

“ hitherto existed in the United States coins of smaller denomination, but still of intrinsic value equal to their denomination, in which the dollar notes may be paid. If, however, in the North American Provinces, no limitation is placed on the issue of the proposed token coins, and if notes for so small a sum as five shillings currency are allowed to circulate to an unlimited extent, each of which can only be paid in a coin of less intrinsic value than the sum represented by the note, and for several of which notes the holders could only demand such token coins up to the amount for which they are made legal tender, the effect upon the currency of the Colony cannot but be most prejudicial.

“ If a subordinate silver coinage of this description were established, it would probably be the most convenient course that it should represent decimal fractions of the proposed pound. The advantage of a decimal subdivision is obvious, and though the designations of shillings and pence is used in all the North American Colonies, the terms do not agree with the value of any coin in circulation there, and the change therefore would not be attended with many of those difficulties which ordinarily attend an alteration of the denomination of account.

“ The establishment of a currency on the above principle would necessarily lead to the exclusion of foreign silver coins from being legal tender, except perhaps to a limited amount; but the gold coins of the United States might continue to be legal tender at their relative value to the Canadian pound, subject to an alteration of the rate at which they are admitted as a legal tender, in the event of any alteration in their contents of pure gold, and the coins of Great Britain, as by law established in this country, with the same limitation on the tender of the silver coins, would continue to be legal tender.

“ The foregoing observations contain only a general outline of the proposed scheme, the detailed arrangement for carrying out which must be reserved for future consideration.

“ *December 30th, 1851.*”

“ My Lords concur in the views stated by Sir Charles Wood in the foregoing memorandum, and they proceed to consider the Canada and New Brunswick Acts now before them, with reference to the scheme which is proposed in the memorandum for an uniform currency in the British North American Colonies.

“ It would have been more satisfactory if arrangements could have been made for the simultaneous adoption of that scheme throughout those Colonies, or at any rate in the three principal Provinces—Canada, Nova Scotia and New Brunswick; but there is difficulty in obtaining the concurrent action of independent Legislatures on the subject, and my Lords are inclined to hope that when the proposed plan is established in Canada and New Brunswick the other Colonies will follow in the same course, and that the important object of an uniform system will thus be sooner attained than it would be if legislation on the subject were suspended until the whole of the Colonies united in the measure.

“ The Canadian Act was passed before the Government of that Province received an intimation of the views of the late Chancellor of the Exchequer, but with the exception of the 5th section, so far as it applies to silver coins, and especially to the silver dollars and half dollars of the United States, the provisions of the Act are not inconsistent with the scheme proposed in the memorandum.

“ It is not now necessary to enter further into the question of the rating proposed by the Canadian Legislature for the silver dollar, which formed a subject of discussion in the previous letters from this Board on the subject of the Canadian currency, because the United States Congress has by an Act passed this year, revised their silver currency, and adopted the measure which was anticipated, of reducing the intrinsic value of their silver coins, and making them a subordinate token currency with a limitation of the tender on a principle analogous to that adopted in this country in 1816. The silver dollar therefore no longer constitutes an integral part of the currency of the United States; and it will be essential not only to the scheme proposed by Her Majesty’s Government, but also to the object which the Canadian Government