

great a facility for obtaining supplies of token coins, their circulation should be extended beyond the proper requirements of such a description of currency.

The extensive use of 5s. currency notes in Canada renders it the more necessary that this part of the subject should receive careful consideration. For the reasons already mentioned in reference to the United States gold dollar, it would not be desirable that a gold coin should be struck for circulation in the North American Colonies of a smaller value than half a pound Canadian currency, and in such case the 5s. note would represent no coin of the same intrinsic value. In the United States, the dollar notes have hitherto been payable in coins, either silver or gold, of intrinsic value corresponding with that expressed in the note, and there have also hitherto existed in the United States coins of smaller denomination, but still of intrinsic value, equal to their denomination, in which the dollar notes may be paid. If, however, in the North American Provinces, no limitation is placed on the issue of the proposed token coins, and if notes for so small a sum as 5s. currency are allowed to circulate to an unlimited extent, each of which can only be paid in a coin of less intrinsic value than the sum represented by the note, and for several of which notes the holder could only demand such token coins up to the amount for which they are made legal tender, the effect of the currency upon the Colony cannot but be most prejudicial.

If a subordinate silver coinage of this description were established, it would probably be the most convenient course that it should represent decimal fractions of the proposed pound. The advantage of a decimal subdivision is obvious, and though the designation of shillings and pence is used in all the North American Colonies, the forms do not agree with the value of any coin in circulation there, and the change, therefore, would not be attended with many of those difficulties which ordinarily attend an alteration of the denomination of account.

The establishment of a currency on the above principle would necessarily lead to the exclusion of foreign silver coins from being legal tender, except, perhaps, to a limited amount; but the gold coins of the United States might continue to be legal tender at their relative value to the Canadian pound, subject to an alteration of the rates at which they are admitted as a legal tender in the event of any alteration in their contents of pure gold; and the coins of Great Britain as by law established in this country, with the same limitation on the tender of the silver coins, would continue to be legal tender.

The foregoing observations contain only a general outline of the proposed scheme, the detailed arrangements for carrying out which must be reserved for future consideration.

30th December, 1851.

My Lords concur in the views stated by Sir Charles Wood in the foregoing Memorandum, and they proceed to consider the Canada and New Brunswick Acts now before them with reference to the scheme which is proposed in the Memorandum for a uniform currency in the British North American Colonies.

It would have been more satisfactory if arrangements could have been made for the simultaneous adoption of that scheme throughout those Colonies, or at any rate in the three principal Provinces, Canada, Nova Scotia and New Brunswick; but there is a difficulty in obtaining the concurrent action of independent Legislatures on the subject; and My Lords are inclined to hope that when the proposed plan is established in Canada and New Brunswick, the other Colonies will follow in the same course, and that the important object of a uniform system will thus be sooner attained, than it would be if legislation on the subject was suspended until the whole of the Colonies united in the measure.

The Canadian Act was passed before the the Government of that Province received an intimation of the views of the late Chancellor of the Exchequer, but, with the exception of the 5th Section, so far as it applies to silver coin, and especially to the silver dollars and half dollars of the United States, the provisions of the Act are not inconsistent with the scheme proposed in the memorandum.

It is not now necessary to enter further into the question of the rating proposed by the Canadian Legislature for the silver dollar, which formed a subject for discussion in the previous letters from this Board on the subject of the Canadian currency, because the United States Congress has by an Act passed this year, revised their silver currency, and adopted the measure which was anticipated, of reducing the intrinsic value of their silver coins, and making them a subordinate token currency, with a limitation of the tender, on a principle analogous to that adopted in this country in 1816. The silver dollar, therefore, no longer constitutes an integral part of the currency of the United States, and it will be essential not only to the scheme proposed by Her Majesty's Government, but also to the object which the Canadian Government has had in view of assimilating their currency to that of the United States, either that the silver dollar should be excluded altogether from the circulation of Canada, or, if the United States silver dollar be rated at all, that a limitation on the tender be established similar to that imposed by the recent law of the United States. In this respect, therefore, it will be necessary to revise the provisions of the Canada Act now before this Board, and my Lords think that it may be left to the Canadian Government either to amend that Act in order to bring it into conformity with the proposed arrangement, or to introduce a new Act repealing all the existing currency Acts of the Province, and establishing new regulations in accordance with the proposed scheme.

The latter course would afford the advantage of bringing the laws relating to the currency under one view, and of simplifying the regulations on the subject.

It appears to My Lords that, in this case, the enactment to be adopted may be of a very simple character, and they would suggest it should contain provisions to the following effect:—

1st. To declare the pound currency to be equivalent to, and to represent, the quantity of 101.32 grains of standard gold, or 92.877 grains of pure gold, and that coins which Her Majesty may think fit to direct to be struck at Her Majesty's Mint of that value, or divisions and multiples thereof, and shall declare, by Proclamation, to be current coins in the British Colonies of North America, shall be the legal standard measure of value within the Province.

2nd. That the gold coins of the United Kingdom shall continue to pass current and be legal tender at the rates now assigned to them, viz, the sovereign at £1 4s. 4d. currency, and other coins at equivalent proportions.