

APPENDIX.

OUTLINE OF A PLAN

For a gradual Assimilation of the CURRENCY of the NORTH AMERICAN PROVINCES with that of the UNITED KINGDOM

1. The deplorable effects constantly arising from the insecurity and fluctuating value of the means hitherto employed in mercantile remittances, demonstrate that some other medium, than specie or bills of exchange, is requisite, independent of merchandize, for the dealings of the commercial world.

2. The desideratum would be supplied were an establishment formed which would be to commercial nations what the Bank of England, by its branches, is becoming to England.

3. The stability, the character of the Bank of England, and its identification directly or indirectly, with all the money interests of the British empire, clearly point it out as an establishment which, as far as the United Kingdom and her Colonies are concerned, might be easily adapted to the purpose in view; while ultimately it would become the heart to the circulating medium of the whole commercial world.

4. But the object in view is too vast to be accomplished at once; the way should be gradually opened and experience should regulate the adaption: on his account it is suggested that the two Canadas be chosen as the field of the first experiment, and for these reasons:

5. 1st, The attempt to introduce a metallic currency has failed; 2d, the circulating medium of both provinces is paper; 3d, British coin is never seen, and, except among the Canadians below Quebec, rarely a silver dollar; 4th, the Banks offer but local accommodation: their paper is at a discount in the State of New York. It is, therefore, desirable, since paper must be the circulating medium, for specie cannot swim so near the engrossing gulfs of the American paper circulation, that a better class of responsible paper should be introduced, of a kind and character that would be likely to preserve itself at par.

6. But the gradual substitution, of a better class of paper in the Canadas would effect comparatively but little good, unless the notes could be made a medium of remittance, and be rendered objects of trade for that purpose, to the neighbouring American merchants: nor does this seem difficult.

7. Let the Bank of England send to agents in the two provinces, notes of all descriptions above one pound payable in London like the existing post bills.

8. Let the agents be instructed to dispose of these notes,—1st, by supplying the Commissariats and the local Governments;—2d, by purchasing mercantile Bills of Exchange;—3d, by exchanging them for the notes of the Provincial, and particularly of the American, Banks. The discretion of Discounting, or of ordinary Banking might afterwards be extended to the agents but in the first instance this does not appear to be expedient.

9. Agents should be appointed for Quebec, Montreal, Kingston, and York, and should be subordinate to a Superintendent. They should render a statement to the Superintendent weekly, and he should transmit a monthly abstract to the Bank in London.

10. The system should be so constructed as to obviate risk to the Bank; the agents, as treasurers, should give security; the notes should require the sig-