

coins to 20c. Unfortunately, with the exception of the changes here made, the other parts of the Currency Act of 1841 were to remain in force, which involved the continuing of the American dollar as unlimited legal tender. This oversight caused the Act to be sent back to Canada for revision.

Together with it the British Treasury Board sent an exhaustive memorandum on the North American colonial currency, and suggested a basis for common agreement among the provinces. The British authorities no longer objected to the decimal system but wished the unit to be the pound currency, and not the American dollar. It was now proposed that the pound should be represented by an actual gold coin to be called a "Royal," with subsidiary gold and copper coins in decimal ratio.

Seeing that the Home Government had conceded so much, Mr. Hincks was inclined to accept the suggestions of the Treasury Board. But the more the members of the Canadian Parliament and the bankers and business men considered the practical effects of the proposal, the more they reverted to the system of dollars and cents. The new measure was proposed in the session of 1852-3. As first presented it provided for a special Canadian decimal currency with a gold coin of the value of one half pound currency to be called a Royal, equivalent to \$2, and with a silver coin  $1/10$  of that or 20c., to be called a shilling, and another copper coin  $1/10$  of the shilling or 2c. to be called a "mark." In the discussion in the House the majority favoured the system of dollars and cents, though leaning towards the sterling standard on sentimental grounds. Among these was John A. Macdonald. Mr. Hincks readily adopted the views of the majority, which were also his own at heart. The new Act legalized transactions in dollars and cents, making them the new legal money of account, though the Halifax or provincial denomination currency was not excluded. The gold coins of Britain were to be legal tender to any amount at \$4.86  $2/3$  or £1. 4s. 6d. currency; the American eagle to be legal tender at \$10 or £2. 10s. currency. Her Majesty was empowered to direct the issue from the Royal Mint of special silver coins for circulation in Canada, these to be legal tender up to \$10; special copper coins might also be struck. Until the new coins were issued British silver was to be accepted at rates specified.

In this Act the American silver dollar and its fractions disappeared from the list of rated coins. This was because the dollar had disappeared in the United States itself, owing to its being overrated. In 1853 the American Government had provided a subsidiary silver coinage from 50c. downwards. This was accomplished by diminishing the quantity of silver in these coins, thus making them a token currency with legal