

EFFORTS, in 1850, to ASSIMILATE the COINAGE and CURRENCY of CANADA to that of the UNITED STATES.

On March 30, 1850, Sir Edmund Head wrote to Earl Grey from New Brunswick, that the introduction of a common system of postages, and the prospect of an extensive intercolonial trade between the Provinces of B. N. America, rendered it especially desirable that there should be an uniform Currency established in these countries. A Committee of the Executive Council of Canada, to whom the Earl of Elgin had referred a copy of Sir Edmund's despatch (Messrs. Baldwin and Lafontaine being the Attorneys-General), report, August 14, 1850, that they "entertain no doubt that it would tend much to facilitate " the growing commercial intercourse between all the Provinces and the neighbouring " States of the American Union, if the Currency were assimilated as much as possible " to that of the United States. In the United States there are two standards of value, " gold and silver, but owing to the slight appreciation of the gold Eagle, as compared " with the silver Dollar, the latter coin usually commands a premium in the market, and " the former may be considered as the standard practically."

The Committee of Council also recommended that facilities be asked for, in order that suitable coins might be struck at the Mint, London, but the British Treasury objected, to the [proposition to coin gold and] silver as involving a "most objectionable interference " with the prerogative of the Crown."

Mr. Inspector General Hincks ably replied, that for many years nearly two millions of people had been allowed to depend on the coinage of the United States, and on depreciated British silver tokens; that the Currency of Canada ought to be assimilated to that of the United States, because of the great intercourse between these countries, and the circulation of bank notes of each on the other's frontier; that a uniform Currency for all the Provinces, like that of the Republic, was far better than to continue a depreciated coinage.

Lord Grey wrote Lord Elgin, 9th April 1851, that, in his opinion, all the Colonies would do well to adopt British sterling money as their standard, with a proviso that payments might be made in foreign coins at their actual value; and enclosed a very elaborate British Treasury Minute, dated 20th February of that year, [see App. Y.Y. to Journals of 1851,] urging the disallowance of the Canada Currency Act of 1850, disallowed July 1851.

In that Minute, Sir C. E. Trevelyan urged a disallowance owing to the assumption by the Legislature of the right of coinage; yet India has two Mints, although Congress had none till 1790, and California has already a Mint. Vattel was quoted to show that the public faith being surety for the money, the Sovereign alone has the inalienable right to have it coined, and it was contended that the Currency Act should have been reserved. In 1850 a Dollar was rated at 5s. 1d. in Canada and New Brunswick (but changed to 5s.); 5s. 2½d. in Nova Scotia; and 6s. 3d. in Prince Edward's Island. Sir C. E. T., like Lord Grey, advised a change to British sterling money, while even England herself seems on the eve of adopting the decimal system.

The Lords of the Treasury considered that, as a large share of the Currency here consists of five Shilling or Dollar notes, the American or Spanish silver Dollar should have been continued at 5s. 1d. as an inducement for the banks to retain the silver Dollar for the redemption of these small notes, and because its intrinsic value, as compared with gold, as rated, was about 5s. 1d. Reference was also made to the fact that there are times when the adjustment of transactions with foreign countries drains a Province of its specie, in which case a Provincial coinage, undervalued, and held for local circulation only, would, in the absence of more current coin, disappear as bullion not to return. A mixed circulation, gold and silver, was held to be the best for Canada, and a special coinage objectionable, more especially as when worn it would have to be called in and sent to the Mint of a distant land for re-coinage. [Even the United States had no Mint till 1790.]

Mr. Hincks replied to the Treasury Minute, in what is called a *Memorandum*, dated at Toronto, May 14, 1851, that if the British Legislature can regulate the coinage of the United Kingdom with the Royal approbation, surely the Canada Parliament can do the same here with same consent; that the Dollar had been rated at 5s. ever since Canada was settled till 1841, when Lord Sydenham intimated that the Royal assent to the Currency Bill of that year would be withheld unless its value were raised to 5s. 1d., and the Assembly reluctantly gave way; that there are eight Mints in Mexico, whence silver Dollars issue, differing in weight and purity, their average value, when sold by weight, being 5s.; that with Dollars at 5s. 1d., gold had been at a premium of 1 to 2, Canada bank notes at a discount of 2 to 3 in the United States, and the exchanges on New York at 2 to 3 premium, but since the Dollar has ceased to be a legal tender at more than 5s. these difficulties had been removed; that it was important to Canada that her Currency should not be depreciated as compared with that of the United States, and very surprising that Sir C. E. Trevelyan should be so alive to the necessity of a uniform Currency throughout British America, yet think it of little consequence that there should be uniformity between the United States and Canada, to attain which had been the object of the Act of 1850; that for the British Treasury to sanction a New Brunswick Act rating the Dollar at 5s., yet refuse it to Canada, was not very consistent; that, as at the time he wrote, the silver Dollar was worth more than 5s. 1d., no debtor could be injured by calling it 5s.; that Dollar bank notes could be readily paid in gold; that perhaps Canada had but little to gain by a Provincial coinage, but that the British Treasury had thrown very unnecessary obstacles in its way, while the Canadians had offered to pay for a coinage with Her Majesty's image on it, in place of the eagle; that the transactions of Canada with the other Colonies are of small importance when compared to her trade with the United States,