

currency the new government imported and paid out large quantities of Spanish milled dollars at 4s. 6d. per dollar, or \$4.44 4-9 per pound sterling, constituting the old par of exchange until lately used by Canadian banks as a basis of calculating sterling exchange. During the war of 1812 the British Government established an Army Bill Office authorized to issue bills of various denominations which were duly redeemed on presentation. These familiarized the Canadians with a sound paper currency, and their withdrawal after the war left a gap which was filled up later by bank note issues.

From the time of the cession, Canadians had been familiar with the dollar; now they came more and more closely into touch in their trade relations with the United States. The result of their familiarity with the decimal currency was that in 1853 a measure was passed providing for the adoption of the decimal currency with a dollar equivalent to the American dollar; the British sovereign was made legal tender at \$4.86 $\frac{2}{3}$ . An act of 1857 requiring all government accounts to be kept in dollars and cents came into force on Jan. 1, 1858, from which dates the formal adoption of decimal currency in the province of Canada.

By the Uniform Currency Act of 1871 (34 Vict., c. 4), the decimal currency was extended throughout the Dominion, the British sovereign was made legal tender for \$4.86 $\frac{2}{3}$  and the United States eagle made legal tender for \$10, while authority was taken to coin a Canadian \$5 gold piece. No Canadian gold coinage was, however, issued prior to the establishment of the Canadian branch of the Royal Mint in 1908, the first coins then struck being sovereigns similar to those of Great Britain, but with a small "C" identifying them as having been coined in Canada. In May 1912 the first Canadian \$10 and \$5 gold pieces were struck, but the Canadian gold coinage has so far been limited in amount, since Canadians have generally preferred Dominion notes to gold, for use within the country, and when gold is needed for export, British or American gold coin or bullion serve the purpose equally well.

**Gold.**—Gold is used only to an insignificant extent as a circulating medium in Canada, its monetary use being practically confined to reserves, but 5 dollar and 10 dollar gold pieces weighing respectively 129 and 258 grains, 9-10 pure gold by weight, have been coined, the Canadian gold dollar thus containing 23.22 grains of pure gold. These coins were first issued in 1912, authority to issue them having been first conferred in 1910. By the Currency Act, 1910 (9-10 Edw. VII, c. 14), British sovereigns which are legal tender for \$4.86 $\frac{2}{3}$ , and other gold coins, and the 5 dollar, 10 dollar and 20 dollar gold coins of the United States, which contain the same weight of gold as Canadian gold coins of these denominations, are also legal tender. These, however, are almost entirely divided between the Dominion Government and the banks as reserves, and the chief circulating medium of the country is provided by paper and token currency. The gold coinages of the Ottawa branch of the Royal Mint, which was opened on January 2, 1908, are given in Tables 36 and 37. Table