

capable of conversion into the standard gold coinage of Great Britain. This could be accomplished by issuing for it in the colonies, bills of exchange on Britain at a standard rate. The rate suggested was 3% premium, or £103 in the colonies for £100 in London. British silver coinage being issued at a higher rate than its intrinsic value, was expected to remain in circulation in the colonies, because it would not pay to melt it down for export as bullion, and the issue of bills of exchange on London would prevent its being returned there. Steps were to be taken at once to have the British silver coins sent to the colonies, in the meantime the dollar to be rated at 4s. 4d. and other coins in proportion.

The very natural object of this comprehensive scheme was to establish one currency language for all exchange operations throughout the Empire. Wherever the British flag waved the British shilling was to circulate, to the advantage of imperial trade and commerce. Looked at from the point of view of London, the plan was faultless, but from the colonial point of view it was much less simple or attractive. Most unexpected obstacles to its realization cropped up. In Canada the proposition provided for the rating of the dollar at 4s. 4d. sterling, instead of 5s. 2d. as in the existing act. This however would mean the infringement of the Canadian law by a British order in Council. Such a proposal stirred the constitutional bile of the Canadian Legislature, and though Lord Dalhousie endeavoured to get the Canadian Act changed by the Assembly, that body simply referred the matter to a committee from which it never emerged. The Legislative Council, on the other hand, though a strong pro-British body, gave numerous reasons why the Canadian system in operation at the time could not be disturbed. Their chief objection was that as the British silver was over-rated and not subject to free coinage, nor legal tender for more than 40s. it would be very unwise to adopt it as a standard in Canada. In other respects it would involve too many changes in Canadian contracts and general business. The British Treasury, being informed of the difficulties in the way of their imperial scheme gracefully abandoned it in formal shape, trusting to the payment of the troops in British silver to alter the usage in Canadian business.

In Upper Canada though declining to alter the basis of the currency, or change the rating of the dollar, the Legislature raised the rating of the British coins. The Crown was rated at 5s. 9d. instead of 5s. 6d. and the shilling at 1s. 2d. instead of 1s. 1d. This had the secondary consequence of putting the two Canadian Provinces out of touch with each other in the official rating of their coinage.

The British military authorities sent out £30,000 in British silver for the payment of the troops. Contracts for military supplies were to