subject to the normal processes of open competition and review by the Advisory Committee.
5. As with the Commonwealth Games coin, and as planned for the Bill of Rights coin in 1989, a limited number of standard circulating base-metal coins would be issued and all the versions would, of course, be legal tender. Limited availability should, however avoid the impression that a new, generally circulating £2 coin is being introduced by the back door.

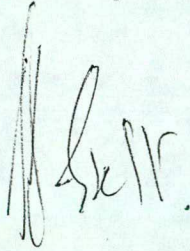
FINANCIAL IMPLICATIONS

1. We see in this programme worthwhile opportunity for consistent growth in collector coin volume and profits and have displayed this in Annex II by comparison with an average year at today's prices. It will be seen from this that the principal source of additional volume is the silver version, although additional profit is shared roughly equally between silver and base metal products.

2. In summary, we forecast a 60% increase in unit volume, an annual profit increase of £1.4m and a further additional "profit" to the Exchequer of £6.0m per annum from the seigniorage on coins issued as standard versions.

3. I have a good level of confidence in the volume forecasts because, unlike in the bullion coin field, we have a wealth of experience and evidence of the effect of adding a 'new' collector coin to the range. 80% of the volume increase forecast is in sales of single coins in silver piedfort, silver proof and base-metal proof form and the projected volumes are, in fact, conservatively based on experience with the Commonwealth Games £2 coin and new designs of the £1 coin.

I will be glad to respond to questions you may have about this proposal, which I consider to be a responsible yet commercial response to a sensitive issue of importance to the business. It is my hope that we may secure agreement in principle sufficient to include the proposed programme, and its benefits, in the 1989 Corporate Plan.



DEPUTY MASTER
24 January 1989

£2 COIN DESIGN CHANGE PROGRAMME - POSSIBLE COMMEMORATIVE SUBJECTS

- 1990 On 1 August 1940 Hitler ordered the Luftwaffe to 'overpower the English Air Force with all its forces in the shortest possible time', as a prelude to a German invasion. The ensuing defensive engagement, the Battle of Britain, in which the RAF lost roughly one fighter for every two enemy aircraft shot down, was, in Churchill's words, 'our finest hour'.
- 1991 Renowned first for his defence of Mafeking against the Boers, Robert Stephenson Smyth Baden-Powell won greater distinction still during his later life as the founder of the Boy Scouts and the Girl Guides. He left the army in 1910 to devote himself full-time to organising these movements, and died fifty years ago.
- 1992 Sir Isaac Newton was born three hundred and fifty years ago. His Principia mathematica (1687) and Optics (1704) dominated the thinking partly through public office at the Mint, first as warden, then as master.
- 1993 Highlighted by the militant activities of the suffragettes and strengthened by the superb contribution which women made to the war effort between 1914 and 1918, the demand for the extension of the franchise to women was finally met seventy-five years ago by the Representation of the People Act (1918) the vote was given to all women over the age of thirty years.
- 1994 This year marks the three hundredth anniversary of the foundation of the Bank of England. Although not established as a central bank, that is, in effect, what the Bank became in the course of the eighteenth and nineteenth centuries as it consolidated its position as banker to the state and gained a complete monopoly of note issues in England and Wales.
- 1995 In its centenary year the National Trust, founded to preserve in perpetuity places of historic interest or natural beauty, celebrates its unique contribution to the conservation of the national heritage.
- 1996 As 'famous in Europe and America as Tamburlaine in Asia, and Africa', Sir Francis Drake, the popular hero and privateer of the first Elizabethan Age, died four hundred years ago. By completing the second circumnavigation of the world, 1577-80, Drake attained as a navigator a rank second only to that of Columbus, Vasco da Gama and Magellan.

1997

Fourteen hundred years ago Augustine landed in Thanet with about forty companions having been despatched in 596 by Pope Gregory the Great to convert the heathen English. Aethelberht, King of Kent, settled the missionaries at Canterbury and was himself quickly converted.

1998

The culminating triumph of the industrial revolution of the late eighteenth and early nineteenth centuries was the locomotive railway. It was George Stephenson, who died one hundred and fifty years ago, who first demonstrated the true potential of steam transport on the newly constructed Liverpool and Manchester Railway with his engine, Rocket.

JANUARY 1989

£2 COIN DESIGN CHANGE PROGRAMME : VOLUME & PROFITSALES VOLUME WITHOUT £2 SERIES (units)

	<u>UK RETAIL</u>	<u>UK & OVERSEAS</u>	<u>USA RETAIL</u>	<u>USA TRADE</u>	<u>TOTAL</u>
3 Coin Gold Set	2250	550	3000	1500	7300
£2 Gold	500	125	450	100	1175
Silver Piedfort	-	-	-	-	-
Silver Proof	-	-	-	-	-
Base Metal Proof Set	47000	22800	20000	200	90000
Base Metal Unc Set	30000	73000	16000	1000	120000
Base Metal Singles and PNC	-	-	-	-	-

SALES VOLUME WITH £2 SERIES (Units)

	<u>UK RETAIL</u>	<u>UK & OVERSEAS</u>	<u>USA RETAIL</u>	<u>USA TRADE</u>	<u>TOTAL</u>
3 Coin Gold Set	2750	850	4500	2000	10,100
£2 Gold	750	250	800	200	2,000
Silver Piedfort	9000	2100	3900		15,000
Silver Proof	25000	7000	10000	1250	43,250
* Base Metal Proof Set	51000	22800	17800	200	91,800
* Base Metal Unc Set	35000	92000	17250	750	145,000
Base Metal Singles and PNC	15000	40000	5250	750	61,000

The financial figures related to the above volumes are:-

	<u>GOLD</u>	<u>SILVER</u>	<u>BASE</u>	<u>TOTAL</u>
	£000	£000	£000	£000
Increase in Sales Revenue	1166	1308	495**	2969
Increase in Contribution	57	837	484**	1378
Increase in Profit	121	544	578**	1243

With higher volumes other (existing) products also benefit and overall the total improvement in profit is £M1.400.

* Assumes the addition of the £2 coin to the annual issue of sets of proof and uncirculated base metal coins.

** Inclusion of the £2 coin adds to the unit sales value of base metal sets but does not add significantly to either variable production cost or marketing costs. Additionally, allocated fixed costs are reduced (by £100,000) by reason of the overall increase in volume attributable to introduction of the new design £2 coin.

1. USA - ONE DOLLAR

- 1986 : Statue of Liberty
- 1987 : 200-year Constitution
- 1988 : Seoul Olympics

2. CANADA - ONE DOLLAR SILVER : 100 DOLLAR GOLD

- 1986 :
 - i. Silver : Centenary of Vancouver/British Columbia
 - ii. Gold : International Year of Peace
- 1987 :
 - i. Silver : 400th Anniversary of Discovery of North West Passage
 - ii. Gold : Olympic Games - Canada
- 1988 :
 - i. Silver : 250th Anniversary of First Industrial Refinery
 - ii. Gold : The Bowhead Whale

3. WEST GERMANY - 10 D. MARK SILVER, TWO PER YEAR

- 1986 :
 - i. 600th Anniversary of University of Heidelberg
 - ii. 200th Anniversary of Death of Frederick the Great
- 1987 :
 - i. 750th Anniversary of Berlin
 - ii. 30 Years of Common Market
- 1988 :
 - i. 200th Anniversary of Birth of Arthur Schopenhauer
 - ii. 100th Anniversary of the Death of Karl Zeiss

From: J ODLING-SMEE

27th January 1989

PAYMASTER GENERAL

cc PPS

ROYAL MINT: REVISED PROJECTIONS FOR 1988-89

I went to Llantrisant on Wednesday for an introductory tour of the Mint and discussions with various Mint directors. At the end of the afternoon the Deputy Master, Mr Garrett, brought me up to date with the Mint's financial position in 1988-89. It is not a happy story, and you should be aware of the situation. The bottom line is that the Mint now expect a profit of £3.9 million in 1988-89 (a 6% return on assets), compared with a Corporate Plan forecast of £7.8 million profit (a 15.2% return). Forecasts by product group are attached. The main problem has arisen on the Britannia.

2. Last year's Corporate Plan was generally very positive about the Mint's prospects, particular the Britannia which was forecast to contribute a £1.5 million profit in 1988-89 and more than twice that by the end of the four year planning period.
3. By September, though, it was clear that the outlook for sales and profits for the Britannia in 1988-89 had changed significantly for the worse. The Deputy Master wrote to you explaining that there had been a steady fall in the gold price since the Corporate Plan, accompanied by a major world-wide fall in bulk coin sales (estimated at 30%). As a result the Britannia was forecast to do no better than break even in 1988-89.
4. In November, when you discussed the Mint's half year results with the Deputy Master, he was still expecting Britannia to roughly break even. Overall the Mint's revised forecast for 1988-89 was for a profit of £6.0 million.
5. The position has now worsened significantly. The Mint's earlier forecast had assumed a significant level of Britannia sales around Christmas. These have simply not materialised. The Mint

now expect sales of only £0.9 million compared with £5.7 million in the Corporate Plan. The result is a forecast loss of £1.8 million on Britannia, £3.3 million below the Plan. The problem seems to be that, in addition to the shrinking of the bullion coin market and the fall in the gold price, the Britannia has simply not become as established as the Mint had expected. In particular it has made little headway against the dominance of the US Eagle in the States and the Canadian Maple Leaf elsewhere (particularly Japan).

6. Since November the Mint has also revised down the expected profit from Collector Coin by a further £0.7 million reflecting continuing poor sales of gold proof coins, particularly Britannia proofs and sovereigns.

7. The Mint are clearly very disappointed that their profits are expected to be only half those forecast in the Corporate Plan. They also recognise that some harsh decisions must be made about the Britannia for the future. (Mr Garrett is already talking of more or less withdrawing from the North American and Far East markets, with the exception of the profitable Hong Kong, and concentrating efforts on the European market.)

8. This will require careful consideration in the context of the Corporate Plan which is to be discussed formally in March/April. At that stage we shall want Mr Garrett to satisfy us that the Britannia business is worth pursuing. You might like to make this point before then; a brief meeting might be helpful, not least to give Mr Garrett the opportunity to explain the position himself.

9. Finally, and by contrast to the disappointing news on the Mint's precious metal ventures, I should report that the Mint last week broke all previous production records on standard coin, surpassing 60 million coins in a week for the first time. This level of output was not achieved even in the heyday immediately before decimalisation when the Mint was effectively only turning out 3 different coins (2p, 1p and ½p). Significant productivity improvements have helped them to achieve these output levels.

JD-8

J ODLING-SMEE

ANNEX

ROYAL MINT TRADING FUND 1988/89

COMPARISON OF FORECAST OUTTURNS PRODUCED IN
NOVEMBER 1988 AND JANUARY 1989

The figures set out below compare the forecast outturn produced in November with the latest forecast.

The reduction in standard coin sales reflects a changed assumption on sales of metal and does not affect the operating profit.

The reduction in profit for collector coin reflects the revised sales volume forecasts.

The revised forecast for Britannia reflects the significant change in the forecast sales volume for the year.

	PLAN		NOVEMBER FORECAST		JANUARY FORECAST		Change in Profit since Corporate Plan £M
	Sales £M	Profit £M	Sales £M	Profit £M	Sales £M	Profit £M	
Standard Coin	49.8	2.1	57.3	3.1	51.2	3.2	+1.1
Collector Coin	24.7	4.1	23.3	2.9	24.7	2.2	-1.9
Medals & Misc.	1.1	0.1	1.3	0.2	1.3	0.3	+0.2
Britannia	<u>5.7</u>	<u>1.5</u>	<u>3.2</u>	<u>(0.2)</u>	<u>0.9</u>	<u>(1.8)</u>	<u>-3.3</u>
TOTAL	<u>81.3</u>	<u>7.8</u>	<u>85.1</u>	<u>6.0</u>	<u>78.1</u>	<u>3.9</u>	<u>-3.9</u>



FROM: PAYMASTER GENERAL

DATE: 30 January 1989

DEPUTY MASTER - ROYAL MINT

cc PS/Chancellor
Mr Odling-Smee
Mr Devereux

UNITED KINGDOM COINAGE: £2 COIN DESIGN CHANGE PROGRAMME

Thank you for your submission on a £2 commemorative coin programme. One or two of the anniversaries you have in mind (like the anniversary of the Bank of England) certainly merit commemoration. But I am not convinced that a continuous programme of commemorative £2 coins is desirable in itself. Perhaps we could meet soon to talk this through. I gather 8 February at 3.30pm might be an appropriate time.

I also heard about your latest projections of the Mint's profits for 1988-89 - and the disappointing news on Britannia. We had better discuss these too.

Ch/ See attached. The Mint's depressing financial outlook may have motivated the £2 wheeze. I will ensure you see the briefing for the PMG meeting.

P.B.

PETER BROOKE

DIS

The Mint's ~~loss~~ programme over Britannia is v. poor. Wish to meet with Charty & Mintyals when...



FROM: D I SPARKES
DATE: 31 January 1989

PS/PAYMASTER GENERAL

cc Mr Odling-Smee
Mr Devereux

ROYAL MINT: REVISED PROJECTIONS FOR 1988-89

The Chancellor has seen a copy of Mr Odling-Smee's minute to the Paymaster General of 27 January concerning the Mint's latest profitability projections for the current year, and the Paymaster General's minute to the Deputy Master of 30 January concerning their forthcoming meeting.

2. The Chancellor has commented that the Mint's performance over the Britannia is very poor indeed and the Paymaster General will clearly wish to investigate why.

pwp

D.I.S.
DUNCAN SPARKES

FROM: R J DEVEREUX
DATE: 7 FEBRUARY 1989

PAYMASTER GENERAL

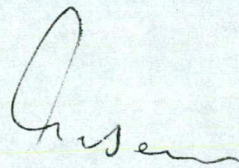
cc: PPS 12/2
Sir P Middleton
Mr Odling-Smee
Mr Pirie

ROYAL MINT: PONTYPRIDD BY-ELECTION

The Democratic and Labour candidates for the Pontypridd by-election have asked to visit the Mint - a major employer in the constituency - as part of their campaigns. The Labour Candidate, Kim Howells, would be accompanied by John Smith and the Press. (Apparently, the Mint has already allowed HTV to film inside the factory as part of their profile on the constituency).

2. There do not appear to be standard rules for dealing with such requests. I have spoken to EOG who in turn have spoken to the Cabinet Office, and the main advice is simply that the Government should be seen to be impartial. It would be slightly inconvenient for the Mint to host up to four visits (there are also Conservative and Plaid Cymru candidates), but at the end of the day they could live with this.

3. The Mint are not aware of any approaches for similar visits in previous elections. I would recommend that they avoid being drawn into the political arena now, and politely turn down the requests as inappropriate. But I would be grateful for your views.



R J DEVEREUX

The Mint must clearly filter all combinations or requests all 4.



MP

Ch. Pontypridd

I spoke to Mr Smith as agreed.

He was not pleased; he asked me to let you know that he thought this a very "strange" decision, and that he would be complaining about it.

WJW -

JH

10/2

ppp



FROM: MALCOLM BUCKLER
DATE: 8 February 1989

Rec'd 9/2

cc Sir Peter Middleton
Mr Odling-Smee
Mr Devereux
Mr Pirie

PS/CHANCELLOR

12/2

ROYAL MINT: PONTYPRIDD BY-ELECTION

The Paymaster General has seen Mr Devereux's minute of 7 February. He thinks that turning them down will be misunderstood, but considers it reasonable to limit visits to the candidate him/herself, unaccompanied by an entourage. In terms of the press the Paymaster General thinks that this should be limited to photographers being present when the candidate enters the Mint (quite a good photo-opportunity at the gates).

The Paymaster believes, however, that it would be more discreet if another Minister actually took the decision on this matter, for obvious reasons. The Paymaster wonders whether the Chancellor could cast another eye over this rather small but important issue.

MALCOLM BUCKLER
Private Secretary

Ch
1 gate FIM have spoken to Mint along lines of para 1.

*1 agree with this
Mch, & with take
responsibility for the decision.*



FROM: A C S ALLAN

DATE: 8 February 1989

PS/PAYMASTER GENERAL

cc Sir P Middleton
Mr Odling-Smee
Mr Peretz
Mr Devereux

ROYAL MINT: PONTYPRIDD BY-ELECTION:

The Chancellor has seen Mr Devereux's minute of 7 February. He feels the Mint must clearly either invite all four candidates or refuse all four.

A handwritten signature in black ink, appearing to read "A C S Allan", with a long horizontal stroke underneath.

A C S ALLAN

FROM: R J DEVEREUX
DATE: 12 February 1988

1. MRS LOMAX

2. CHANCELLOR

The earliest start-up date
is probably June 1990 -
except his addc
(and carry) & public
expenditure in 1990/91
(May/Nov 1991/92)

cc PS/Chief Secretary
PS/Paymaster General
Sir P Middleton
Mr Anson
Mr C D Butler
Miss Noble
Mr Richardson
Mr A M White

NEW COINAGE

Many thanks. Rick
Wt June 1990
new 5p m
new 10p m
12/2
(x as new
June 1992)
M.

You asked about the possibility of introducing the new 5p and 10p coins sooner than envisaged in your coinage announcement before Christmas. I am sorry this has taken rather a long time. We have just negotiated a different basis of payment for the new coins which is sensible on merits and secures an attractive deal for their overall cost. On that new basis, we could bring the issue date forward to June 1990 with very limited effects on public expenditure. (The fact that we would also have the old coins available to be melted down a year earlier helps the arithmetic significantly in later years of the Survey period - the details are in the table in the annex).

Background

2. Your Written Answer on 17 December announced that 'the new 5p will be issued first, probably in 1991 to give plenty of notice of the change, and the 10p will be issued two or three years later'. Our original (internal) working assumption had been to issue the new 5p around February 1991. However, the decision to increase the weight of both new coins, and the sharp increase in metal prices in the second half of 1987 meant that this timetable could not be accommodated within the agreed PES provision. You agreed with the Paymaster not to re-open the PES figures on this account, and we estimated that working within PES would put the issue date for the 5p back to summer 1991. (The issue date for the 10p was less constrained, being outside

the survey period, but we anticipated that it would be two years after the issue of the 5p).

3. In order to be ready for the issue of the new coins, the Mint need to produce a stockpile of about 1400 million of each coin before their respective issue dates. They have the capacity to bring forward the production timetable to meet an issue date in 1990-91; indeed they would be keen to do so. But they could not issue a new coin before 1990-91.

The Mint need 2 years to begin up production
4. Bringing forward production would also bring forward the Treasury's payments for the coins. When we renegotiated the basis of payment we told the Mint that we were anxious to avoid any expenditure on the new coins in 1988-89. Demand-led changes on the existing coins already make a claim on the 1988-89 Reserve extremely likely. We also told the Mint we were not prepared to pay anything for the coins before they were produced. Although this may seem self evident, under the old arrangements we effectively paid in advance to "book" the capacity required to produce the necessary stockpiles of new coins.

5. We have now reached a satisfactory agreement with the Mint, which produces a saving of £2 million in 1988-89, earmarked to help offset the demand-led changes, and which also permits an earlier issue date for the new coins with only a limited impact on public expenditure.

Options and costs

6. We have identified 3 options for the issue of the 5p; in each case the 10p could be issued exactly two years later. The detailed figures are in the annex.

a) June 1991. This would involve no additional costs, consistent with the earlier decision not to re-open the PES figures for the new coins.

b) February 1991. This was our original working assumption. But to achieve it with higher metal prices and slightly heavier new coins would cost an additional £2½ million

in 1989-90, and £1½ million in 1990-91.

c) June 1990. For this, the Mint would want to start production in 1988-89. But they have said they would take a commercial decision to finance the earlier start themselves from their reserves, leaving the Treasury's costs phased as for the February 1991 option. (Other things being equal, this would result in a lower dividend in 1988-89 - but that does not affect the PES arithmetic). However, while the additional cost in 1989-90 would be £2½ million as above, issuing the coin earlier in 1990-91 enables the Treasury to take back and melt down far more old 5p coins. This produces an overall saving of £4 million in 1990-91.

7. PES provision is only agreed up to 1990-91, but the next Survey will also consider costs in 1991-92. Both of the earlier issue dates imply costs in 1991-92 around £4 million higher than would be the case if the 5p was issued in June 1991.

8. Both the February 1991 and ^{June?} for 1990 options would ensure that the 5p was issued well before even an early general election; and either would allow the new 10p to be issued after the election.

The banks and the vending industry

9. Your Written Answer gave plenty of notice of the change. The notice is particularly important for the vending industry which will have to adjust all their machines to take the new coins. However the Mint's assessment, with which we agree, is that any of the options would be acceptable provided we made a firm choice, and announced it at an early stage. The banks would be content with an issue date between mid-February and mid-June but prefer, strongly, to avoid the period after June when demand for coin is high (because of summer holidays, the long run-up to Christmas, and the January sales). They also

wish to avoid weeks in which a public holiday falls (which rules out half of April and May in 1990).

Summary

10. In view of the sharp rise in metal prices and the decision to make the new 5p and 10p coins slightly heavier, the issue date for the new 5p cannot be before June 1991 without exceeding (in at least one year) the provision made for this purpose in last year's Survey.

11. However, on the basis of payment now agreed with the Mint, we could bring forward the date of issue with only a limited effect on public expenditure. The most attractive option is to issue the new 5p in June 1990; it would require an additional £2½ million in 1989-90 (and a further £4 million in 1991-92 when that year is considered for the first time in the next Survey), but it would produce a saving of £4 million in 1990-91.

12. In theory the additional costs in 1989-90 and 1991-92 might be offset by savings elsewhere on the Treasury's programme. EOG will consider the scope for this in the coming Survey. But in practice, and before the next Survey, gets underway, there is little prospect of such savings. Consequently, an earlier issue date for the 5p would make an addition to public expenditure on account of the new coins almost inevitable. Of course, the short term costs will be offset in the longer term by the benefits of cheaper, lighter coins.

13. This submission has been cleared with EOG and ST.



R J DEVEREUX

COSTINGS FOR NEW 5p AND 10p COINS

ANNEX

£ million

	1988-89	1989-90	1990-91	1991-92
PES PROVISION	2.0	8.2	5.3	7.8

COSTS OF NEW COINS *

Option a: June 1991 issue of 5p

Gross expenditure	-	8.2	5.3	18.4
Receipts from melted coin	-	-	-	-10.6
Net expenditure	-	8.2	5.3	7.8

PES bid(+)/saving(-) (-2.0) (-) (-) (-)

12.0

Option b: February 1991 issue of 5p

Gross expenditure	-	10.9	11.4	25.3
Receipts from melted coin	-	-	-4.5	-13.0
Net expenditure	-	10.9	6.9	12.3

PES bid(+)/saving(-) (-2.0) (+2.7) (+1.6) (+4.5)

+8.8

Option c: June 1990 issue of 5p

Gross expenditure	-	10.9	11.4	25.3
Receipts from melted coin	-	-	-10.0	-13.3
Net expenditure	-	10.9	1.4	12.0

PES bid(+)/saving(-) (-2.0) (+2.7) (-4.0) (+4.2)

+2.9

-1.3

* All costs on the basis of the revised terms of payment. The saving in 1988-89 is earmarked to reduce the likely call on the 1988-89 Reserve resulting from demand-led changes on existing coins.



*OK in principle.
The choice is between
option (c), (d) & (e).
On balance, I submit to
PM's view, with
5 to 10
Mint's preference
for (c).*

13/2/89

Cc PPS/Master of the Mint
Mr J Odling-Smee)
Mr A Pirie) Treasury
Mr R Devereux)
Deputy Master - Royal Mint

PAYMASTER GENERAL

HER MAJESTY THE QUEEN MOTHER'S 90TH BIRTHDAY COIN

It has been customary in recent years to mark important royal occasions by the issue of a crown coin. This submission seeks your permission in principle to a coin to commemorate the 90th birthday of Her Majesty The Queen Mother in August 1990.

There was considerable debate about the face value of the crown issued to commemorate the Royal Wedding in 1981 because the traditional 25p value only just covered production and distribution costs. In the end the Royal Wedding crown was issued with a 25p face value, although Ministers recognised an increase might be necessary on the next occasion (see attached). However, this is no longer financially viable and this submission suggests various alternatives.

Background

A commemorative crown was issued in 1980 on the occasion Of Her Majesty The Queen Mother's 80th birthday and this coin was very popular with the general public.

In 1980 the following issues were made :-

Circulating standard crown	9,306,000 pieces
Brilliant uncirculated specially packaged crown	171,513 pieces
Silver proof crown	83,672 pieces

It has already been ascertained that His Royal Highness The Duke of Edinburgh, as President of the Royal Mint Advisory Committee on the Design of Coins, Medals, Seals and Decorations, would agree to a proposal to issue a coin to commemorate the 90th birthday of Her Majesty The Queen Mother. Naturally, the issue would not take place until Her birthday although preparatory work needs to be put in hand to select a suitable design during the course of the next few months. In order to minimise risks, striking

of the coin would not take place until about three months before the birthday.

Face Value

When the last crown was issued in 1981 to commemorate the Royal Wedding of Their Royal Highnesses The Prince and Princess of Wales (the wedding of Their Royal Highnesses The Duke and Duchess of York was commemorated by the issue of an official medal), there was considerable debate about raising the face value from 25p. In particular Ministers considered whether to increase it to 50p but, in the end, it was retained at 25p. This was only possible because the banks, very reluctantly, agreed to limit their charge for distribution to 8p per coin although they said this would not be acceptable again.

It would not now be financially viable to issue a 25p crown piece if the circulating version is to be available through banks and post offices at face value. The cost of manufacturing alone would be more than 20p each and the estimated distribution cost is 25p each coin. (The present cost of distributing the smaller £2 Bill of Rights/Claim of Right coins is 20p per piece and there is dissatisfaction amongst some of the parties involved in the distribution at what they consider an uneconomic price for the work involved). At these costs the Royal Mint would lose about £2million on a crown coin with a face value of 25p if it was available through banks and post offices at face value even after taking into account profits from the sale of all the collectors versions. (Profits from the sale of collectors' versions are unlikely to exceed £250,000).

The face value of 25p (or its equivalent 5/-) has been the traditional face value of the crown since the first silver piece was issued in 1551. However, there is no reason, in the Royal Mint's view, why a crown must have this particular face value, and collectors generally accept the name "crown" as referring to any large white metal coin of approximately crown piece size. (Neither the word "crown" nor the actual face value appear on the crown).

Alternatives

The financially viable alternatives are :-

- (a) Retain the face value of 25p and issue only specially packaged uncirculated and proof pieces. The disadvantage of this alternative

is that some members of the public will complain about the absence of a coin available at face value from banks and post offices as has been the tradition. Although post offices would no doubt be willing to handle all the collectors' coins (the uncirculated crown would probably cost about £4 and the proof about £28), banks would almost certainly not be prepared to do so because of the complications of Value Added Tax. There would be no seignorage to the Treasury under this alternative but there would still be significant profits available from the sale of the collectors' versions, arguably higher given the absence of a circulating version, to the Royal Mint.

- (b) Issue a crown piece with a face value of 50p. This would almost certainly result in no seignorage to the Treasury although significant profits would accrue to the Royal Mint from the sale of collectors' versions. The disadvantage of this alternative is that 50p is already a different sized circulating coin and it is, in the Royal Mint's opinion, desirable to avoid having two coins of the same value being of different sizes. This duplication would also arise with crowns of £1 and £2 face value although the latter coin is not in general circulation. It is also likely that 50p will be too low a value for the next issue of a crown.
- (c) Issue a crown piece with a face value of £5. This would obviously provide significant seignorage to the Treasury and also significant profits to the Royal Mint from the sale of collectors' versions. Some members of the public may object to a substantial increase in the face value of the traditional 25p (5/-) crown.

Each of the alternatives above would be styled "crown" but if a change to a different sized coin was acceptable then we could consider the following alternatives :-

- (d) Issue a £2 coin of the same size as the Commonwealth Games and Tercentenary of the Bill of Rights/Claim of Right coins. This alternative would obviously provide significant seignorage to the Treasury and also profits to the Royal Mint. The disadvantage is that this size coin has been used for non-royal events and it has been traditional to issue a large crown sized piece for such events. Furthermore, the size of the £2 coin does not lend itself to a good portrait design, which is considered desirable for royal commemorative pieces.

(e) Issue a £5 coin in the pound alloy. This would be the same size as the £5 gold coin (36.02 mm diameter against the diameter of 38.61 mm for the crown). This is consistent with the procedure adopted for the £2 base metal coin which is, of course, the same size as the gold double sovereign. This alternative provides substantial seignorage to the Treasury and also profits to the Royal Mint from the sale of collectors' versions. This would avoid the problem of attaching a new face value to the existing crown sized piece.


A decision on the face value for a coin to commemorate Her Majesty The Queen Mother's 90th birthday needs to be taken in the light of further issues connected with royal events in the next 10 - 15 years. During this period a number of royal occasions are likely to occur which one would expect to be marked by the issue of a commemorative coin, namely 50th Wedding Anniversary (1997), 50th Anniversary of the Accession to the Throne (2002) and, of course, there is a possibility during this period of a coronation.

Recommendations

The Royal Mint recommends that a coin be issued to commemorate Her Majesty The Queen Mother's 90th birthday. On the question of face value the Royal Mint prefers option (c) - a crown with a £5 face value. Alternative (e) - a slightly smaller coin than the crown, the same size as the present £5 gold coin, would be the Royal Mint's second choice.

It is recognised that the decision on the type of coin and its face value raises some difficult issues. If Ministers agree in principle, however, to the issue of a coin to commemorate Her Majesty The Queen Mother's 90th birthday, this proposal can be put to the Royal Mint Advisory Committee on 1st March 1989. This will enable the Royal Mint to start the design process (which will take several months) leaving for further consideration a decision on the type of coin and the face value.

The Deputy Master would like to discuss this matter further at the meeting on Thursday, 16 February 1989.


A R W LOTHERINGTON

Secretary to the Royal Mint Advisory Committee on the
Design of Coins, Medals, Seals and Decorations

13 February 1989



cc: Chief Secretary
Financial Secretary
Minister of State (C)
Mr. Rylie
Mr. Monck
Mr. Cropper
Mr. Ward

MISS MANN

Deputy Master - Royal Mint

ROYAL WEDDING CROWN

The Chancellor was grateful for your minute of 21 April spelling out the arrangements which have now been made for the distribution of the Royal Wedding Crown. ✓

2. He comments that the face value of commemorative coins is an important issue, and that whilst the short interval between the Queen Mother and Royal Wedding Crowns more or less dictated that the Wedding Crown should have a face value of 25p, we should now consider how best to prepare public opinion for an increased face value next time. One element of this might be to say something about face value at the time of this issue.

R.I.T.

R.I. TOLKIEN
23 April 1981

Press Association

UK File

on 14-02-89 at 11:42

POLITICS Pontypridd

ANGRY SMITH BLAMES LAWSON FOR HALTING MINT TRIP

By Brendan Berry, Press Association

Shadow Chancellor John Smith struck out at Master of the Mint Nigel Lawson today after he was refused permission to see Britain's coins being made.

He claimed the Chancellor, officially in charge of the money-making factory, was personally behind the Treasury ban stopping him entering the Royal Mint at Llantrisant which is in the Pontypridd by-election constituency.

7+ More 4 Headlines 6+ 00+

< >

Press Association

UK File

on 14-02-89 at 11:42

Labour officials claimed Dr Howells had been given permission but that the Treasury had told Mr Smith that his added presence would cause "disruption" at the Mint.

Seven candidates are contesting the February 23 by-election caused by the death of Labour MP Brynmor John. They are: Tom Ellis (Democrats SLD); Dr Terry Thomas (SDP); Nigel Evans (Conservative); Dr Kim Howells (Labour); Syd Morgan (Plaid Cymru); David Richards (Communist); David Black (Independent).

:: 1987 result: Lab 26,422; Con

7+ More 4 Headlines 6+ 00+

< 7 >

*Who said this?
if no-one, M
After ~~nothing~~ he made
it's not true.*

Press Association

UK File

on 14-02-89 at 11:42

"In many years in politics, I do not think I have encountered a more petty attitude. It does Mr Lawson no credit that he seek to bar his opposite number from visiting a public establishment under his direct control," thundered Mr Smith.

"It is a further example of how small-minded, unfair and authoritarian this government can be."

Mr Smith had planned to visit the Mint with Labour candidate Dr Kim Howells.

7+ More 4 Headlines 6+ 00+

< 7 >



FROM: A C S ALLAN

DATE: 14 February 1989

MR D FAULKNER

cc PS/Paymaster General
Mr Gieve
Mr bush
Mr Devereux

MR JOHN SMITH: ROYAL MINT

The Chancellor was grateful for your minute of 14 February, and was content with the line you proposed.

A handwritten signature in black ink, appearing to read "ACSA", with a long horizontal line underneath.

A C S ALLAN

FROM: D FAULKNER
DATE: 14 FEBRUARY 1989

PS/CHANCELLOR

Ch
OK? JM
AA

cc PS/Paymaster General
Mr Gieve
Mr Bush
Mr Devereux

MR JOHN SMITH:ROYAL MINT

I have had anumber of calls this morning on reports that Mr John Smith has issued a Press Notice claiming that the Chancellor has barred him from entering the Royal Mint with Mr Howells in the course of the Pontypridd by-election campaign. I understand that Mr Smith has already been in touch with your office and has been told that he cannot accompany Mr Howells onto the Royal Mint site. Subject to your and copy recipients views, can I suggest that I feed back something along the following line(for the gist of which Im grateful to Mr Devereux.)

"The Royal Mint, as a major employer in the area, is happy to welcome any of the candidates to the Llantrisant site. But , like any other Government Department, the Mint has to ensure impartiality and cannot offer a platform for

party political campaigning. So the Mint has decided that this aim can best be met by only allowing the candidates themselves onto the site so that they can, if they wish speak to individual members of staff. One candidate (SDP) is planning to pay such a visit later this week"

I gather that the crux of Mr Smiths complaint about all this is that, somewhere along the line, its been said that his presence at the Mint would be disruptive; there are clearly sensitivities here which may need careful handling.

D Faulkner

D FAULKNER

(Apologies for the layout - I'm a new comer to Officepower)

(at most we might have said it could be disruptive to the Mint to have to cope with candidates plus large entourage plus press plus cameras etc).*

*not by us.**



Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

15 February 1989

Rt Hon John Smith QC
House of Commons
LONDON
SW1A 0AA

John Smith

I have seen press reports of your comments in Pontypridd yesterday about my having sought personally to bar you as Shadow Chancellor from visiting the Mint, on the grounds this would cause disruption.

This is completely untrue. As my office told you, I agreed that each of the candidates standing in the Pontypridd By-Election could visit the Mint and talk to those who work there, but that they should not be accompanied on these visits. Like any Government Department, the Mint has to ensure impartiality and cannot offer a platform for party political campaigning.

If you wish to visit the Mint after the By-Election, I would be perfectly willing to ask the Deputy Master to arrange this.

Nigel Lawson
NIGEL LAWSON

Lawson's shadow upset by ban on Mint visit

By Michael Fleet, Welsh Correspondent

14

MR JOHN SMITH, the Shadow Chancellor, made it clear that the red rose in his lapel was for the party's by-election campaign in Pontypridd rather than a Valentine's message to Mr Lawson when he visited the South Wales town yesterday.

He had hoped to use some of his time in the constituency to accompany Dr Kim Howells, Labour's candidate, on a tour of the Royal Mint at Llantrisant but claimed he had been forbidden by Mr Lawson on the grounds that his visit would have caused "disruption" at the plant.

"In many years in politics I do not think I have encountered a more petty attitude," Mr Smith said.

"It does Mr Lawson no credit that he seeks to bar his opposite number from visiting a public establishment under his direct control." He described the move as another example of how "small minded, unfair and authoritarian" the Government could be.

"They could put a Victorian mill owner to shame," he said.

Mr Smith also blamed Mr Lawson for Britain's misfortunes. "His reckless credit boom and his irresponsible Bud-

get have fuelled inflation and, even worse, his Government has pushed rail, water and electricity prices above the rate of inflation," he said.

A Treasury spokesman claimed there was a less sinister reason behind the Mint ban. "A policy decision has been taken to allow only candidates into the Mint out of fairness to all parties," he said.

A recent opinion poll put Labour well ahead in the Pontypridd campaign, with 65 per cent of the vote compared with the Conservatives' 15 per cent, 12 per cent for Plaid Cymru and four per cent each for the Democrats and the SDP.

The poor showing of the former alliance partners led Mr Nigel Evans, the Tory candidate, to call on the two parties to withdraw from the race and leave the way clear for the "only alternative to socialism" in next week's poll.

Mr Tom Ellis, the Democrats' candidate, denounced the call as "hardly worthy of a reply," and said it was typical of the "deformed concept of parliamentary democracy that lies at the heart of Britain's decline."

General Election: B John (Lab) 26,422; D Swayne (C) 9,145; P Sain-Ley-Berry (SDP) 8,865; D Bowen (Plaid Cymru) 2,498. Lab majority: 17,277.

DAILY Mirror



FURIOUS: Smith

'Meanie' Lawson

SHADOW Chancellor John Smith yesterday lashed Nigel Lawson for barring him from Britain's money factory.

He claimed Mr Lawson, Master of the Mint, was personally behind the ban. Mr Smith said: "In many years in politics, I do not think I have encountered a more petty attitude."

He planned to visit the Royal Mint at Llantrisant with Labour candidate Dr Kim Howells but was apparently told by the Treasury his presence would cause "disruption" at the Mint.

2

DAILY EXPRESS

Extra strong Mint protest

2



Smith: Banned

SHADOW Chancellor John Smith, yesterday accused his opposite number Nigel Lawson of being "small-minded, unfair and authoritarian" after he was banned from visiting the Royal Mint at Llantrisant during a by-election tour of Pontypridd.

Morning Star

Row over mint trip

5

Shadow chancellor John Smith struck out at Master of the Mint Nigel Lawson yesterday.

He claimed that the Chancellor, officially in charge of the money-making factory, was personally behind the Treasury ban stopping him entering the Royal Mint at Llantrisant, which is in the Pontypridd by-election constituency.

911



Points of Order

4.5 pm

Mr. Harry Ewing (Falkirk, East): On a point of order, Mr. Speaker. You will like this, because, as usual, it is very helpful. Let me take you back to Prime Minister's Question Time, the confusion that reigned in the House and the difficulty to which the Chair was placed as a result of the Prime Minister's extremely long answer, which some of us would describe unkindly as time wasting. I know that you are a great football fan and last Wednesday the referee in Scotland-Cyprus game added on six minutes to compensate for time wasted. Would not that be a good principle for the occupant of the Chair?

Mr. Speaker: I am often tempted, but that way we would not get much business done.

Mr. Nicholas Bennett (Pembroke): Further to that point of order, Mr. Speaker. If the Leader of the Opposition chooses to ask a party question, should not the Opposition listen to the answer?

Mr. Speaker: We should all listen to the answer, which today was one that the House was waiting to hear.

Sir Nicholas Fairbairn (Perth and Kinross): Further to that point of order, Mr. Speaker. The hon. Member for Falkirk, East (Mr. Ewing) did not tell you that the referee was knocked out after the game.

Mr. Tony Marlow (Northampton, North): Further to that point of order, Mr. Speaker. As this is probably the first time that my right hon. Friend the Prime Minister's answer has been longer than that of the Leader of the Opposition's question, perhaps in future you could subtract time from Question Time if the Leader of the Opposition goes on at his usual length.

Mr. Speaker: I know that there was some difficulty during Employment questions today. Long supplementary questions lead to long answers and we do not get through many questions. I am in favour of calling as many Back Benchers as possible.

Mr. Dennis Skinner (Bolsover): If there had been an extra six minutes, as Scotland had in that match when it scored the vital goal—[*Interruption.*] Scotland will probably qualify and England might not. If we had those six minutes today, an hon. Member might have asked about the way in which the shadow Chancellor of the Exchequer was treated at the royal mint in Wales this morning during the by-election campaign.

Mr. Speaker: *rose*—

Mr. Skinner: This is a matter for you, Mr. Speaker, so listen carefully. He was ordered by the Treasury that he must not step into—

Mr. Speaker: Order. That is not a matter for me. I thought that the hon. Gentleman was mentioning the royal mint in connection with a function here today. I know nothing about the other matter.

Mr. Skinner: No, well, I was coming on to that. I was going on to say that if we had had those extra six minutes we could have raised this important new development in Government authoritarianism, in which the shadow Chancellor of the Exchequer is refused admission to the

[*Mr. Skinner*]

royal mint which was sent to Wales by a Labour Government after the Conservative party had refused to let it go—

Mr. Speaker: Order. I am sorry, but I must use my authority on this matter. I know nothing about that. If the shadow Chancellor of the Exchequer is in London, he is welcome to come to the party that I shall be giving tonight for the royal mint.

Mr. Alan Williams (Swansea, West): On a point of order, Mr. Speaker. We accept entirely the fact that this is not a matter for you because we realise that you are in the middle of the situation. But, since the Leader of the House and the Government Chief Whip are present, let me say that it is extraordinary for one of the most senior Members of the Opposition Front Bench to be denied entrance to a public establishment such as the mint. May I ask, through you, Mr. Speaker, for the Leader of the House to consult the Chancellor—we understand that the local mint officials had to refer the issue to the Treasury and, therefore, the Chancellor's office—and for the Chancellor to come to the House and explain why that peculiar exclusion order was enforced?

Several Hon. Members: Further to that point of order—

Mr. Speaker: Order. It is not further to the point of order. I will hear one more, but it is nothing to do with me. I do not know anything at all about this.

Mr. David Shaw (Dover): Further to that point of order, Mr. Speaker. On this occasion I have some sympathy with hon. Gentlemen. I feel that in the circumstances, in which the Labour party is in severe difficulties in the Pontypridd by-election and is desperate—

Mr. Speaker: Order. That is not a point of order for me. [*Interruption.*] I will be calling the hon. Gentleman in the debate very soon, so I think that we ought to get on.

Mr. Skinner: On a point of order—

Mr. Speaker: No, I am not having any more on that.

Mr. Skinner: On a point of order—

Mr. Speaker: No point of order arises.

Mr. Skinner: You issued the electoral writ—

Mr. Speaker: Order. Mr. Harry Cohen.



ppp

Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

15 February 1989

Rt Hon John Smith
House of Commons
LONDON
SW1A 0AA

John Smith

Thank you for your letter. I am afraid you seem to be under a misapprehension. The same rules have been applied to all candidates, as I made clear in my earlier letter. There is no question of barring you personally, or as Opposition Treasury spokesman.

It seems to me very strange that you should happen to want to visit the Mint, with the Labour candidate, during the By-Election, for any reason other than party political campaigning. As I said in my letter, I am perfectly willing to ask the Deputy Master to arrange for you to visit the Mint after the By-Election.

Lawson
Nigel Lawson
NIGEL LAWSON

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candidates, as I ~~said~~ ^{made clear} in my earlier letter. There is no question
of barring you personally, or as ~~Shadow Chancellor~~ ^{Opposition} ~~Spokesman~~ ^{Spokesman}.
~~Remain~~ ^{offer} ~~Treasury~~ ^{Spokesman}.

It seems to me very strange that you should happen to want to
visit the Mint, with ^{No Labour} ~~your~~ candidate, during the By-Election, for
any reason other than party political campaigning. As I said in
my letter, I am perfectly willing to ask the Deputy Master to
arrange for you to visit the Mint after the By-Election.

From: The Rt. Hon. John Smith, Q.C., M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

15 February 1989

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
HM Treasury
Treasury Chambers
Parliament Street
LONDON SW1P 3AG

Dear Nigel,

Thank you for your letter. On Friday I telephoned your private office to enquire if the withholding of permission for a visit by myself to the Royal Mint was approved by yourself. I was subsequently informed that it was. So you did bar me from visiting the Mint. I was told by one of your officials that the reason was to avoid disruption.

I cannot understand how a candidate can visit but for him to be accompanied by the relevant and senior Shadow spokesman is disruptive. There was no reason for you to suppose that I would use the visit for "party political campaigning". After all, you apparently had no such fears in respect of any of the numerous candidates in the by-election. In any event you could have set conditions for the visit. — you did.

I remain mystified by your action and your unreasonable apprehension of my disruptive capabilities.

John
John

JOHN SMITH

Ch

*This is ridiculous.
Do you want to put back
another letter? Or get John
Gieve to brief strongly.*

(draft attached)*

AA

*Thanks.
Per SW
Adrian
2.39 can
also help
strongly
M.*

*What else was
he going for
at that particular
time?*

*?? you
explicitly agreed
the same rules for
all candidates.*

*If "disruption" was used,
it was in relation to the
potential disruption to the
Mint of having visits from
all candidates plus large
entourage plus media.*