

APPENDIX B. B.—(See Journal, Page 179.)

FOURTH SESSION, THIRTEENTH PROVINCIAL PARLIAMENT, 2nd VICTORIA.

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the Province not warrant at present the adoption of such a measure—which might involve a loss of £12,000 to £15,000—some are of opinion that it would be well to reduce their legal value to 2s. 6d., and let individuals sustain the loss, which would not be great, scattered over so great a surface; in like manner as the Pistreen or Shilling, was reduced to 10d. some years since. It is doubtful however, if this could be deemed sound or just legislation; and as a choice of evils, until some comprehensive measure can be framed by the Imperial Parliament, establishing a uniform Currency throughout the North American Colonies; it might be recommended to the Upper Canada Legislature, to restore the *legal* value of the half crown, to 2s. 9d. though from what has already been said, it is really not necessary to do so for the protection of the interests of the Banks of that Province.

It is stated, and very correctly so, by Sir George Arthur in his Despatch, that there are weighty objections to the enhancement of the nominal value of British Coins, to the extent sanctioned by the Act now in force in Upper Canada. These objections it is presumed, have reference more especially to the shillings and sixpences—which are rated at 1s. 3d. and 7½d. Currency—while the Crown and half Crown are rated at six shillings, and three shillings, respectively; and the Sovereign at 24s. 4d.—a difference of nearly four per cent.

The inconvenience however, of establishing a tale value, embracing fractional parts of a penny, in the value of a shilling and sixpenny pieces, which are required principally for change, would be such as to overcome any desire to alter the present fixed legal rate of any of these coins. But a limitation should be made, as in England, and as it is provided in your Excellency's Ordinance already alluded to, to the amount for which such Coins shall be a legal tender.

Your Excellency's proposed Ordinance, which will, if it becomes law, assimilate the legal value of British Gold and Silver Coins in Lower Canada, to their established legal value in Upper Canada—has wisely fixed upon the sum of five pounds as the maximum amount of small change which can be legally tendered in payment. And should a clause be added to the same measure, providing for reducing the legal value, or the redemption by the Government of the French deteriorated Coin, and the limitation referred to be introduced by Legislative enactment in Upper Canada, the object pressed upon the attention of your Excellency by Sir George Arthur, will have been obtained, namely, that of assimilating the currency of the two Provinces, which ought unquestionably to stand in that and every other respect, upon perfect terms of equality. Should your Excellency, nevertheless, not think it expedient to exercise any legislative action upon the French deteriorated coins in the present circumstances of this Province, it ought, it is humbly conceived, to be recommended to the Lieutenant Governor of Upper Canada, to propose an amendment to the act of 1836, limiting the amount for which small change shall be a legal tender.

Among other unfounded assertions, it would appear to have been represented to Sir George Arthur, that the present discrepancy between the established legal rates of British silver coins in the two Provinces, affords little or no protection, and does not act as a shield to the Banks of the Upper Province, and that large amounts of British silver have been withdrawn by the Merchants of Lower Canada, and advantageously used as a remittance to Britain.

Particular enquiry has been made, and no instance of any such negotiations can be discovered.

When the rate of Exchange on London rated so high as from 18 to 20 per cent premium, during the suspension of the American Banks, and during the absurd and ridiculous endeavours of the Bank of Upper Canada to sustain cash payments, to the manifest and direct injury and prejudice of the best interests of that Province, there can be little doubt but British silver, even at 12½ per cent. premium, was drawn and remitted by Brokers and Money-changers, from New-York and its borders, and even by individuals at Toronto; but that drafts were made upon the Banks of Upper Canada by those of Lower Canada, and advantageously remitted or negotiated, has been made with a view rather of making out a case, than as establishing a fact or a sound argument. And it must be notorious, that since the resumption of specie payments in the United States, the rate of Exchange has been such in New-York and in Lower Canada, as to prevent any abstraction of British coins from the Upper Province, especially of the lesser denominations.