

anxiously disturbing a system which, though defective in itself, has the advantage of easy adaptation to the currency of the neighboring country with which so much intercourse takes place even in small retail transactions, and thus facilitates this description of traffic across the border. It would appear, therefore, to be the most expedient course to introduce amendments on the basis of the system which, with minor variations and points of difference, prevails in four of the British North American Colonies, rather than attempt a complete alteration of the existing currency.

The coins which at present constitute the basis of the circulation in Canada are, as has been observed, the gold coins of the United States, which correspond in value very conveniently with the denominations of Canadian currency. The pound sterling is rated in Canadian currency, at £1 4s. 4d., and therefore looking to the intrinsic value of the Eagle as compared with the Sovereign, or pound sterling, this latter coin is correctly rated at 50s. currency. The legal currency of New Brunswick, though presenting some anomalies and differing to a slight degree in its relation to British sterling, probably in practice assimilates to that of Canada, and might be adjusted without much difficulty to like rates.

In Nova Scotia it does not appear that the United States Eagle is rated for circulation, but gold and silver coins of Spain, Mexico, &c., are correctly adjusted (according to the recent valuations) to the local currency at the rate of £1 5s. 0d. currency to the pound sterling.

In Prince Edward's Island the United States Eagle is slightly undervalued relatively to the sovereign, and the currency has been depreciated to the proportion of £1 10s. currency to the pound sterling.

In these two colonies any change for the purpose of introducing a sound and uniform system must lead to some alteration of the value assigned to the pound currency, and in this case it will be necessary to make provision for the payment of existing contracts.

In Newfoundland, as has been observed, the rates at which the coins in circulation are current are merely conventional, but as what is usually termed Halifax currency, or the rating of the dollar at 6s., appears to be considered as the basis of the currency of the Island, it approximates to that of Canada.

Assuming then the Canada pound as the basis of a new arrangement of the currencies of the North American Colonies, it would appear that a pound of that value might be advantageously adopted as the pound of all the currencies of the North American Colonies; and that with the object of giving a clean and fixed value to this denomination of "pound North American currency," a coin might be struck at Her Majesty's mint containing 101.32 grains of standard gold, or 92.877 grains of fine gold, which is the proportion in quantity to the sovereign, which the pound in Canadian currency bears in value to the pound sterling, and that such a coin, to be termed the North American pound, might be taken as the unit, to which the various currencies of the British Colonies in North America should be adjusted.

If the principle of fixing a gold standard with a coin representing an unit peculiar to those provinces is adopted, it will be necessary to consider what arrangements should be made for a subordinate silver and copper currency.

If the attempt is made to adjust silver coins to a gold standard according to their intrinsic value, a double measure of value is in effect constituted, and a slight overvaluation of the coins of either metal will cause a preference to be given to such coins in circulation. It is impossible to arrive at any settlement of the relative value of the two descriptions of coins on this principle which will not be liable to disturbance as the supply of one or other of the precious metals prevails, and it has been found in practice that whenever this system has been attempted, the arrangement has ended in one metal alone becoming practically the measure of value.

In such cases a slight undervaluation of the gold coins is attended with less practical inconvenience than results from an undervaluation of silver coins, because the facilities for transport which gold coins afford will always give them a preference for some purposes over silver coins, and they may pass in exchange at a small premium (as was the case in France until lately) without disturbing the silver circulation.

An undervaluation of the silver coins, on the other hand, is attended with obvious inconvenience, because as a premium cannot be exacted in the small transactions in which such coins pass in payment, there must, when these coins are undervalued, be a constant tendency to their exportation; and an extraordinary rise on the price of silver, or (which as regards this matter produces the same result) fall in the price of gold, must render it impossible that any such coins, unless they are worn and debased, should long continue to circulate with the gold coins of the country.

The present condition of the currency of the United States where they have been reduced to coining a dollar in gold, (a piece apparently too small in so valuable a metal for the purposes of circulation,) affords a pregnant example of this effect. It shows the inexpediency of adopting their valuation of the silver dollar as was proposed in Canada at a time when, in consequence of the undervaluation of that coin, it had mainly disappeared from the circulation of the United States, and even from Canada, where a higher rating was assigned to it.

These considerations lead to the conclusion that there is no other plan on which the subordinate silver currency can be so conveniently adjusted to a gold standard as that which has been adopted in this country of coining silver tokens of intrinsic value less than that which they represent for the fractional parts of the gold unit, and imposing a limitation on the sum for the payment of which they shall be a legal tender.

It would, however, be essential to the efficient working of such a system that the auxiliary coinage be kept altogether subordinate to that which forms the standard of value, and, if the proposed course be adopted, it will be necessary to devise some means for restricting the quantity of the silver token coins to be put into circulation within such a limit as is indispensable for the minor transactions of the retail trade of the Provinces.

It is true that a limitation of the tender, as it restricts the uses of the coins, will, if strictly observed, contribute to produce this effect; but it may be difficult in the first instance to ensure the observance of such a regulation in Colonies in which the circulating medium has been subject to frequent changes upon no fixed principle; and depreciation, or, at any rate, inconvenience would ensue if, in consequence of too