

“ My Lords, with a view to this important object, are of opinion, that it will be desirable to retain the power of supplying from time to time such amount of silver coins as may be required for the retail trade of the Provinces in the hands of Her Majesty’s Government acting in communication with the local Governments, and that no Foreign silver coins therefore should be admitted into circulation after the establishment of the proposed system of currency in the North American Colonies.

“ The arrangements proposed by my Lords, would not interfere with the project contemplated in the Canada Act now before them for establishing a decimal system of currency in the Province, and provisions for that purpose may be easily incorporated with those above suggested, if the Canadian Legislature shall decide upon adopting a new Act as proposed for consolidating and amending the Laws relating to the Currency of the Province.

“ My Lords observe in the Canada Act, No. 969, a clause which directs that the gold coins to be struck at the Mint shall be legal tender by tale so long as they shall not want more than two grains of standard weight to be assigned to them by Her Majesty, subject to the same deduction for want of weight as is now provided with regard to British gold coins, and shall also be a legal tender to any amount by weight, in sums not less than 200 dollars or £50 of the present currency, at the same rate and on the same conditions as are now provided with regard to British gold coins.

“ This clause is an extension of a similar provision contained in the Canada Act 4 & 5 Vic. cap. 93, sec. 5. My Lords are not aware that any practical inconvenience has arisen therefrom, but as gold coins have been little in use in Canada until recently, those in circulation cannot as yet have been subjected to much deterioration by wear, and the effect of the provisions cannot therefore have been fully tested. My Lords are of opinion that this provision is very objectionable on principle, as its obvious tendency is to keep light coins in circulation to the injury of the ignorant and unwary, and they are led to apprehend that when it comes into practical operation it may occasion great inconvenience and discontent.

“ They would therefore strongly recommend as the preferable course, that power should be given by Law (as is the case in this country) to persons to whom light gold may be tendered, to cut, break, and deface the same : Inconvenience to the public from the adoption of this course, would be obviated by an arrangement similar to that adopted in this country for receiving defective coins by the Collectors of the Revenue at a fixed rate, and the great advantage of maintaining the currency in its integrity would thus be attained.

“ The provision is also defective in regard to the allowance for wear, as it gives the same amount for all coins of whatever weight and value, instead of a proportionate allowance for each. With regard to this point my Lords are inclined to think, that instead of providing for it by enactment, it would be better that the Proclamation, which will give currency to the new coins, should assign the weight at which they shall continue to be legal tender ; and that with respect to the gold coins of the United Kingdom, the allowance for loss by wear should be the same as that fixed in the United Kingdom by Royal Proclamation.

“ My Lords having thus expressed their opinion with regard to the Canada Act, No. 969, would suggest that their observations thereon should be communicated to the Governor General through the Secretary of State, and that the Act should not be submitted to Her Majesty in Council until Her Majesty’s Governor shall have ascertained the further measures which the Canadian Legislature may adopt on the subject :—My Lords will be prepared, as soon as the necessary arrangements are completed, to take measures for providing for the issue of the coins required from Her Majesty’s Mint :—The description of gold coins to be struck, are sufficiently indicated in the memorandum of the late Chancellor of the Exchequer, the names to be assigned to the coins will be fixed by Her Majesty in Council ; and it appears to my Lords that the denomination of a “ Royal ” will be a suitable term to apply to the superior gold coin, which will be of the value of a pound Canadian currency, equivalent to four United States gold dollars.

“ With regard to the silver coins my Lords apprehend that it will not be necessary to provide