

3rd. That the gold coins of the United States, issued from the Mint of that country according to the laws now in force therein, shall pass current and be legal tender at existing rates, viz., the eagle at £2 10s. currency, and the other coins at equivalent proportions.

4th. That it shall be lawful for the Governor-General, in Council, to declare, by Proclamation, that other gold coins shall pass current and be legal tender within the Province at rates proportionate to their contents of pure gold as compared with the quantity of pure gold assigned to the pound currency.

5th. That no foreign silver coins shall pass current within the Province.

6th. That British silver coins shall continue to pass current at the rates now assigned to them until other silver coins shall be issued from Her Majesty's Mint for circulation in the Province, but that they shall not be legal tender for sums exceeding 50s. currency.

7th. That silver coins, which Her Majesty may direct to be struck at Her Majesty's Mint, representing one shilling currency, or other proportionate parts of the pound currency, and containing the same proportion of standard silver, with reference to the pound currency, which the silver coins of the United Kingdom bears to the pound sterling, shall pass current within the Province for the value assigned thereto by Proclamation of Her Majesty in Council, but shall not be legal tender for sums exceeding 50s. shillings currency.

Clauses to the foregoing effect would embrace the principal objects for which it is necessary to provide, with regard to the proposed coinage, and the adoption of a defined standard of value, would render easy the rating relatively thereto of any gold coins which may be hereafter issued from the United States Mint, or of any gold coins of other countries which it may be desirable to bring into circulation.

My Lords, in considering the proposed arrangements, have adverted to the question, whether or not it would be expedient to admit the silver coins of the United States struck under the new law of that country, into circulation in the British Colonies with a limitation on the amount for which they may be a legal tender.

Their Lordships observe, with reference to this point, that the late Chancellor of the Exchequer has, in the memorandum above referred to, justly adverted to the importance of restricting the quantity of silver token coins to be put in circulation within a proper limit in order to keep such auxiliary coinage altogether subordinate to that which is to form the standard of value. My Lords, with a view to this important object, are of opinion that it will be desirable to retain the power of supplying, from time to time, such amount of silver coin as may be required for the retail trade of the Provinces in the hands of Her Majesty's Government, acting in communication with the local Governments, and that no foreign silver coins, therefore, should be admitted into circulation after the establishment of the proposed system of currency in the North American Colonies.

The arrangement proposed by My Lords would not interfere with the project contemplated in the Canada Act now before them for establishing a decimal system of currency in the Province, and provisions for that purpose may be easily incorporated with those above suggested, if the Canadian Legislature shall decide upon adopting a new Act as proposed for consolidating and amending the laws relating to the currency of the Province.

My Lords observe in the Canada Act No. 969 a clause which directs that the gold coins to be struck at the Mint "shall be legal tender by tale so long as they shall not want more than two grains of standard weight to be assigned to them by Her Majesty, subject to the same deduction for want of weight as is now provided with regard to British gold coins, and shall also be a legal tender to any amount by weight in sums not less than 200 dollars or £50 of the present currency, at the same rate and on the same conditions as are now provided with regard to British gold coins." This clause is an extension of a similar provision contained in the Canada Act 4 and 5 Vic. cap. 93, sec. 5. My Lords are not aware that any practical inconvenience has arisen therefrom; but as gold coins have been little in use in Canada until recently, those in circulation cannot as yet have been subjected to much deterioration by wear, and the effect of the provision cannot therefore have been fully tested. My Lords are of opinion that this provision is very objectionable on principle, as its obvious tendency is to keep light coins in circulation to the injury of the ignorant and unwary, and they are led to apprehend that when it comes into practical operation, it may occasion great inconvenience and discontent. They would therefore strongly recommend as the preferable course that power should be given by law (as is the case in this country) to persons to whom light gold may be tendered to cut, break and deface the same.

Inconvenience to the public from the adoption of this course would be obviated by an arrangement similar to that adopted in this country, for receiving defective coins by the Collectors of the Revenue at a fixed rate, and the great advantage of maintaining the currency in its integrity would thus be attained.

The provision is also defective in regard to the allowance for wear, as it gives the same amount for all coins of whatever weight and value, instead of a proportional allowance for each. With regard to this point, My Lords are inclined to think that instead of providing for it by enactment, it would be better that the Proclamation which will give currency to the new coins, should assign the weight at which they shall continue to be legal tender, and with respect to the gold coins of the United Kingdom the allowance for loss by wear should be the same as that fixed in the United Kingdom by Royal Proclamation.

My Lords having thus expressed their opinion with regard to the Canada Act, No. 696, would suggest that their observations thereon should be communicated to the Governor-General through the Secretary of State, and that the Act should not be submitted to Her Majesty in Council until Her Majesty's Government shall have ascertained the further measures which the Canadian Legislature may adopt on the subject.

My Lords will be prepared so soon as the necessary arrangements are completed to take measures for providing for the issue of the coins required from Her Majesty's Mint.

The description of gold coins to be struck are sufficiently indicated in the memorandum of the late Chancellor of the Exchequer. The names to be assigned to the coins will be fixed by Her Majesty in Council, and it appears to My Lords that the denomination of "a Royal" will be a suitable term to apply to the superior gold coin, which will be of the value of a pound, Canadian currency, equivalent to four United States gold dollars.