

amenable to metric weight. But the conference did not enter on this proposition, and Belgium too small to introduce a new coinage, and not able to prevent the influx of French gold, yielded; still after the expiration of the treaty with France, it would be inclined to join in a rational system of coins, if such exists.

M. Chevalier expresses himself in a similar manner; his authority in matters of coinage is so great in France and elsewhere that his opinion deserves a place. In a letter to the *Journal des Debats* of June 26, 1867, he gives an elaborate history of the gold franc, and concludes thus: "We have a right to ask whether the 20-franc piece possesses those qualities which render it worthy of adoption by other nations. The metric system is at present in general favor, and will finally displace all others; but the very misfortune in our gold is to be without the pale of metric weight. The 20-franc piece weighs 6.45161 grammes plus a decimal fraction, and is a "baroque" as the sovereign, the dollar, or any other coin. The English have just as much right to propose the sovereign as an international coin, or the Spanish their doubloon. In honour of the metric system we should bring a sacrifice to other nations by giving up our present coinage. That would be preaching by example, and no predication could be more effective." M. E. de Parieu, vice-president of the State Council, shares this opinion. (See *Journal des Economistes*, June, 1867.)

From all this it appears that, in the eyes of those who know the French system of coins is not faultless, and before adopting the same, it is well worth while to inquire whether or not a new national plan can satisfy all just demands. The so-called "Latin Coinage Union" is a considerable fact; the idea of travelling through the seven states, with 86 millions of inhabitants, without calling at exchange offices, is very pleasant. Still, the United States should well prove the plan proposed by Mr. Kelley, and if convinced of its entire practicability, take the lead in the reform at an early day, even if, for a time, a "Saxon Coinage Union" should stand side by side with the Latin.

In saying this, it is proper to ask whether the English would give up their sovereign to attain this desirable object. The sovereign has many advantages over the Napoleon d'or. By its fine composition (11-12 against 9-10) it resists much better the effect of circulation. The gold, in a fluid state, separates from the copper much easier in a mixture of 9 to 1, than in that of 11 to 1, and an exact standard is better preserved. The expense of coining is less, because less copper is used. With an equal value it weighs about 3 per cent. less, and is thus of easier transportation. Finally Great Britain maintains its standard.

As early as 1663 the Troy pound of standard gold was coined into 44½ guineas; since 1816 it makes £46 14s. 6d. sterling; 40 Troy pounds thus give 1780 guineas or 1869 sovereigns, and 21 sovereigns are equal to 20 guineas. As the sovereign has 20 and the guinea 21 shillings, this is only an inverted manner of counting. England at the proper time has undergone great sacrifices to maintain its standard. Before the time of William III. all silver coins in circulation had gradually sunk to one-half their original value. When new coins of full weight were coined or exported, there were but two ways possible: either to reduce the standard one half, or to take in all lighter coins at the expense of the State. Thanks to the efforts of Newton, Locke, Flamsteed and Montagne, the later view prevailed in Parliament, which resolved, in 1695, with 225 against 144 votes, to re-establish the standard of Elizabeth's reign. At the time when other nations of Europe had a most barbarous money, England spent £2,700,000 sterling to redeem base coins. A second example was given to the civilized world in 1816, when the forced currency of bank notes was to be ended. Instead of coining the sovereign, as was

proposed, of equal value with the debased paper currency, its full weight was restored, and all loaned in the latter, which had fallen 70 per cent. were redeemed in sovereigns of full value. Such a history naturally makes England proud of the sovereign.

France, in 1795, adopted the existing value of the livre tournois as unit of money, and a decree of 1810 prescribed that all coins below the legal value should be drawn in by the treasury. The habit of the French to ascribe a higher value to coin is so deeply rooted that article 1895 of the Code Napoleon foresees the possibility of such a measure.

In civilized States, the law tends to the preservation of the standard of coinage. In England every sovereign which by use has fallen from 123 grains to 122½, or lost 0.0663 parts, when paid into a public bank, is cut in two and returned to the person who delivered the same. In practice this is done by the Bank of England and its branches. After ascertaining the value of an amount by weighing the total, each sovereign is tested on a specially constructed scale, and if found too light, it goes to the mint. From the public it is received only at the real value of £3 17s. 9d. per pound Troy.

In Germany also the laws for preserving the standard are very strict. Every State, by treaty of January, 1857, is obliged to send to the mint all coins that have lost two per cent. in one thaler pieces, and 1½ per cent. in two thaler pieces, but to receive them as of full value. In Austria no such regulations have been enacted. Under the Latin Coinage Union the States refuse to receive gold pieces of 0.005 parts less than their full value, and this rule alone must destine the entire system to destruction. To avoid a crisis, sooner or later, from the circulation of debased coin, they now propose in England to redeem it again at the expense of the State, which, with a circulation of £80,000,000, and a new coinage of 4,000,000, would cost 17 per million. Such a measure might, however, induce an artificial debasing of gold, and for other reasons would hardly be practicable with international gold coins. The report of the master of the English mint shows that the coin in circulation loses per year £35,000 from usage, which is 437.5 per million.

The French coin is in a worse condition. In a number of the *Revue Contemporaine* of January 31, 1869, we find: "We call attention to the fact that in all coinage operations in consequence of tolerance, fineness is taken at only 899-1000, thus counting 1,000 francs in 5-franc silver pieces as 4972 to 4975 grammes, instead of kilogrammes." Then 1,000 new-coined francs contained only 994.40 francs silver, a difference of 5.60 per mille. The French administration of finance makes no secret of this "faiblage," and every year the "Compte-General de l'Administration des Finances" demonstrates the gain resulting to the State, which in 1863 was 164,380 francs from 210 millions coined. In his report of October, 1867, the United States Secretary of the Treasury announces that the fineness of French gold coins changes to 898.5 and 899.8, and the average for several years was only 898.2. The French Government (see *Moniteur* of November 20, 1866) excuses this by the impossibility of keeping the exact standard; but it is strange that they always remain below the normal standard. In England the deviation is only a two-millionth part; in Prussia all lately coined thalers contain 9001-10000, and in 1867, when large sums were coined, the difference in the normal amount was only 3½ thalers in 31½ millions. There are no legal Napoleons of full weight in existence.

The system proposed by Mr. Kelley in the United States House of Representatives, as illustrated further in a memorandum published by E. B. Elliott, Esq., of the Treasury Department, contemplates international coins on the metric basis of a unit of weight, the gramme. A perfect identity of coinage among all nations is impos-

sible; the only end that can be reached is, that all should bring their coinage into simple relations with this unit of weight. If England and France would alter their coin but very little, these simple relations would obtain: 20 dollars = 100 francs = £4 sterling = 3 German Union crowns = 5 Russian half imperials = 30 grammes of fine gold. At present—

20 dollars = 30.0932 grammes of fine gold.

100 francs = 29.032258 " "

£4 sterling = 29.29 " "

5 half imperials = 30 " "

3 union crowns = 30. " "

Under this act, all coins of gold and silver should be 9-10 fine. The silver dollar = 22.5 grammes fine to be legal tender in payments not above 10 dollars, and would be exactly equal to the French 5 franc silver piece, the only actual legal coin of France.

England would have to increase the fine gold of the sovereign from 7.3225 to 7.50 grammes. There seems to be no disposition as yet in Great Britain to do this until the advantages of the new system are established. All that is necessary, however, is a law in the countries interested permitting the coinage of at least one of the proposed pieces, and decreeing their ready acceptance in the public banks, together with the present coins. Still, we think that the simple requirements of Mr. Kelley's bill would secure the introduction of an international coinage in the easiest and most practicable way possible.

Comments by the Translator.

Mr. Nothomb, the author of the article above referred to, suggests an improvement in the gross weight of the coins, by fixing it to a simple number of grammes or decigrammes, and proposes to alloy the gold, not with 1-9 or 1-11 of copper, but at the rate of 1-10. By this the process of weighing would be rendered more simple. The union crown of 10 grammes fine would not have a gross of 11.1111... + plus an interminable decimal fraction, but of 11 grammes exactly. Pieces of 3, 6, 15 grammes fine gold would have a gross weight of 33, 66, 165 decigrammes. Money is but a kind of merchandise, which in large quantities need not be counted, but may be weighed, and a law could declare obligation of payment in a certain weight of fine gold of the international coins.

If the United States, Great Britain, and North Germany would enter into a treaty for international coinage on the basis of the metric unit of weight, the gramme, there would be a union of ninety-four millions to the Latin Coinage Union of eighty-six million inhabitants. Canada, Australia (which has its coinage identical with England), the northern States of Europe, and even Belgium and Switzerland (at the expiration of their present treaty), would swell the number represented to 125 millions. A struggle would begin between the unit of 0.2903225806 grammes and one gramme of fine gold, the result of which cannot be doubtful. The German union crown will become the measure of universal international coin for all nations and throughout all ages.

MONTREAL STOCK AND MONEY MARKET

Reported by Robert Moat, Broker.

NORTH BRITISH CHAMBERS,
Montreal, Oct. 12, 1869.

There has been no movement of consequence in the stock market during the past week. The uncertainty as to future dividends has deterred many investors from purchasing bank stocks, and there has been rather more enquiry for Government Debentures. There has, however, been no pressure to sell, and prices have been well maintained. Money, although in good demand, is decidedly easier, and all really choice paper is readily discounted by the banks at seven to eight per cent.

Banks.—La Banque Nationale and the Mechanics' Bank have both declared dividends of