

APPENDIX

TO THE

REPORT

OF THE

SPECIAL COMMITTEE

OF THE

Legislative Council of Lower Canada,

To whom was referred the Bill, intituled, “ An Act to assimilate
“ the Monies of Account and Circulation of this Province, to the
“ Monies of Account and Circulation of the United-Kingdom of
“ Great-Britain and Ireland, and to prevent the falsifying, coun-
“ terfeiting and impairing the Coins hereby made current, and for
“ repealing the Acts and Ordinances herein-mentioned.”

QUEBEC :

PRINTED BY ORDER OF THE LEGISLATIVE COUNCIL,

BY F. J. DESBARATS,

Free-masons' Hall.

1830.

APPENDIX,

(COPY.)

COMMISSARIAT, CANADA,

Quebec, 1st October, 1829.

SIR,

I HAVE the honor to solicit the interposition of His Excellency the Commander of the Forces to bring under the consideration of the Provincial Legislature the measure of the British Silver Coinage, so as to promote its gradual introduction into these Provinces, and ultimately to establish it as the circulating medium of the colony.

The disadvantage under which this Colony labours, in the absence of a circulating medium of its own, is obvious, being dependent on a neighbouring power not only for the specie necessary for the common barter of its commodities, but its exchange, subject to and ruled by the commercial rates of that power, and the chief part of its negotiations and remittances effected by means of that channel through foreign interests.

In granting a wholesome Coinage, possessing the value which it represents, His Majesty's Government offer to this Colony the means of resuming this independence, and with it all the advantage and security of the Government negotiations.

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To explain this subject, it is necessary to enter into some previous remarks on the state of this currency.

The French Crown which is current in Canada at six livres passes in France for five livres and twelve sols only. The half crowns are defaced, and the impression scarcely to be distinguished, so that out of the Province they are received at 2s.6d. currency only. The pistareens or shillings pass for seventeen cents in the United States, and here are current at 24 sols. In New Brunswick, latterly, a resolution has been agreed to amongst the inhabitants to receive them at 20 sols, and not more than one dollar in change. Thus all these coins find their way into Canada, and these Provinces must ultimately sustain the loss. The dollar of the United States is a good coin, but rarely seen here, the American coins current in this Colony being chiefly half dollars, which are inferior in value to the whole dollar.

Many of the Canadian farmers have a habit of hoarding their money in coin, instead of employing it at interest or in extending their concerns, and if this coinage were suddenly called in, it would oblige such individuals to disclose the state of their affairs, and therefore would be unpopular, but it is impossible to continue indifferent to the progress of this evil, and a measure might be adopted so as to obviate this inconvenience, allowing time and to fix a period for the reduction of its present rate to its true value.

It is equally necessary to exclude dollars and foreign money as a legal tender, for there cannot be two circulating mediums, or if there are, the worst and least valuable will remain in the Province, and the best be applied to the purchase of Bills, for exportation, or other commercial purposes; but with regard to the exclusion of these coins, of which the Commissariat are the chief importers, the circulation of the British silver money would confine the Public negotiations within the Province, to its great interest and advantage, and would of itself nearly, and with time altogether, produce that effect.

It does not appear to me that any real difficulty can arise in the settlement of the Seigniorial rents or mortgages by changing the currency, whilst the corresponding values are fixed and established. Every purpose and object of calculation would be thereby secured.

The chief difficulty which prevents the circulation of the British silver coinage is this—

In itself being the currency of the realm, it offers a ready means of remittance to England, and in order to prevent its shipment, and to encourage trade, the Lords of the Treasury have ordered it to be exchanged for Government Bills, at a low premium, barely equal to the cost of freight, commission, insurance, &c. on its remittance. Unfortunately this facility recoils against the measure. The advantage of these Bills at the present rate of exchange, increases the value of the money, which is collected together by means of the local Bank notes, of which and not of this coinage it promotes the circulation, and renders its introduction an advantage to the Banks, and not to the community who support the Banks.

I do not mean to throw any imputation on the Banks, but to shew the course which this measure has taken, and the effect which the issue of these small notes of one dollar has upon the currency. In all countries it has been found necessary, in order to keep any specie in circulation, to restrict Bank notes within given limits. It is the difference between nominal and real value, and if the first, except in extreme cases, is abused or extended too far, the specie or real value will disappear from the circulation.

There surely can be no subject more worthy of consideration than the circulating medium of the Province. We are in that state that the Colony has no currency of its own, but that which is rated too high, and even this so insufficient in amount that value is chiefly represented by Local Bank Notes. Out of this state of the currency, the obligation of the Banks to pay their Notes in coin is suspended, because there may be a physical impossibility to do so, from the want of specie; and the real Capital of a Bank may be employed in its own speculations, whilst the public are trading on its paper. The general respectability of the Banks is unquestionable, but each shareholder is only responsible for the amount registered in his name.

Thus whilst these Bank notes are issued in such small amounts, they are employed to buy up the British silver money which is excluded from the circulation by the very advantage of the Treasury Bills granted to redeem it, and keep it in the Colony. Both being nominally current at the same rate

for the common purposes of life, but the money bearing a premium, or the notes a discount, the least valuable of the two remains in circulation.

In order to give effect to the intentions of His Majesty's Government, I venture to propose the following measures for His Excellency's consideration :—

1. It is expedient to fix the corresponding values of the English coins, and to make them a legal tender at those rates.

2. It is expedient to establish sterling money as the money in account, and exclusively recognizable in Courts of Law.

3. It is expedient to restrict the Bank notes, on the renewal of the several Charters, to sums of two pounds sterling, and to prevent their issue under that amount.

4. It is expedient to repeal the Provincial Act of Parliament which fixes the rate of the Spanish dollar at 4s. 6d. sterling, establishing it for the purposes of calculation at *4s. 4d. sterling, which is found to be the intrinsic value of that coin, whilst such coins shall remain legally in circulation.

5. It is expedient to fix the rates at which the old French coins and pistareens are to pass, and to name a period from which that regulation shall commence.

6. It is expedient to name a period after which Foreign coins shall not be considered a legal tender, or otherwise than bullion.

The three first measures appear to me to be indispensable, in order to maintain the new coinage in circulation, though possibly that result might not be immediate.

If any facility is lost to the Public, which I cannot anticipate, by restricting the issue of these small Bank notes, it is surely more than counterbalanced by the certainty of Government Bills, accessible to all, at a known rate of exchange, without fluctuation, obtained at a low premium, and securing the remittance. Besides, in foreign relations, the exchange is always in favor of the country possessing the soundest currency.

I am persuaded that His Excellency will give every consideration to this subject, so important to the growing interests

* This rate of 4s. 4d. is quoted from the Order in Council, but doubts are entertained of its correctness.

and prosperity of these Provinces, and to the protection of those of the mother country, the main source of the Capital which gives action and influence to the developement of the Colony; and I am satisfied that the opinion which His Excellency recommends will be the best adapted to prevail.

But if, under another view of this proposal, the Colonial Legislature should decline extending to it the necessary support or protection, it may become a fit subject of consideration with His Majesty's Government to modify or to abandon it.

Hitherto, in the experiment, a great advantage has been uselessly sacrificed in the exchange, for neither has the community derived a benefit nor the measure prospered. If it should be abandoned, the Bills now granted in exchange for this money would cease, the money itself would find its way in remittances or be reshipped to England, the public negotiations, as formerly, must chiefly be effected out of the Province, and the present state of the Colonial currency would continue to exist with all its evils in full force.

I have the honor to be, &c. &c.

(Signed) R. I. ROUTH,

Comy. General.



**REMARKS upon a Representation, by the COMMISSARY
GENERAL, respecting the Currency of Canada:—**

I ENTIRELY agree in the propriety of introducing a British circulating medium into every Colony, and that an attempt should be made in this to overcome the difficulties which such a measure may seem to present, being persuaded that the advantages thereof would outweigh the apparent inconveniences.

I, however, am of opinion, that the whole effect contemplated would not be produced, in respect to relieving Canada from a dependance upon the United-States for specie, and the Exchange from being in certain cases ruled by the rates of that country.

The proximity of Canada to those States must continue to render it indispensable for the Commercial body to procure specie from thence, when necessary, as the distance from Great Britain renders a supply from thence by individuals quite impracticable, it being impossible to foresee the necessity in time to admit thereof, whereas intercourse with the said States is always accessible upon the spur of the occasion, and the risk and expence of conveyance little.

Supplies of specie from the States are had by the Banks or individuals through the medium of Bills of Exchange upon Great-Britain, and the rate of Exchange thereon will necessarily be governed in such cases by the rate in the States.

In no country can Exchange be legislatively regulated.—It depends upon unforeseen and contingent circumstances perpetually varying—It is a commodity which must regulate itself, according to the demand and supply, and like other commodities, can have no fixed value attached thereto.

If Government introduced a quantity of British Silver Coin sufficient for the circulating medium of the country, and always kept up that quantity, it would in a certain degree give them the command of the Exchange, if they always drew Bills; but still their rate and that of individuals would necessarily differ according to circumstances, as the latter to procure a vent for their Bills, would have to dispose of them at a lower rate.

Individuals must draw for much of their Shipments to the United Kingdom, and Bills would still be sent to the United States for sale, when such a course should be found advantageous or necessary.

French Half Crowns, and the lower denominations of French Silver Coins, and Spanish quarters and eighths of Dollars, and particularly Pistareens are greatly deteriorated, and their current value should be reduced;—but I consider it impracticable and inexpedient to confine the circulation to *British Coin only*.—*That* should be made the legal tender, but it should be left optional to take foreign coins in payment, under some rule indicative of its not being compulsory, but at same time to repel a capricious exercise of that option.

Bank of England Notes were never made a legal tender, but at one time their tender in payment, if refused, was made to stop interest to the extent of such tender. Something of that kind may be advisable, respecting payments here, when offered in foreign coins, if refused.

Few Bank Notes circulate in Lower-Canada beyond the Towns, and British Silver is hardly ever seen in private hands.—The issue of small notes cannot, therefore, produce the effect stated in the representation—The paper circulation in Lower-Canada is essentially different from that in Great-Britain—It never did or will supersede specie circulation here, as when a Habitant from the country gets Bank Notes, he generally goes with them to the Bank and gets *silver* in exchange. *That* he possibly hoards, but as circulation should be encouraged, not impeded, there need be no scruple about calling in worn and defaced coins in order to the adoption of measures for preventing an influx thereof from other Countries.—The loss attendant thereon ought in justice to be borne by the public, and when called in, those coins could be melted down and sold as bullion, or re-issued at their real value.

There has been no instance of the Banks in this Province refusing to pay their Notes in specie—Such would occasion an immediate stoppage of their business, and is not to be assumed as possible to happen, for such is the repugnance of the bulk of the population of Lower-Canada to paper, that the Banks never venture to issue more notes than they have a certainty of redeeming in specie—This is the reason why Banking in Lower-Canada is not so profitable as in other Countries, and why superabundant issues of paper cannot be risked or made.

It may be matter for consideration, when the present Charters of the Banks expire, whether, on the renewal or extension thereof, it would be advisable to prohibit the issue of small Notes, but I greatly doubt of its propriety.

The question of policy presents itself as worthy of favorable consideration, whether the introduction of the British money of account and the circulation of National coin, besides other beneficial effects, would not tend to assimilate the several parts of the Empire.

I have made various calculations of the intrinsic value of the several coins reduced to the standard of 4s. 4d. sterling per dollar, and have put the whole into the shape of an Act of the

Provincial Legislature, which was a work of some labour, and is open to consideration, and to verification of the calculations—a copy thereof accompanys the Bill.

The principle I have gone upon in introducing the new money of account and circulating medium, is, that the same number of dollars or the equivalent thereof, should be payable as before, for any specific amount of debt, so that vested interests and existing contracts will not be injured or altered.

(Signed) JOHN RICHARDSON.

Montreal, 2d November, 1829.



(COPY.)

COMMISSARIAT, CANADA,

Quebec, 27th January, 1830.

SIR,

ADVERTING to my letter of the 1st October, 1829, and as the subject is now under the consideration of the Legislature, I think it my duty to bring under the consideration of His Excellency the Commander of the Forces, some further reasons which, in my opinion, call for the abolition of Spanish and American dollars, as a legal tender until their true value shall be better defined and regulated, as compared with sterling money.

The following is the view which I take of this question :—

The British Silver Coin, as now regulated, can only be considered a token. It passes current without reference to its intrinsic value. It may in fact be assimilated to a Bank Note written on Silver. In law it is a legal tender for 40s. only, but as the Bank of England receives it freely in any quantity, and, as the Public in England do the same practi-

cally, it becomes, as the Notes of the Bank are, a sufficient tender, and represents, as they do *sterling value*, that is, "Sovereigns at the Mint price."

The Spanish dollar, though actually containing more Silver than is contained in 4s. 4d. British money, (the latter being subject to the Seignorage which reduces its value to 3s. 11d.) has not in England the same *conventional* advantage. It does not *represent Sterling value*. It is a mere marketable commodity, and for many years past the price has not exceeded 5s. an ounce, or 4s. 2d. the dollar, Indeed, 5s. an ounce may be considered the ordinary English market price of Silver of the same quality as that which the Mint Regulations fix at 5s. 2d.

In the Colonies the dollar has not averaged more than 4s. 1d. probably from the course of remittance having been generally towards England, as the difference (£2 per cent) is about the cost of freight.

Be this latter point as it may, practically any man in the Colonies having a debt of £20 to pay in England, may discharge it in full by sending home twenty pounds in British Silver; but should he send dollars they will only sell at 4s. 2d. each, and instead of 92 dollars at 4s. 4d. he must forward 96 dollars at 4s. 2d. making an actual loss on the remittance of dollars of 4 per cent, or 16s. on the single transaction.

On the same principle, if an individual resident in the Colony owe £20, and has that sum in British money, he can Exchange it with any one wishing to remit to England for dollars at 4s. 2d, and without a breach of the Order in Council pay his debt rating the dollar at 4s. 4d. and thus make a like gain of 4 per cent.

The current value of the Spanish dollar in the Colonies, having been rated at the English Mint price of Silver, and that price being 2d per ounce more than the Market price, has been obviously over-valued 4 per cent. What is really worth only 4s. 2d in England pays 4s. 4d. British money, which conventionally passes for, and in point of fact can only be had in England in Exchange for a value equivalent to 4s. 4d.

A Merchant in the Colonies requiring to make a remittance of £100 to England is precisely in the same situation, whether he receives dollars at 4s. 2d. or British coin at 4s. 4d. He has the same freight to pay in either case, and both will yield the same value on their arrival; but if he have a debt to discharge in the Colony, the Dollars will pay £104 and the British Silver only £100.

Under these circumstances it is necessary to enquire whether British coin will not be sent to England and the Dollars be retained in the Colonies? Whether, in point of fact, the importing Merchant cannot afford to sell to the Shop-keeper from 3 to 4 per cent cheaper when paid in British coin, than when paid in dollars at 4s. 4d.? Whether the Shop-keeper will not in consequence hoard the British money for the purpose of such payment? And whether the Merchant will not return it to England, or pay it into the Military Chest for Bills?

Is not the same cause equally operating to prevent the return of British Silver to the Colonies? Surely every individual going from England, and taking money, will provide himself with Spanish dollars, which he can buy at 4s. 2d. and pass in the Colonies for 4s. 4d. whereby he obtains a profit of 4 per cent. rather than English Silver coin which will only pass current for what it actually costs him.

To conclude, I infer from this reasoning that in adopting English money as the circulating medium in Canada, Spanish and American dollars must be excluded as a legal tender, unless their value be reduced to the par of English money, that is, to 4s. 1d. or 4s. 2d. per dollar, and this is evidently a better regulation than to give a legal circulation to the British coin above its present value, which might expose this Colony to an influx of base money from the United-States.

I have reason to believe that the Lords of the Treasury are now aware that the Spanish dollar has been over-rated, and that this part of the subject either is now under consideration, or will speedily be reconsidered.

I have the honor to be,

Sir,

Your very obedient servant

(Signed) R. I. ROUTH,

Comy. General.

*QUESTIONS to be put to the COMMISSARY GENERAL by
the Select Committee on the Bill respecting the Currency.*

1. Are you not His Majesty's Commissary General in this Country?

2. You doubtless have given consideration to the Coins which circulate in Canada, and the money of Account therein?

3. Are the Silver Coins which so circulate, reckoned at their intrinsic relative value—that is to say, are the Old British Crowns and Mexican and American Dollars in their due proportions according to the relative quantity of pure Silver in each?

4. What is the Sterling value of a Dollar, reckoned in the proportion of pure Silver therein, compared with that of an Old British Crown at the rate of 5s2 sterling per ounce of standard Silver?

5. What is the Sterling value of a Dollar reckoned according to the new standard of 5s6 sterling per ounce of standard Silver?

6. What is the sterling value of an Old British Crown of the standard of 5s2 sterling per ounce, compared with a Dollar at 4s6 sterling?

7. What is the Sterling value of a New British Crown of the standard of 5s6 sterling per ounce, compared with the Old Crown of 5s2 per ounce standard?

8. Are you of opinion that it would be advisable and beneficial, to assimilate the money of account and circulation, with the money of account and circulation of the United-Kingdom, and if so, for what reason?

9. What would be the effect upon the rate of Exchange between the United Kingdom and Canada, if the new Silver British Coin of the standard of 5s6 sterling per ounce was made a legal tender—that is to say, would it raise or depress that rate?

10. Would the British Silver of the coinage of 5s6 sterling per ounce standard, if generally established as a legal tender, be more likely to remain in Canada than Spanish and American Dollars.

11. What do you make the difference per centum, between the Old Silver standard of 5s2 and the new of 5s6 per ounce.

12. Have you read the provisions of the Bill introduced into the Legislative Council, whereon we are now in a Select Committee, and taken into consideration the new proportion of the

value of Coins as therein contained in comparison with the old value thereof respectively.

Does it in your opinion affect vested interests, and if so, wherein would it injure them ?

13. If the debased Silver Coin be called in, which do you consider most advisable, melting it into bullion, or reissuing it at the reduced real value thereof—and in either case, should the loss consequent upon that operation, be sustained by the public or by individuals ?

14. Do you know what the average expence of Silver coinage is per centum, and what such average of Gold coinage is ?

15. Is there not in all foreign countries, the United-States excepted, a seignorage or deduction made to cover the expence of Coinage ?

16. Have you an unlimited authority as to the quantum of Bills of Exchange to be drawn by you, payable here in the new Silver coin ?

17. Do you conceive that His Majesty's Government would send out here more of such Silver coin, than would be necessary for the introduction thereof as a legal tender ; or, would not the quantity to be sent depend upon the expenditure in Canada defrayed by the United-Kingdom ?

18. If so, as you would then have fewer Bills of Exchange to dispose of, would it not tend to raise the rate of Exchange upon those, as also private Bills ?

19. Would not the effect as to Exchange be the same whether the specie sent out, was in the new Silver coin or in Dollars ?

20. If His Majesty's Government were to introduce more Silver coin than its expenditure required, and in consequence no Government Bills were drawn, would it have any other effect upon the rate of Exchange than the introduction by individuals of the like amount of specie.

21. Supposing that Government in payment of their Bills of Exchange, accepted specie of all the descriptions current here by the Laws of the Province, instead of only British Silver coin of the new standard, and Dollars at their proportional value, would it raise or depress the premium upon those Bills ; or, if Dollars were received by you at the rate of 4s6 sterling as at present established by those Laws, would it not raise the premium of Exchange both on Government and Commercial Bills of Exchange ?

22. How is specie at present brought into this Province, as no precious metals are produced therein ?

23. Must it not depend upon the current rate of Exchange which no Law can regulate, whether specie be brought into, or carried out of the Province ?

24. Would it be advisable to enact, that in one payment, no one should be obliged to receive in coins less in value than a half dollar, more than the value of ten dollars.

25. Is not bullion like all other commodities fluctuating in price.

26. Supposing that no alteration is made in the money of Account, is it proper and fit, that foreign Silver coin should continue to pass at a higher value relative to British Silver coin, than the proportion of pure Silver in each will justify ?



REPLIES in explanation of the Questions on the Currency by the Committee of the Legislative Council :—

No. 1 and 2. Yes.

No. 3 and 4. As I see these questions and several that follow under a different view and principle, I think it necessary to premise with some explanation.

The British standard of computation is still 5s. 2d. per ounce, and this is uniformly the ground of calculation in all Mint Regulations. In the last valuation given to the Spanish dollar, and other foreign coins, this was the standard on which it was computed.—It is true that the pound Troy (consisting of 11 oz. 2 dwts. pure Silver and 18 dwts. Alloy) is now coined into 66 shillings instead of 62, but this alteration, connected with the expences of coining, does not imply any change of the ancient standard. If the term “ Ancient Standard ” is sometimes used it does not refer to any new standard, but is merely so denominated, because Silver has ceased to be recognised as a standard of value.

Thus it is then, that I consider British Silver coin as a National Token, a Bank Note written on Silver, for which the Government and the Nation are garantec. In fixing the rates of the dollar and other foreign coins according to the Mint Regulations at the ancient standard of 5s. 2d. per ounce, these

coins were over-valued, as the usual market price averages only 5s. It would be highly impolitic to give foreign coins a legal circulation above this market price, thereby giving them the same advantage as our own National coins.—The dollar I admit possesses more Silver than 4s. 4d. British money, which sum (at the rate of 66s. per lb. Troy) is worth only 3s. 11d, but with reference to this National guarantee and its consequent conventional value, it will actually purchase an equivalent to 4s. 4d. Sterling, which a Spanish dollar will not as it does not circulate under that guarantee and does not represent Sterling value. By the term Sterling, I mean “Sovereigns at the Mint price,” Gold only being the Standard of value. If Silver were to become again a Standard of value, I presume that the coinage must revert to 62s. per lb. Troy, or to such other accurate Standard as should be ascertained and fixed.

Computing the Spanish dollar at 5s. 2d. per ounce, the value of it would be 4s. 3d. 79-100, and which to avoid the fraction was fixed at 4s. 4d. but the error consisted in computing it at this rate, that of our own Mint regulations, instead of its average market value of 5s. per ounce, and at this latter rate containing 370 grains 9-100 of pure Silver, it will be equal to 4s. 2d. 11-100 of ancient British Standard Silver. The American dollar weighing the same as the Spanish dollar (416 grains) contains somewhat less of pure Silver 370 grains 1-100.

Thus it is that the Exchange between this country and England will generally be the difference (or thereabouts in ordinary times such as these) between the current or nominal value of the dollar here, and its real or market value in England; for the dollar of Exchange is a mere marketable commodity like produce. Therefore, it is to be considered, whether in many instances our Exchange is not in great measure nominal.

I should not recommend the dollar or any foreign coin to be made a legal tender, unless it should be for a given period; but with reference to our Commercial relations with the United-States, and the necessity of establishing some pivot of calculation for the settlement of mortgages, &c. it is indispensable that a value should be affixed to the dollar by which all other coins and computations may be regulated.

The highest rate at which the dollar should now be fixed is 4s. 2d. and the influx of dollars into Canada would be governed by the rate of Exchange. If exchange rises, say to 11 or 12 per cent. as it is now calculated, or 3 or 4 per cent. premium, sup-

posing the value of the dollar to be fixed at 4s 2d. then it would be the interest of the Merchant to remit the sterling money to England as the expense of the remittance would not exceed $1\frac{1}{2}$ per cent. if any thing should occur to stop the issue of Treasury bills at that rate. But this would not be of frequent occurrence nor long duration, and would not permanently affect the circulating medium.

If the dollar should be fixed at 4s. 4d. the British silver money evidently could not circulate for the reasons specified in my letter of the 27th January ultimo. The same effect would be produced if the issue of the small Bank notes is continued, for it must be clear to every one who has thought on the subject, that two circulating mediums cannot exist together, the least valuable will be used to buy up the other, which will then be applied to Commercial purposes. I do not mean to deny the expediency of Bank notes above a given sum; I am too sensible of their advantage and necessity, and the facility which they afford to the enterprise of a New Country, but it is impracticable to carry this measure and to continue the dollar notes, one or the other must be abandoned. The question must not be considered partially, but in its whole and entire bearing.

No. 5, 6, and 7—I trust that the Committee will be satisfied with the previous answer, as bearing sufficiently on the points here adverted to.

No. 8. I refer the Committee to my letter addressed to His Excellency Sir James Kempt, on the 1st of October 1829. There can be no doubt that the money of Account and the money of Circulation ought to be the same, and that the endless fractions to be apprehended from a particular change of the latter without reference to the former would seriously affect the intercourse of the community. Either Halifax currency or sterling must apply to both, although it is certain that some time would elapse before the lower classes of society would understand or adopt the new denomination. All old prejudices are abandoned slowly, even that of the Calendar. In adopting English money as the circulating medium, we shall have a National currency of our own, and be no longer dependent on the United States for representation of value. It is redeemable under the good faith of the Mother country. The same money of account offers a Mercantile convenience and facility and simplifies all the operations of Exchange, and particularly in the transactions with Great-Britain whose capital and credit is the main

protection that is developing the resources and awakening the enterprise of this great Colony.

A similarity of coinage produces reciprocal habits and feelings, and is a new link in the chain of intercourse between two nations. The Romans and all ancient and modern nations have acted on this principle, particularly the French in the late War. The French coins pass throughout the Mediterranean and great part of Germany, and it certainly had the effect of increasing the intercourse of those countries with France.—This is, I think, the political tendency of the introduction of English money into the Colonies.

No. 9. Exchange will always find its level ; but all countries will have the Exchange more or less in their favor, according to the soundness of their currency. There are, however, so many bearings which affect the Exchange, and so difficult always to trace the causes, that a question of this kind cannot safely be answered otherwise than generally. I refer to my reply to question 3 and 4.

No. 10.—Certainly, if protected in the manner I have pointed out.

No. 11.—This result does not materially bear upon the subject under discussion, for it is the National guarantee and the conventional value, not its intrinsic Silver, that give the advantage to British money. I make the difference 6 14-31 per cent.

No. 12.—If the former and present value of this money is established (for instance the Dollar) I cannot perceive how any interests can be affected, for the denomination only is changed.

No. 13.—I should conceive that the best plan would be to offer it as bullion to the British Government payable in Sterling money, certainly not to re-issue it at a reduced value, which would soon bring back the subject again under your reconsideration. The loss should evidently be sustained by the public, but the Government might be induced to advance the whole sum, to be repaid by instalments.

No. 14.—No.

No. 15.—Yes. I was not at all aware that there was any exception to this rule in the United-States ; if so, how is the difference between the gross weight of the American dollar, (416 grains) and its contents in pure Silver (370 grains 1-100) denominated ?

No. 16.—According to the existing instructions I am obliged to give a Bill for any sum in English money, whether I want

it or not. The rule in other coins, is to govern yourself by the demands of the Service.

No. 17.—This is supposing that the Government might be induced to make a speculation of the measure. The fact speaks for itself. The Mint have never with their immense annual coinage of silver over-stocked the public at home, and the proof of it is, that the law limiting the legal tender of silver to 40s. is practically repealed, and silver readily received in any quantity, which would not be the case if the Mint speculated in this branch, beyond the immediate wants of the public—There are, no doubt, immense drains on the silver coinage, and the demand on the Mint to supply the deficiency must be comparatively large. The Commissariat is now only a channel to circulate and redeem this money, but the supply sent out would be in conformity to the demand made for the Colonial circulating medium.

No. 18.—As this question is grounded on the former, and which result is in no way to be apprehended, it is perhaps enough to refer to the answer to No. 16.

No. 19.—Exchange always finds its level.

No. 20.—This would never answer, for the loss of the interest of so much money locked up in the Military Chests in Canada, and the freight and insurance on shipments to keep up such a dépôt, would make it a wild speculation; but supposing such a case, the result would naturally be the same as that suggested in the question.

No. 21.—I have never contemplated such a view of the subject, because it would be inconsistent with my instructions and our form and principle of account. As a general answer, it might have a nominal effect, but I repeat that exchange always finds its level amidst every denomination and value of money whether false or real.

No. 22.—By importation chiefly through the Commissariat.

No. 23.—True—but the rate of Exchange is sometimes the effect as well as the cause. A demand for Specie from other causes will influence that rate.

No. 24.—It would be prudent.

No. 25.—Yes.

No. 26.—I have already stated to the Committee that I conceive that the measure should not be embraced partially.

It is evident that Sterling should be the money of account, if it is to be the money of circulation, and I have already submitted my opinions as to the system upon which the rates of foreign money should be fixed for the public convenience.

QUESTIONS to be put to the following persons by the Select Committee on the Bill respecting the Currency, namely—

Mr. FREER, Cashier of the Quebec Bank.
 Mr. SIMPSON, Cashier of the Branch of the Bank of Montreal.
 Mr. FINLAY, Chairman of the Committee of Trade, Quebec.
 Mr. LEMESURIER, } Merchants.
 Mr. LEATHER, }
 Mr. KEYS, a dealer in Exchange.

1. You doubtless have given consideration to the Coins which circulate in Canada and the money of account therein.

2. Are the Silver Coins which so circulate, reckoned at their intrinsic relative value—that is to say, are the old British Crowns and Mexican and American Dollars in their due proportions, according to the relative quantity of pure silver in each?

3. What is the Sterling value of a Dollar reckoned in the proportion of pure silver therein, compared with that of an old British Crown, at the rate of 5s2 Sterling per Ounce of standard Silver?

4. What is the Sterling value of a Dollar reckoned according to the new standard of 5s6 Sterling per Ounce of standard Silver?

5. What is the Sterling value of an old British Crown, of the standard of 5s2 Sterling per Ounce, compared with a Dollar at 4s6 sterling?

6. What is the Sterling value of a new British Crown of the standard of 5s6 Sterling per such Ounce, compared with the old Crown of 5s2 Sterling per Ounce standard.

7. Are you of opinion that it would be advisable and beneficial to assimilate the money of account and circulation, with the money of account and circulation of the United-Kingdom, and if so, for what reason?

8. What would be the effect upon the rate of Exchange between the United-Kingdom and Canada if the new British Silver Coin, of the standard of 5s6 Sterling per Ounce, was made a legal tender, that is to say, would it raise or depress that rate?

9. Would the British Silver of the Coinage of 5s6 Sterling per Ounce standard, if generally established as a legal tender, be

more likely to remain in Canada, than Spanish and American Dollars?

10. What do you make the difference per centum, between the old Silver standard of 5s2, and the new of 5s6 per Ounce?

11. Have you read the provisions of the Bill introduced into the Legislative Council, whereon we now are in a Select Committee, and taken into consideration the new proportion of the value of Coins as therein contained, in comparison with the old value thereof respectively? does it in your opinion affect vested interests, and if so, wherein would it injure them?

12. If the debased Silver coin be called in, which do you consider most advisable, melting it into Bullion, or re-issuing it at the reduced real value thereof; and in either case should the loss consequent upon that operation, be sustained by the public or by individuals?

13. Do you know what the average expense of Silver coinage is per centum, and what such average of Gold coinage is?

14. Is there not in all foreign countries, the United-States excepted, a Seignorage or deduction made to cover the expense of coinage?

15. Would not the effect as to Exchange, be the same, whether the Specie sent out was in the new Coin or in Dollars?

16. Supposing that Government in payment of their Bills of Exchange, accepted Specie of all the descriptions current here by the laws of the Province, instead of only British Silver coin of the new standard, and Dollars at their proportional value, would it raise or depress the premium upon those Bills; or, if Dollars were received by you at 4s6 Sterling as at present established by those Laws, would it not raise the premium of Exchange both on Government and Commercial Bills of Exchange?

17. Must it not depend upon the current rate of Exchange, which no law can regulate, whether Specie be brought into or carried out of the Province?

18. Would it be advisable to enact, that in one payment no one should be obliged to receive in Coins less in value than a half dollar, more than the value of ten Dollars?

19. Is not Bullion like all other commodities fluctuating in price?

20. Supposing that no alteration is made in the money of account, is it proper and fit that foreign Silver coin should continue to pass at a higher value relative to British Silver coin, than the proportion of pure Silver in each will justify?

Answers by Mr. FREER.

1. I have.
2. I am not acquainted with the exact quantity of pure silver in each of the old British Crowns, or in the Dollars, but I believe the proportion is in favor of the Crown, over the Dollar, and that the Mexican Dollar, that is, the old Carolus Spanish milled Dollar, has rather more pure Silver than the American Dollar, or other Spanish Dollars of more recent coinage.
3. I should suppose 4s3 2-3.
4. I should think about 4s7.
5. About 5s. Sterling.
6. There would be a difference of about 6½ per centum, the value being 4s8 2-3 Sterling.
7. I am not certain that it would be advisable and beneficial, it being a matter of such importance, involving so many considerations likely to affect the interest of the public and individuals, that I am apprehensive so great and so sudden a change in the Currency of the country might be productive of serious inconvenience, though I am of opinion that by placing a proper value on the Dollar corresponding with the value of British Silver, the object desired would in a great measure be answered, of keeping the British Silver in circulation.
8. I do not think the rate of Exchange between the United-Kingdom and Canada would be affected, if the new British Silver Coin of the standard of 5s6 Sterling per Ounce was made a legal tender, for if the Dollar was fixed at 4s2 Sterling, Exchange would be furnished at par, which compared with the present value of the Dollar 4s6 Sterling would be at the rate of 8 per cent. premium, being about the average rate for the last three or four years, and in my opinion, it would not depend upon making the British Silver Coins a legal tender, to raise or depress that rate.
9. This would entirely depend upon the value given to the Dollar, that is, if the Dollar was fixed at 4s2 Sterling, there would be no inducement to bring that description of money into the country, to supply the place of British Silver, which might be sent away with advantage, if a higher rate was given to the Dollar.
10. A little more than 6 per cent. as the difference is between 62 and 66.
11. I have read the provisions of the Bill introduced into the Legislative Council, and I do not think that it would affect vest-

ed interests, being a mere matter of calculation, as to the old value of Coins, and the new proportion of value proposed to be fixed upon such Coins, as may be made legal tenders.

12. I should consider it most advisable that the debased Silver Coin, that may be called in, be melted into Bullion, and that the loss consequent upon that operation should be sustained by the Public.

13. I do not, but this can be correctly ascertained by the Reports from the British Mint; I believe it is between 2 and 3 per cent.

14. I believe that in all foreign countries, and also in the United-States, a Seignorage or deduction is made to cover the expense of coinage.

15. It would certainly be the same, provided a proper relative Sterling value is given to the Dollar, compared with the new Silver coin.

16. I should suppose it would raise the premium on Government Bills, if payment was accepted in Specie of all descriptions at present current here by the Laws of the Province, instead of British Silver Coin of the new standard, and Dollars at their proportional value; and it would also raise the premium on Government and Commercial Bills of Exchange, if Dollars were received at the rate of 4s6 Sterling as at present established by those Laws.

17. Most certainly it must.

18. I should say ten pounds instead of ten dollars, as respects Silver, and five shillings as respects Copper Coin.

19. Certainly it is.

20. Supposing that no alteration is made in the money of account, it is not proper and fit that foreign Silver Coin should continue to pass at a higher value relative to British Silver Coin, than the proportion of pure Silver in each will justify, for I see no reason why a premium should be afforded to encourage foreign Coin.

Answers by Mr. SIMPSON.

1. I have given the matter some consideration.
2. They are not.
3. Four shillings and three pence three farthings and 3-41 parts sterling.
4. About four shillings and seven-pence sterling.
5. About five shillings and two-pence half-penny sterling.
6. Four shillings and eight-pence and 16-45 parts.
7. It is very doubtful whether it would be either advisable or beneficial to assimilate the money of account and circulation with the money of account and circulation of the United Kingdom. One thing certain, any attempt to carry such a measure into effect would be attended with much inconvenience and confusion, at least for a time, and whether such a system would work better than the present, time and experience must determine.
8. As the rate of Exchange is fluctuating according to the demand, and is in a great degree regulated by the Imports and Exports, I do not conceive that such a measure would permanently affect the rate.
9. Our calculating neighbours of the United-States always take their returns for produce sold in Canada, in such money as will pass to best account in the United-States. So that British Coin at its intrinsic worth, would just be as likely to disappear from the Province as any other description of coin at a proportionate rate; but if British Silver is declared by Law to be a legal tender at a rate much above its intrinsic value, then there is little doubt but it will remain until all other descriptions of coin disappear.
10. 6 14-31 per centum.
11. The rate at which the new British Silver coinage is therein fixed, being far above its intrinsic value, I conceive that it would have a tendency to affect vested interests.
12. It would certainly be very desirable that all the debased Silver coin should be called in. The quarter dollars, pistareens, and such other small coins found perfect, might be re-issued at reduced rates, and the half-crowns with all other defaced coins might be sold as bullion for the benefit of the Province. The loss consequent upon such an operation ought most certainly to be sustained by the public and not by individuals.
13. I do not.
14. I believe so.

15. My answer to question No. 8 will apply to this.
16. Were the Government to receive in payment for Bills of Exchange all descriptions of Coin current by the law of the Province, it would certainly be a great accommodation to the public, but I do not think that it would affect the rate of either Government or Commercial Bills of Exchange.
17. There can be no doubt of it.
18. It would be equally convenient were the sum fixed at twenty instead of ten dollars.
19. Certainly.
20. Certainly not.



Answers by Mr. FINLAY.

1. I have given some consideration to the Coins which circulate in Canada and to the money of account,
2. The Silver Coins in circulation in Lower-Canada are not reckoned at their relative intrinsic value.
3. Assuming the weight of 1000 Spanish Dollars to be 868 oz. 1 dwt. 2 grs. as some time ago ascertained at the Mint in London, the intrinsic value of one dollar as compared with the British standard silver at 62s. per lb. is 4s. 3d. 3f. 506-1000.— Assuming the weight of 1000 Spanish dollars to be 865 oz. 1dwt. 8 grs. as lately ascertained at the Bank of Montreal, the intrinsic value as compared with British standard silver is 4s. 3d. 2f. 800-1000.
4. Reckoning the Spanish dollar at the rate of 5s6 sterling per oz. British standard, and assuming the already mentioned Mint weight, the value is 4s. 7d. 0f. 894-1000, taking the dollar at the weight lately ascertained at the Montreal Bank, the value is 4s. 7d. 0f. 147-1000.
5. Assuming the Spanish dollar to contain 370 grains of pure silver, and the old British Crown 430 grains, the value of the latter piece at 5s2 per ounce standard is 5s. 2d. 3f. 1-37.
6. Assuming the old and the new British coins to be of the same weight (of which I am uninformed) the present or new Crown reckoned at 5s2 per ounce standard, is worth 4s. 8d. 1f. 30-66.

7. I consider that it would be beneficial to assimilate the money of account of all the British possessions abroad with the money of account of the mother country. But unless that measure were applied to all the Colonies, it would be attended with little advantage to make the alteration in this. As to the money of circulation it matters little of what it consists or what impression it may bear, provided that the value of the whole be fixed precisely according to the intrinsic worth of each different denomination as compared with the British standard.

8. The effect produced by the introduction into any country of a debased or depreciated currency, is the enhancement of every commodity for sale in that country. The new British silver coins being depreciated as compared with the former British silver coins, and compared with the Silver coins legally current in this Province; the effect of their being made a legal tender would be a rise in Exchange and in all other commodities in the ratio of the difference of intrinsic worth between these new coins and the old or those which are now current.

9. There is no question that the British silver coinage of 5s6 stg. per ounce standard, if established as a legal tender, would be more likely to remain in the country than Spanish or American dollars at their present value. In whatever country a multiplicity of coins is current, the circulation will consist chiefly of those possessing the least intrinsic relative value; hence the influx into this Province of pistareens and other depreciated coins of which the legal greatly exceeds the intrinsic value, and any law to be now passed affixing to the new British silver coins a value higher than their relative intrinsic value, as compared with other silver coins in circulation, would have the effect of sending out of the Province the most valuable, and causing an influx of the least valuable. If the new British Silver coins were equalised exactly in value with the other silver coins in circulation, it is not probable that there would be a greater permanent demand for one kind than for the other to send abroad—There might be occasionally a temporary demand for the one or the other, and during the continuance of that demand, the particular coin wanted would command a premium; but it does not appear that better means can be devised for retaining in the country all the coins mentioned in the question than by affixing to each its real intrinsic relative value.

10. The same quantity of silver which was formerly coined into one hundred shillings is now converted into 106 14-31 shillings; the difference is therefore very near $6\frac{1}{2}$ per cent.

11. I have looked over the Bill referred to in this question, and it does not occur to me that there are any vested interests in the Province which would not be sufficiently protected by its provisions ; but there may be cases which do not occur to me.

12. If the depreciated silver coin now in circulation be called in, I see no objection to the re-issuing of it at its real intrinsic value, and I should think that course preferable to melting it into bullion—In either case the loss should be borne by the public.

13. I have no knowledge of the average expense of coining silver or gold.

14. In most foreign countries and in Great-Britain there is a seignorage to cover the expense of coining. I have heard on authority which I think good, that the seignorage accruing to the British Government on the new silver coinage is nearly 8 per centum.

15. If I understand the question, of which I am uncertain, it would matter not as to exchange whether the new silver coins or dollars, if equalised in value, were sent out.

16. When all the different descriptions of specie current in the Province are equalized in relative value, it can make no difference in the rate of exchange, if Government in payment of bills, receive only certain coins, provided that there be in circulation a sufficiency of the coins so received. Dollars at 4s6 sterling each are at present taken in payment of Merchants' bills which are sold at about 9 per cent. premium. The Commissary General sells his bills at par and takes in payment Spanish dollars at the reduced value of 4s1½ sterling each ; but in reality there is little or no difference, as if the dollar paid into the Commissariat at the rate of 4s1½ be reckoned at its legal value of 4s6, the Commissariat bill nominally sold at par will be found to cost the purchaser 9 1-10 per cent. premium. The term premium of exchange is not to be understood as meaning only the expense of the transport of so much specie hence to Great-Britain, but it is to be taken as signifying the difference of value between the coins current here and the coins current in Great Britain, adding thereto the cost of transport.

17. The rate of Exchange may be the proximate cause of bringing specie into, or carrying it from the country ; but in countries where there is no foreign expenditure, I conceive the primary cause of the influx of specie to be the abundance of the exportable productions of the country and vice versa.

18. I think that when the relative value of all silver coins current in the Province is equalized, it would be unfair to limit the

payment of any description of them to a sum less than one hundred pounds.

19. Bullion fluctuates in price.

20. All coins current in the Province should have the same relative intrinsic value affixed to them respectively.



Answers by MR. LEMESURIER.

1. I have.

2. I am unable to answer this, and the four following questions ; being ignorant of the exact proportions of silver in the coins referred to, and not therefore having the means of making the requisite calculations.

3. Vide No. 2.

4. Vide No. 2.

5. Vide No. 2.

6. Vide No. 2.

7. I am decidedly of opinion, that it would be beneficial to assimilate the money of account and circulation, with the money of account of the United-Kingdom, because it would simplify our commercial transactions with Great-Britain, and would relieve the country from a depreciated coinage ; for, I presume, if a bill were passed altering the currency of the country to sterling, the present metallic circulating medium would be called in and replaced by British silver sterling money, to such extent as would satisfy all the wants of the community.

8. The rate of Exchange would not in the smallest degree be affected by the change.

9. It would entirely depend on the value put upon the dollar.

10. About $6\frac{1}{2}$ per cent.

11. I have read the provisions of the bill referred to, and do not see how vested interests could be affected by the change.

12. I conceive the best mode would be to exchange the debased silver with the British Government, for British sterling money, the loss of course would be sustained by the Province.

13. I do not know.

14. There is not only in all Foreign countries, but I believe also in the United-States where certainly the half-dollars are not intrinsically so valuable in proportion as Spanish dollars are.

15. The effects would be the same.

16. Certainly; it would nominally raise the premium of Exchange, but it would in fact be the same thing to the purchaser of Exchange whether he bought his bill at 8 per cent. premium, payable in dollars calculating the par at 4s6 sterling the dollar, or at par in sterling money or dollars at 4s2, at which rate I should propose to fix the dollar with reference to a sterling currency.

17. Certainly; but if the dollar was fixed at 4s2 there would seldom or ever be any inducement to take sterling money out of the country, 4s2 being according to the present currency equal to 8 per cent. premium, and it scarcely has happened within the last four years that Exchange has fluctuated more than 2 per cent. above or below this rate; at 4s2 the dollar too the calculation would be extremely simple, merely adding one-fifth to, or deducting one-sixth from the present currency.

18. I should think not more than five pounds.

19. It is.

20. Certainly not; it would be unwise to give a premium to foreign coins; with regard to British money, however, the case is very different. The country has the faith of the British Government pledged to redeem what it issues, and the coin therefore may be merely considered a Government Token with a certain intrinsic value attached to it.



Answer by Mr. LEATHER.

QUEBEC, 6th March, 1830.

SIR,

I have hitherto left unanswered the queries which you did me the honor to inclose to me, not from any want of respect to your commands, but from my inability to answer many of them without entering into calculations, the means for which I have not at hand, and from a conviction of your having obtained evidence from persons here much better able to answer them than I am.

It having, however, been intimated to me that you still expect my answers, I beg to state that from its being manifestly the wish of the Imperial Government to have the currency of this

Province assimilated to that of the mother country, and made sterling, I have frequently considered the practicability of it, and the risk, or otherwise, of violence being thereby done to any party, either immediately, or at a future period.

There would be an advantage in having the money of account sterling money, in so far as it would in all commercial transactions with the mother country (and with the other Colonies, should they adopt the same currency,) so far assimilate the monies of the Empire, that there would only be a premium or discount on bills to be allowed or deducted, and which it appears to me would in any case obtain ; but it may well be questioned whether this small advantage can be obtained with security to commercial interests, and without doing great injury to other interests.

The preamble of the bill before the Legislative Council proposes that British silver of the present standard, shall be the standard of money in this Province, whereas in England, gold is the standard, although British silver is *at present* taken in England to any amount. Now, with respect to British money, although what is called a wholesome currency, as possessing intrinsic value, approaching its current value, and although for the last ten or fifteen years, the Exchanges have been so far in favor of England as to keep most of the current coin in the United-Kingdom, yet should the Exchanges as they were from fifteen to twenty-five years since, be much against England, all her gold coin would, as it mostly did, leave the United-Kingdom, and but for a National Bank (in whose solvency the whole Kingdom was interested, and whose Notes became a legal tender,) the circulating medium of the Kingdom could not have been maintained—Such may, at no distant period, be our situation in this Province, if restricted to English money, as proposed by the Commissary-General, acting I presume as an Agent of the Government of the mother country ; if the coinage proposed was made payable in the Colonies only, it might possibly remain in the Province, but even this is doubtful ; and unless a Branch of the National Bank was established here, and with such control over it too by the Legislature, as might provide for any exigency, it appears to me that it would be unsafe to restrict the currency to British money only.

The next consideration is, whether in admitting other than British monies as part of the currency of the country, you would admit them at their relative present value as bullion in the English market, or at their relative intrinsic value, in proportion to the quantity of pure silver or gold contained in them ; if the for-

mer, a rate may be fixed, at which, so long as the price of bullion in England, (or what is generally nearly the same thing, the rate of Exchange,) remains in accordance with, or not materially lower (or Exchange higher) than that rate, the British money will mostly remain with us, but not a moment longer;—if the latter, (which is what would be called the wholesomest currency,) so long as the rate of Exchange is in favor of England, British money will not remain in this country. Should Exchange, however, become against England, so that bills were at a large discount, the circulating medium would be likely in a short time to consist mostly of English money.

With respect to the Bill before the Legislative Council fixing the value of the Spanish dollar at 4s4 sterling, it appears to me that it takes up neither one of these principles, or the other, but proposes a medium between the bullion value of about 4s1 sterling, and the comparative intrinsic value of about 4s7 * sterling, and which could serve no good purpose, for it would not, at the present rate of Exchange keep the English money in the country, and yet would fix the dollar at a lower comparative value than it bears intrinsically to English silver.

With respect to the other descriptions of monies, old half-crowns and pistareens are undoubtedly current at a value beyond what they ought to be, as no good reason, I apprehend, can be given why they should be current at more than their relative value to dollars, equal to about half a dollar for the old half-crown bearing the English or French Mint mark or King's head, and about one-sixth of a dollar for a pistareen; but of Mexican dollars, at present not very current in this Province, from not being a legal tender, it appears to me that, the Legislature will at no distant period make them legal, for they might, with as great propriety, have said thirty years ago that no French or other silver should be current that was not twenty years old, as say now that no dollars shall be current that have not been twenty years coined. It will be impossible to go on many years with the old dollars only, they are continually reducing in number from the usual various causes, and no new supply of Spanish dollars coming forward.

With respect to other and vested interests, the bill would certainly affect vested interests—I may instance it by myself, I have

* NOTE.—H. M. Court of King's Bench have decided that the dollar at 5s6 the ounce in silver, is only worth 4s4, but this is supposed to be on the principle of the legal silver, being pure silver, instead of standard silver as heretofore.

a long lease of property at a rate of rent payable in the current money of the Province, to which the proposed bill would add largely.

It appears to me that the agitation of any question of the currency of the Province is pregnant with danger to the general interests of it, such has been invariably the case in England, and my opinion is that, although amendment is called for in the deteriorated coin current, as the old half crowns and pistareens, and that such Mexican dollars as are known to be alike in value, and of a steady undeviating quality, should become payable at their relative intrinsic value; yet, beyond this, that "it is not good to try experiments, unless the necessity be urgent, and the utility evident."

With respect to the Province bearing the loss on any declared reduced value of the deteriorated pistareens and old half-crowns, it appears to me it might with equal propriety bear the loss on the reduced value of the dollar (if reduced), neither are a National coin, or a coin peculiar to this country only.

On the whole, it appears to me that, it would be the safer plan, to place the old half-crown at about 2s6 currency, the pistareen at about ten-pence, and English silver either at 1s1½ the shilling or at 1s2½ or 1s3 currency, as may be determined, whether on the intrinsic relative value, or in proportion to the bullion value at present in England of dollars, to five shillings their current value in this country.

These remarks have been thrown hastily together, and are not worthy of being part of your evidence to be laid before the Committee; I, however, send them to you, and should not so long have delayed them, but that I am well aware you are more competent than I am to give a correct opinion on the subject.

I have the honor to be, Sir,

Your most obedient humble servant

(Signed) JOHN LEATHER.

Answers by Mr. KEYS.

1. From the nature of the busines in which I have been engaged for the last five years, I have had occasion to give some consideration to this subject.

2. No ; they are not.

3. $4s3\frac{1}{4}$ 3-41 sterling—the amount of pure silver therein contained is 370 9-10 according to the Mint standard of London and Paris.

4. Very nearly $4s7\frac{1}{2}$.

5. About $5s2\frac{1}{2}$,

5. Nearly $4s8$ 1-3.

7. It is very doubtful whether the advantage to be derived by such assimilation would not be counterbalanced by the inconvenience and confusion that would ensue on an attempt to carry this measure into effect.

8. I do not think it would have any permanent effect on the rate of Exchange, as that must always be governed by the relative amount of the Exports and Imports, and the rate of the market in the United States.

9. Certainly not, and I conceive it would be extremely prejudicial to the public interest to make that coin a legal tender, because its value must always be fluctuating and indeterminate.

10. 69-20.

11. I have; and I think it would affect vested interests, because the foregoing calculations show that the new British silver coinage is therein fixed at a rate far above its intrinsic value.

12. To dispose of it as bullion ; because I am of opinion that the only way to insure to this Province a steady unfluctuating metallic currency would be provided, an arrangement could be effected with the Imperial Government, to call in all the foreign coins at present in circulation, and to issue a Provincial currency calculated at such a rate as to pay the expense of its coinage, freight, and other charges, and that after a sufficient supply of such coin was obtained, thereafter foreign coins of all descriptions be taken as bullion only, at the market price of that article. The loss ought certainly to fall on the public, because the present monies circulate under the sanction of Law.

13. I do not.

14. I should think so.

15. I refer to answer to No. 8.

16. The Government itself would obtain a higher rate for its Exchange, but I do not think it would make any difference to

the public, as from the system which has lately obtained, Government Exchange has been sold at from one to two per cent higher in the market than the Commissary General received for it, taking in payment other specie in more general circulation (than dollars or half-dollars) or Bank notes; and on one or two occasions the last year, a still greater sacrifice was made by the Government on requiring to force a sale of Exchange to a large extent. I cannot see that the measure alluded to would have any effect upon Commercial Bills.

17. No doubt of it.

18. I think ten dollars too small an amount, and that no inconvenience would be felt from their being a legal tender to the amount of £5 currency, or twenty dollars.

19. Certainly.

29. Decidedly not.



QUESTIONS put to the Collector and Comptroller and their Answers thereto.

QUESTIONS.

1. What was the rate at which dollars were received in payment of Crown duties previous to the year 1825?

2. At what rate are they now received?

3. What has been the cause of that alteration?

4. Are you aware that there has been any alteration in the law since 1825?

5. Have you any records which can afford evidence as to the manner in which those duties were received for the first two and twenty years after the passing of the Act in 1774, imposing the same?

6. At what rate is it now the custom to receive British silver in payment of duties?

ANSWERS.

1. At 5s6 per oz. or 4s9¼ 5-6 per dollar.

2. At 4s4 sterling per dollar.

3. An order from the Honorable Commissioners of H. M. Cus-

toms, dated 20th December, 1827, founded on an order of the Lords Commissioners of His Majesty's Treasury, dated 27th November, 1827.

4. We are not aware of any alteration in the Law since 1825.

5. The Records merely shew the amount of duties collected without any reference to the manner in which they were received ; but it would appear from various correspondence had relative to the duties in question, that they were received at the rate of 4s6 sterling per dollar.

6. British silver has not yet been tendered in payment of duties ; but it is receivable at the same rate here as in Great Britain, being 20s. to the pound sterling.



*EXTRACT from the Report of the Chairman of a
Committee of the Senate of the United-States in the
present Session of Congress, 1830.*

“ To ascertain the greatest diminution of weight which our coins will undergo, and yet leave their devices and inscriptions clearly discernable, experiments have recently been made at the Mint ; and it is found that our dollar and its parts, when reduced by attrition, so that their devices and inscriptions are not wholly obliterated, but would be entirely effaced by a slight further diminution, lose the proportion of their respective full weight which follow :

“ The dollar loses five and seventy-six hundredths per centum.

“ The half dollar loses six and seventy-two hundredths per centum.

“ The quarter dollar loses seven and sixty-eight hundredths per centum.

“ The dime loses ten and one-tenth per centum.

“ The half-dime loses ten and one-fifth per centum.

“ When our silver coins are diminished in any greater degree than these respective rates, they are destitute of the impression of the Mint, and for that reason alone are unfit for further circulation.

“ From careful examination of our own coins, and those of other countries, the loss of weight sustained by our coins by the

ordinary use, during a period of fifty years, is estimated as follows:

- “ The eagle loses about one per centum.
- “ The half eagle loses nearly two per centum.
- “ The quarter eagle loses about three per centum.
- “ The dollar loses about one per centum.
- “ The half dollar loses nearly two per centum.
- “ The quarter dollar loses about $3\frac{1}{2}$ per centum.
- “ The dime loses about six per centum.
- “ The half dime loses about ten per centum.

“ It is proposed that our coins shall not be a legal tender when they are diminished in weight, more than one twenty-fifth part, or four per centum of their full weight ; and that this rule shall be applied to all the coins. Different rates of diminution for the different coins would be too complex, and would afford very little advantage. Under the restriction now proposed, our coins diminished only by ordinary use will be legal money during the following periods :

- “ The eagle about two hundred years.
- “ The half eagle about one hundred years.
- “ The quarter eagle about sixty-seven years.
- “ The dollar about two hundred years.
- “ The half dollar about one hundred years.
- “ The quarter dollar about fifty-seven years.
- “ The dime about thirty-three years.
- “ The half dime about twenty years.

“ The only foreign coins which are now a legal tender, are Spanish dollars and the parts of those dollars. It is estimated that those Spanish coins now in our circulation, are at this time less in weight than their original weights, by the following proportions :

- “ The dollar about one per centum.
- “ The half dollar about three per centum.
- “ The quarter dollar about six per centum.
- “ The eighth of a dollar, about eleven per centum.
- “ The sixteenth of a dollar, about nineteen per centum.

“ The aggregate amount of quarters, eighths and sixteenths in circulation, which are the most diminished, far exceeds that of the dollars and half dollars. When the Spanish dollars and their parts now in circulation, are considered in their aggregate quantity, is estimated that at this time the entire mass is at least six per centum less in actual weight, than the full weight of our own silver coins.”