

The British government sought to establish a uniform standard of colonial currency, but since, at this time, French coinage again began to come into circulation and the Spanish dollar also rivalled the English shilling as the most common medium of exchange, this was not universally possible. English sovereigns were over-rated in terms of dollars in an endeavour to encourage their circulation. A rate of 5s. to the dollar was set in Halifax and was in use for government accounting systems, while in Montreal, York currency (the rates prevalent in New York), giving the dollar an exchange value of 7s. 6d. or 8s., was in common use.

Canadians had become more or less familiar with the characteristics of paper money from the experiences of the various northern States during the first half of the nineteenth century. During the war of 1812 this familiarity was increased by the establishment of an army bill office, issuing bills of various denominations redeemable on presentation. Increased commercial relations between the two countries and a growing volume of trade resulted in a tendency in Canada toward a decimal coinage, and in 1853 a measure was passed providing for the adoption of a 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; the formal adoption of decimal currency in the province of Canada dates from that time.

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 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, bullion or British and American gold coin 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 39 and 40. Table 41, compiled by the Dominion Comptroller of Currency, gives the form in which the gold has been held by the Government in recent years. The American gold, it will be seen, greatly preponderates, and there is a considerable additional amount held by the banks, as it is legal tender in both countries.