

PAPER II.—CURRENCY, WITH REFERENCE TO CARD
MONEY IN CANADA DURING THE FRENCH
DOMINATION. .

BY JAMES STEVENSON, QUEBEC.

“The currency of the world includes many kinds of money. Gold, silver, copper, iron, in coins or by weight, stamped leather, stamped paper, wooden tallies, shells of various kinds, furs, pieces of silk, strips of cotton cloth of a fixed size and quality, are and have been all in use amongst mankind as forms of currency, as convenient and negotiable forms or representatives of property. Many of these kinds of money are simultaneously in use in the same country. Gold, silver, copper and stamped paper coexist in different forms of money in the currency of Europe and America: Gold, silver, copper and shells in India; silver, copper, and pieces of silk in China; copper, cotton strips, shells, and the silver dollar in various parts of Africa. Sparta had a currency of iron, Carthage of stamped leather. There is ample variety out of which money is made: metals, shells, cloth, leather, paper.” This is the statement of a recent writer on the subject of currency. With such an array, one may well enquire—what is money?

Paper money may be said to be of two kinds, viz:—Paper money, and money represented by paper. The former consists of notes upon which government confer the property of money, and which are not necessarily redeemable in specie; while the latter may consist of notes issued by the state or by corporations, and which are redeemable in specie. The former is a mere creation by political power; the last grows out of engagements or commercial operations. The one, being declared legal tender, must be taken in satisfaction of a debt; the other, unless constituted legal tender by the state, may

be taken or refused at the option of a creditor. The present legal tender note of the United States corresponds to the first; the Bank Note of Canada to the last.

It would be a mistake to suppose that representative, emblematic, or paper money is an invention of modern times. The equivalent was used, in negotiable forms or representatives of property, as stamped leather, iron, tin, and stamped paper, in Carthage and Sparta, Rome, China and India, anterior to the Christian Era. The ancients were just as well aware of the unsoundness of an inconvertible currency as we are. They required a currency of intrinsic value, such as gold, silver, or copper money. The pieces of silk, strips of cotton cloth of fixed size and quality, were money of intrinsic value. The shells were also real money; the wampapeay and the couris were coveted for their variety, beauty and polish, and were valued just as we value precious stones: they had in themselves exchangeable power and intrinsic value, as gold and silver have; but the stamped leather, wooden tallies, bits of iron and tin had none, and constituted an unsound currency, having only the properties of money conferred upon them by political power.

The Chinese had a paper money made from the inside portion of the bark of the Mulberry tree. The bark was pounded in a mortar, moistened, spread out into sheets, cut up into small squares, certified by a chief officer of State, and stamped in red with the Imperial seal. Those little squares or cards, signed and sealed, having an authentic character, were issued by the State as money, and circulated throughout the Empire. It was death to counterfeit them, death also to refuse them in satisfaction of a debt, or in payment of goods. Their wise men, however, understood the true theory of paper money. One of them writes: "That paper should never be made money, should be used only as a sign or representative of articles of value, such as metals or commodities, which should be forthcoming when wanted by

the holder of such signs: this being the true intention of paper money; but when Government caught at the idea of making it real money, the original intention and true character of the currency were lost."

Every country had its monetary unit, which consisted generally of the principal merchandise or production of the place, estimated by weight, measure, or number. In some countries it was the silk or the cotton; in others the iron or the grain; and, frequently, the sheep and the cattle.

The monetary unit in Russia, in early times, consisted of skins or furs, which circulated as money; but in order to avoid the inconvenience of transferring such bulky articles from one to another, Government conceived the idea of cutting a small piece off each skin, as tokens and representatives of the skins stored away till claimed by the holders of the tokens. In primitive times it was not, however, always safe to entrust property to Governments; and the Government of Russia being in need of currency, found it easy to augment the number of tokens, and circulate them far in excess of the skins they were supposed to represent. When the Mongol Tartars conquered Russia, they would have nothing to say to this curious kind of currency; but insisted upon having the skins, and threw the monetary affairs of the country into confusion.

Some numismatists confiding in a passage in Aristotle, hold that the leather money of the Carthaginians represented skins or hides; and maintain that it was, therefore, a sound or convertible currency: but there is not sufficient evidence to justify any one in arriving at that conclusion.

The Greeks, not only understood the principles of currency, and the use of paper money, but carried on the business of banking, at least three centuries before the Christian era, and in a manner not very different from that in which it is

conducted now. They appreciated more than other nations a sound currency, preferring one of gold, silver, or copper; and never resorted to the use of paper or emblematic money, except in times of extreme peril to the State. There is, perhaps, no better definition of money than that given by Aristotle: "Money is a means of exchange or measure of value whereby one description of merchandise is exchanged for another." We have the means of ascertaining the weight, dimensions and bulk of a body, substance or object; we want also to ascertain its value. What the pound weight and the standard measure perform in respect of the former, that money does in regard to the latter: it measures its value: being, "the intermediate commodity interposed between what we have to sell, and what we wish to buy; establishing the value of each by the quantity of this interposed commodity which is given or taken in exchange."

In an article on Old Colonial Currencies, by Mr. S. E. Dawson, of Montreal, we learn, "that in America, within a comparatively short period, every conceivable form of currency has been tried. The accounts of New Netherlands (now New York State,) were, in 1662, kept in wampum and Beaver skins. That currency does not appear to have been more suitable than others; for in that year complaints were made of its increasing depreciation, and the Chamber of Commerce at Amsterdam credited all the Colonial officials with twenty-five per cent. additional salary in beaver skins to cover their loss, a precedent too seldom followed in later and more progressive times."

Parkman in "The Old Régime in Canada," tells us that, "In the absence of coin, beaver skins long served as currency in Canada. In 1669, the Council declared wheat a legal tender, at four francs the minot; and five years later, all creditors were ordered to receive Moose-skins in payment at the market rate."

During the period of the early settlement in Canada, the coins in circulation were of the reigns of Henri IV., Lewis XIII. and XIV., with the exception of three pieces struck specially for the colony.

Leblanc in his treatise on money, page 388, alludes to these coins :

“ Afin de faciliter le commerce dans le Canada, le Roy fit fabriquer pour cent mille livres de Louis de 15 sols de 5 sols, et des doubles de cuivre pur. Ces monnaies étaient de même cours, poids et loi que celles de France. Sur les Louis d’argent de 15 sols et de 5 sols, au lieu de *Sit nomen domini benedictum* il y avait *gloriam regni tui dicent*, et sur les doubles : *Doubles de L’Amérique Française.* ”

Description de la pièce de 15 sols :

LV.D. XIII. D. G. * FR. ET NAV. REX. Buste juvenile de Louis XIV. à droite, tête laurée, perruque longue et bouclée. Le buste drapé par dessus la cuirasse.

“ R^{ylég} : GLORIAM REGNI TVI DICENT, 1670. Ecu au 3 fleurs de lys surmonté de la couronne royale.

“ Module 27 millimètres.

“ Pièce de 5 sols semblable à la précédente.

“ Module 21 millimètres.”

And in reference to the other coins of the same reign, we find in “ Le Dictionnaire de Numismatique, publié par M. L’abbé Migné, Paris,” as follows :

“ On fabriqua au commencement du règne de Louis XIV. les mêmes espèces d’or, d’argent, de billon et de cuivre, que sous le règne précédent, savoir : des louis d’or, des demis et des doubles louis d’or, des écus d’or et des demis ; des louis d’argent de 60, de 30, de 15 et de 5 sous ; des deniers et doubles deniers de cuivre purs. Toutes ces monnaies étaient de même poids, titre, loi et valeur que sous le règne précédent.”

The Livre Tournois was the integer or money of account in Canada, but it was not known in Canada or even in France during that period as a coin. There was however once a coin called Tournois: "Petite monnaie bordée de fleurs de lis qui tirait son nom de la ville de Tours où elle était frappée. Il y avait des livres Tournois, des sols Tournois, des petits Tournois. Ce n'est plus qu'une désignation d'une somme de compte."

The Livre Parisis was also a money of account, but I have not found it alluded to in any old Deeds of sale in Canada. Sales were invariably made during the period of early settlement for sums stated in Livres Tournois. The Livre Parisis, however, is thus referred to in the Dictionnaire de Numismatique.

"Parisis, en terme de compte, est l'addition de la quatrième partie de la somme au total de la somme; ainsi le Parisis de 16 sols, est quatre sols; quatre sols Parisis font 5 sols: c'est aujourd'hui une monnaie de compte qui autrefois était monnaie réelle, qui se fabriquait à Paris, en même temps que le Tournois se fabriquait à Tours. Ces Parisis étaient d'un quart plus forts que les Tournois, en sorte que la livre Parisis était de 25 sols et la livre Tournois de 20 sols." And d'Abot de Bazingham "Traité de Monnaies," under the word Tournois, writes:

"On s'est servi en France dans les contrats des monnaies Tournois et Parisis jusque sous le règne de Louis XIV, où la monnaie Parisis a été abolie. On ne se sert plus dans les comptes que de la monnaie Tournois. Il faudra donc à partir de Louis XIV entendre le mot livre comme Livre Tournois."

"La livre Tournois était représenté par des monnaies qui n'ont jamais variées sous le rapport du titre qui était de 11 deniers argent fin (917/00) mais qui ont subi des variations fréquentes, sous le rapport de la valeur."

While we rise pleased from the perusal of the history of the Bank Note of Scotland, convinced of the soundness of the system under which it issues, of the good service it renders, and of its title to existence: its little counterpart, "the card," in Canada, born, prematurely, about the same time, in an infant colony of France, has to be pathologically considered, and followed through various stages of disease, till death puts an end to its existence; but not to the mischief inflicted upon those among whom it circulated, and who put faith in its virtue.

Card money was issued in Canada by the Intendant Meales in 1685. He informs the minister, "I have no money to pay the soldiers, and not knowing to what Saint to make my vows, the idea occurred to me of putting in circulation notes made of cards, each cut into four pieces; and I have issued an ordinance commanding the inhabitants to receive them in payment. The cards were common playing cards, and each piece was stamped with the fleur-de-lis and a crown, and signed by the Governor, the intendant, and the clerk of the Treasury at Quebec."⁽¹⁾ They were convertible into Bills of Exchange at a specified period. Other cards, domiciled in France, appear to have issued afterwards, payable to bearer on demand, which circulated freely to the extent of the currency required in the colony; the rest were remitted to France or converted into Bills of Exchange. Subsequently card money, not domiciled in France, but, confined to the colony, was issued. Each card bore the name and coat-of-arms of the Intendant, the nominal value of the card, and the date of issue; also the signature and seal of the Governor as security against forgery. There were cards of the denominations, 32 livres, 16 livres, 4 livres, 40 and 20 sols. This new issue did not take well at

(1) Parkman's Old Régime, p. 300.

Meales au Ministre, 24 Sept., 1685.

first in the colony; the old, payable in France, being preferred. It was customary for the holders of card money to exchange it in autumn with the Treasurer at Quebec, for Bills of Exchange on the Imperial Treasury; and it was taken for granted that, the old issue would have a preference over the new. But the policy of the Treasurer was the very opposite of this; he demurred to the old, and readily issued Bills of Exchange for the new. The effect of this proceeding was, to establish the credit and currency of the new notes, which were thenceforth taken in preference to the old issue.

During a period of nearly thirty years the card money circulated, and served as currency in the ordinary transactions of life in the colony, and was considered safe to take in satisfaction of a debt; because, if not convertible into coin in Canada at the will of the holder, it was redeemed in Bills of Exchange on the Imperial Treasury, which constituted an excellent remittance for the colonists who had to meet their engagements in France. But trying times were in store for Canada; the Imperial Treasury, drained by the extravagance and costly wars of Louis the XIV., became unequal to the heavy demands made upon it; and the drafts drawn by the Colonial Government, being consequently dishonored, the financial affairs of the colony were thrown into a hopeless state of confusion. The card money rapidly depreciated in value. Treasury bills, formerly so much valued, were sold in France at a heavy discount; others were returned to the colony dishonored and under protest. Appeals were made in vain to the Colonial authorities for settlement. There was none to be had—no relief anywhere.

In 1714 the amount of card money in the hands of the colonists appears to have reached the sum of two million.(1) The population of Canada was then about twenty thousand,

(1) Parkman's *Old Régime*, p. 300.

of which probably six thousand were settled in Quebec, and two thousand in Montreal. Considering the condition of the colony, the amount of currency floating should not, under the circumstances, have exceeded one million. Being in excess, depreciation followed as a matter of course; and Government, being pressed for settlements, compromised, from time to time, with the holders of the currency, by payment of one half its nominal value.

Finally in 1717, a decree, after citing the settlements referred to, and deploring the inconvenience of card money, announces the intention of Government to withdraw it entirely from circulation, and to redeem it within a certain period, at a reduction of value. At the same time a new issue, current at the reduced value, was made to meet the immediate requirements of the Treasurer, redeemable on the same terms and conditions as the old.

The decree referred to, provides that all card money shall be current in the colony at one-half of its nominal value, viz: A card of four livres for two (equal to one livre ten sols money of France): the total reduction being five-eighths of the original value.(1) Subsequently this decree was modified by another to meet the case of certain debtors, who would otherwise have had to pay twice as much as they really owed.(2.) But in the main it was adhered to.

The terms of settlement, or redemption, were as follows: the Treasurer is instructed to retire the card money before the ships leave in November for France; and holders will then be paid one-third of the reduced value in Bills of Exchange on France, maturing 1st March, 1718; one-third, 1st March, 1719; and the balance, 1st March, 1720. All card money presented for settlement, after the ships leave in 1718, will be redeemed at the reduced value: one-half in bills

(1) Edits and Ord., p. 370.

(2) do, 393.

payable 1st March, 1719; the remaining half, 1st March, 1720; but all cards outstanding, after the ships shall have left in 1718, will be considered cancelled and valueless. A more mistaken policy, or a more unjust proceeding on the part of the Home Government than this, can scarcely be conceived. Government had had the experience of more than a quarter of a century to guide them in the issue of card money. A little reflection should have shown that, the amount of over issue, only, required to be redeemed. The remedy was simple; if one million livres of cards had been withdrawn, the rest would have kept out, and circulated to the great convenience of the community; and no one would have suffered any loss. As to the new issue for current expenses, redeemable at three-eighths of its nominal value—not a sol was saved; for it exchanged for that only, and no more.

The missionary spirit, in which the settlement of Canada was undertaken, continued to maintain and manifest itself among the clergy and many of the laity. Bold spirits such as La Salle and de Tonty, devoted their lives to discovery, and to the establishment of new colonies in the great west. The rest remained behind to trade with the Indians and with each other.

It was difficult to get the colonists to apply themselves steadily to agriculture. "In vain the government sent out seeds for distribution. In vain intendants lectured the farmers and lavished well meant advice. Tillage remained careless and slovenly."⁽¹⁾ The spirit of dogged industry was wanting. In the pursuit of trade they hoped to attain to wealth and independence by a shorter route, and with less labour; but the false financial system followed in the mother country, as well as in the colony, doomed them to disappointment and frustrated their hopes.

(1) Parkman.

Next to an impartial administration of Justice, the most important object to a people is a safe and secure currency. This maxim was, however, disregarded in France, where the wildest ideas upon currency prevailed. The schemes of Law, introduced under the Regent Duke of Orleans about this time, proved a complete failure; and France, if not covered with ruin, was plunged into a state of extreme financial confusion.

In Canada the Régime of card money was, for a time at any rate, at an end; but the specie in the colony was quite inadequate to supply its place, and meet the wants of the community in the ordinary business of exchange between man and man. There was much groping in the dark in relation to currency questions, and we have consequently:

A Decree reducing the value of gold coins, dated May 7, 1719.

A Decree increasing the value of gold and silver coins and reducing the price of commodities, 24th October, 1720.

A Decree suspending the operation of the above, 26th December, 1720.

A Decree concerning copper money, 30th April, 1721.

A Decree concerning specie, 4th February, 1724; March 27th, 1724; September, 1724, and 22nd September, 1724.

In January, 1726, a decree ordering "la fabrication de nouvelles espèces d'or et d'argent."

May 26th, 1726, a decree augmenting the value of specie, currency, &c.

Trade languished, and a return to the use of paper money appeared to be the only remedy. Representations were made accordingly; and Government, yielding to the wishes of the people, resumed the issue of card money, with little more light on the subject of currency, than they had in the

previous century. So the "card" revived on the 2nd of March, 1729; and its restoration was announced in the following :

"Ordonnance du Roi au sujet de la Monnaie de Carte.

“DE PAR LE ROI.

“ Sa Majesté s'étant fait rendre compte de la situation où se trouve la colonie de Canada depuis l'extinction de la monnaie de carte, et étant informée que les espèces d'or et d'argent qu'elle y a fait passer depuis dix années pour les dépenses du pays ont repassé successivement chaque année en France, ce qui en cause l'anéantissement du commerce intérieur de la colonie, empêche l'accroissement de ses établissements, rend plus difficile aux marchands le débit en détail de leurs marchandises et denrées; et par une suite nécessaire fait tomber le commerce extérieur qui ne peut se soutenir que par les consommations que produit le détail; Sa Majesté s'est fait proposer les moyens les plus propres pour remédier à des inconvénients qui ne sont pas moins intéressans pour le commerce du royaume que pour ses sujets de la Nouvelle-France; dans la discussion de tous ces moyens aucun n'a paru plus convenable que celui de l'établissement d'une monnaie de carte qui sera reçu dans les magasins de Sa Majesté en payment de la poudre et autres munitions, et marchandises qui y seront vendues et pour laquelle il sera délivré des lettres de change sur le trésorier-général de la marine en exercice; elle s'y est d'autant plus volontiers déterminée qu'elle n'a fait en cela que répondre aux désirs des négocians du Canada, lesquels ont l'année dernière présenté à cet effet une requête au gouverneur et lieutenant-général et au commissaire-ordonnateur en la Nouvelle-France, et aussi aux demandes des habitans en général qui ont fait les mêmes représentations, et que cette monnaie sera d'une grande utilité au commerce intérieur et extérieur par la facilité qu'il y aura dans les

achats et dans les ventes qui se feront dans la colonie dont elle augmentera les établissements; et Sa Majesté voulant expliquer sur ce ses intentions, elle a ordonné et ordonne ce qui suit :

“ ARTICLE I.—Il sera fabriqué pour la somme de quatre cent mille livres de monnaies de carte de vingt-quatre livres, de douze livres, de six livres, de trois livres, d’une livre dix sols; de quinze sols et de sept sols six deniers, lesquelles cartes seront empreintes des armes de Sa Majesté, et écrites et signées par le contrôleur de la marine à Québec.

“ II. Les cartes de vingt-quatre livres, de douze livres, de six livres et de trois livres seront aussi signées par le gouverneur, lieutenant-général, et par l’intendant ou commissaire-ordonnateur.

“ III. Celles d’une livre dix sols, de quinze et de sept sols six deniers, seront seulement paraphées par le gouverneur, lieutenant général et l’intendant ou commissaire-ordonnateur.

“ IV. La fabrication des dites quatre cent mille livres de monnaie de carte pourra être faite en plusieurs fois différentes, et il sera dressé pour chaque fabrication quatre procès-verbaux dont un sera remis au gouverneur, lieutenant-général, un autre à l’intendant ou commissaire ordonnateur, le troisième sera déposé et enregistré au bureau du contrôle, et le quatrième envoyé au secrétaire d’état ayant le département de la marine.

“ V. Défend Sa Majesté au dit gouverneur, lieutenant-général, intendant ou commissaire-ordonnateur et au contrôleur d’en écrire, signer et parapher pour une somme plus forte que celle de quatre cent mille livres, et à toutes personnes de la contrefaire, à peine d’être poursuivies comme faux monnoyeurs et punies comme tels.

“ VI. Veut sa Majesté que la monnaie de carte faite en exécution de la présente ordonnance ait cours dans la colonie pour la valeur écrite sur icelle et qu’elle soit reçue par les

gardes-magasins établis dans la colonie en paiement de la poudre, munitions et marchandises qui seront vendues des magasins de Sa Majesté, par le trésorier pour le paiement des lettres de change qu'il tirera sur les trésoriers-généraux de la marine, chacun dans l'année de son exercice, et dans tous les payemens généralement quelconques qui se feront dans la colonie de quelqu'espèce et de quelque nature qu'ils puissent être.

“ Mande et ordonne Sa Majesté au sieur marquis de Beauharnois, gouverneur et lieutenant-général de la Nouvelle-France, et au sieur Hocquart, commissaire-ordonnateur, faisant les fonctions d'intendant au dit pays, de tenir la main à l'exécution de la présente ordonnance, laquelle sera enregistrée au contrôle de la marine à Québec.

“ Fait à Marly, le deuxième mars, mil sept cent vingt-neuf.

“ Signé : LOUIS.

“ Et plus bas,

“ Signé : PHELYPEAUX.

“ Et scellée du petit sceau.”

I have copied the ordinance *verbatim*, because an attentive perusal will give a far better idea of the then state of commercial and financial affairs in the colony, than I could possibly hope to convey, by any remarks of my own. In the absence of specie, some such measure as the foregoing seemed necessary. The people could not return to a currency of Beaver and Moose skins, because they were wanted for exportation; and the wheat, which was legal tender at 4 francs per minot, was required to maintain human life in the colony. Considerable exchangeable power was, however, conferred upon the cards:—first, by the limitation of their issue; and then by the provisions in the measure for their convertibility into goods, and also into Bills of Exchange on the Imperial Treasury. The colonists were temporarily released from a dead lock, caused by the paucity, or absence, of currency, so indispensable to a trading community.

The new issue of card money did not vary much in appearance from the cards called in, and settled for by compromise. Several specimens are in the possession of my friend Mr. Cyrille Tessier, Notary, a proficient numismatist, of Quebec. They are square pieces of card, having the corners clipped off, about half the size of a common playing card, and of the same thickness. The fractional card money is of the same material, but smaller in size. The accompanying illustrations, copied from originals in the possession of Mr. Tessier, will show better than any description could do, the character of this card money. As shown on plate I, the large card-money bears at the top the arms of France and Navarre, stamped between the signature of the clerk of the Treasury *Varin*, and the year of issue 1742, followed by the statement of its value : *Pour la somme de douze livres*. After which follows the signature of the Governor *Beauharnois*, and that of the Intendant *Hocquart*.

The small card-money has the same impress of the arms of France and Navarre, with the attesting signature "*Varin*," and year of issue, which in the example here produced is 1752. The initial at foot "*B*" is that of the Intendant *Bigot*.

Four hundred thousand livres (or francs), issued under authority of the Ordinance of 2nd March, was a small amount for a population of thirty or forty thousand. All things considered, four times four hundred thousand would have floated on that population ; and this amount might have issued without any violation of the principles of currency ; but four hundred thousand livres was not enough for the ordinary purposes of exchange, and, consequently, a second issue was authorized on the 12th May, 1733, viz. :

" Autre Ordonnance du Roi au sujet de la Monnoie de Carte, du 12e. mai, mil sept cent trente-trois.

“ DE PAR LE ROI.

“ Sa Majesté ayant, par son ordonnance du deux du mois de mars, mil sept cent vingt-neuf, et pour les raisons y

1742
Pour la femme de Douz luvier /
Beaubarnon
Nveville

1762
Lentefol
B. N.

70 1001
1000000000

contenues, ordonné qu'il seroit fabriqué en Canada pour la somme de quatre cent mille livres de monnoie de carte de vingt-quatre livres, de douze livres, de six livres, de trois livres, de trente sols, de quinze sols, et de sept sols six deniers, elle auroit eu la satisfaction d'apprendre que l'établissement de cette monnoie qui avoit été désiré de tous les états de la colonie y avoit en effet produit d'abord les avantages qu'on en avoit attendu ; mais Sa Majesté s'étant fait rendre compte des représentations qui ont été faites l'année dernière tant par les gouverneurs et lieutenant-général et l'intendant que par les négocians du pays, sur l'état actuel de la colonie, elle auroit reconnu que la dite somme de quatre cent mille livres n'est point suffisante pour les différentes opérations du commerce intérieur et extérieur, soit par le défaut de circulation de partie de cette monnoie que gardent les gens aisés du pays sur le juste crédit qu'elle a, soit parce que la colonie devient de jour en jour susceptible d'un commerce plus considérable, elle auroit jugé nécessaire pour le bien du pays en général et pour l'avantage du commerce en particulier d'ordonner une nouvelle fabrication de monnoie de carte, et elle s'y seroit d'autant plus volontiers déterminé qu'elle répondra encore par-là aux désirs de tous les états de la colonie, à quoi voulant pourvoir, Sa Majesté a ordonné et ordonne ce qui suit :

“ **ARTICLE I.**—Outre les quatre cent mille livres de monnoie de carte fabriquées en exécution de l'ordonnance de Sa Majesté du deux de mars, mil sept cent vingt-neuf, lesquelles continueront d'avoir cours en Canada conformément à la dite ordonnance, il sera fabriqué pour la somme de deux cent mille livres de cette monnoie en cartes de vingt-quatre livres, de douze livres, de six livres, de trois livres, de trente sols, de quinze sols et de sept sols six deniers, lesquelles cartes seront empreintes des armes de Sa Majesté, et écrites et signées par le contrôleur de la marine à Québec.”

· **ART. II, III, IV. and V.** are a mere repetition of **II, III, IV., V. and VI.** of the former ordinance.

It is interesting to read the preceding preamble. Light is breaking in on the subject. We see signs of caution, and an honest intention on the part of Government, to give and maintain a safe serviceable, though not immediately convertible currency. The experiment broke down, however, as we shall see presently, owing to the unprincipled proceedings of the Intendant; and government drifted into a system of reckless and unrestricted over-issue, resulting in dishonor and disaster to all concerned. With a sound system of currency and finance—very different from the present, might have been the fate of Canada. There was no lack of military ardour and soldierly qualities on the part of the French; but the woful mismanagement of financial affairs and maladministration of the colony, had a telling effect upon the spirits of the people, and contributed probably not a little to the loss of Canada to France.

An unfortunate concession had been made by Government to their ill-paid officials. All were permitted to engage in trade—from the lowest to the highest functionary. The grossest abuses were the result. Officials appear to have been in league with leading merchants to extort exorbitant prices from Government and from the settlers to whom they sold goods.(1) The privilege of trading, in connection with the issue of paper money, sometimes by the same hands, opened wide the door to every kind of abuse; and the highest functionaries were accused of enriching themselves by unworthy means.

The new issues being insufficient for the wants of the community, more might have been authorized under proper restrictions, with perfect safety. But the Intendant took the matter into his own hands, and of his own mere motion put out a separate issue of paper money which he called "ordonnances" to which no limit was assigned. The

(1) Garneau, p. 290, vol. II., referring to official despatches on the subject.

1000

96^{te} COLONIES 1759 =

Dépenses générales.

N.º 116816

IL sera tenu compte par le Roi,
au mois d'octobre prochain, de la
somme de *Quatre vingt Six*
Livres.

valeur en la soumission du Trésorier,
restée au bureau du contrôle.

A ^{Montreal} Québec, le *17. 2. 1759*
[Signature]

“ordonnances” were simply Promissory Notes. The lowest denomination was 20 sols, the highest 100 livres. They were printed on common paper about half the size of a sheet of ordinary note paper, as shown in the accompanying fac-simile, plate II, of a note for ninety-six livres, issued at Montreal (for Quebec) in 1759. At the top, the year, then the words “*Dépenses Générales*,” the number, followed by the obligation : “*Il sera tenu compte par le Roi au mois d'Octobre prochain de la somme de quatre-vingt seize livres, valeur en la soumission du Trésorier restée au bureau de contrôle.*” Under this, the date, and signature of Intendant *Bigot*.

Both cards and ordonnances were in use as currency and circulated simultaneously in the colony. The cards were, however, preferred, being considered a privileged or prior claim on the Treasury. Before the close of navigation, each year, in the month of October, those who required Bills on France for remittance, obtained them at the local Treasury, in exchange for cards and ordonnances; but cards were settled for first, because the redemption of the ordonnances was contingent upon the state of the credit of the colony. If the annual expenditure exceeded the sum authorized to be drawn for, the ordonnances, instead of being redeemed by Bills of Exchange, were exchanged for bonds, payable twelve months after date, in card money—an arrangement which was termed “*faisant la réduction.*” In 1754 both cards and ordonnances were settled for on equal terms, viz. : by Bills of Exchange payable partly in 1754, partly in 1755, and partly in 1756. In that year 1,300,000 livres of specie arrived from France, and the people thought that Government intended to discontinue the issue of paper money. Specie was then current at the proportionate value of 6 livres silver to 8 livres paper, and Government endeavored to establish that premium on silver, as a permanent par. Increased issues of paper money were made nevertheless; and as a matter of course the experiment failed, and paper fell, in spite of the

Government, to 60 and 70 per cent. discount. The paper money now afloat, chiefly ordonnances, became completely discredited. "Le papier qui nous reste," writes M. de Levis to the Minister, "est entièrement décrédité, et tous les habitans sont dans le désespoir. Ils ont tout sacrifié pour la conservation du Canada. Ils se trouvent actuellement ruinés, sans ressources."(1)

In 1758-9, the death blow was given to the system in Canada, by the dishonor of the Treasury bills, and the refusal of the Imperial Government to allow of any more drafts on the Treasury, until an enquiry had been made into the cause and extent of the excessive issues of paper money. Prior to the peace, but after all hope of keeping Canada had fled, the Governor Vaudreuil and Intendant Bigot, issued a circular to the people, stating that, they were instructed by His Majesty the King, to say that, circumstances compelled him to refuse payment of the Bills drawn on the Treasury; but that those drawn in 1757 and '58, now overdue, would be liquidated three months after the conclusion of peace; and that interest would be allowed from the date of maturity—that those of 1759 would be liquidated eighteen months after peace. The Governor and Intendant were further charged to assure the people of Canada that, the state of the Imperial Treasury, alone, compelled the King to act in this manner towards those who had given such signal proofs of their fidelity and attachment. They would wait patiently, he hoped, for a settlement of their claims. Those fair promises were never fulfilled.

Mr. Garneau, quoting from Raynal, says: "Under this monetary system Canada was deprived of all real security. Coined money has intrinsic value, paper money has none. It is only a sign and depending upon the contingency of redemption. The expenses rose rapidly. From 1,700,000 livres in 1749 they

(1) Garneau, page 355, vol. II.

rose successively from year to year to 2,100,000, 2,700,000, 4,900,000, 5,900,000, 5,300,000, 4,450,000, 6,100,000, 11,300,000, 19,250,000, 27,900,000, 26,000,000 fr.; and for the eight first months of 1760 to 13,500,000, in all exceeding 123 million. Of this sum," says M. Garneau, "the state owed 80 million—41 of which, to Canadian creditors, consisting of 34 million in Ordonnances, and 7 million in Bills of Exchange. This large amount of State obligations held by Canadians—large for such a country, proved almost valueless to the holders. Merchants and officers of the British army," says M. Garneau, "bought up, at 'vil prix,' a portion of these claims, and resold them, through French factors or brokers on London Exchange for cash. Through personal influences, a stipulation was secured in the treaty of 1763 for compensation of 3,600,000 francs in settlement of a moiety of the Bills, and three-fourths of the ordonnances; but while the Canadians suffered by the reduction an immediate loss of 29 million on their holding, the merchants and officers, alone, derived whatever profit was to be reaped from the indemnification."

With respect to the alleged gains by British officers: the statement is simply incredible. We can believe that:

" Grim visaged war has smoothed his wrinkled front ;
 And now, instead of mounting barbed steeds,
 To fright the souls of fearful adversaries ;
 He capers nimbly in a lady's chamber,
 To the lascivious pleasing of a lute."

But M. Garneau makes large demands upon our credulity when he asks us to believe that Mars took to stock-jobbing and trafficking in repudiated paper money. He must surely have penned that passage in an exceptional mood of mind; or, perhaps, under the influence of Anglophobia.

After the capitulation of Quebec, the British authorities paid for all labour, and every commodity, in specie—chiefly in Mexican Dollars. Perhaps the new subjects, as the

Canadians were then called, became reconciled to a change of allegiance which, thenceforth, secured to them the full satisfaction of every just pecuniary claim.

In preparing the foregoing story of the card money of Canada, I am indebted to Sir N. F. Belleau, Knt., Mr. S. E. Dawson of Montreal, the Prothonotary Mr. Fiset, Mr. C. Tessier and Mr. M. LeMoine of Quebec, for pointing out to me various sources of information, from which I have drawn. And to Dr. H. H. Miles, author of the "History of Canada," for enabling me to conclude this paper with the copy of an important historical document, which provides for the final settlement of all outstanding paper—whether cards, ordonnances, or bills of exchange.

29TH MARCH, 1766.

COVENTION, FOR THE LIQUIDATION OF THE CANADA PAPER MONEY BELONGING TO THE SUBJECTS OF GREAT BRITAIN, BETWEEN THE KING OF GREAT BRITAIN AND THE MOST CHRISTIAN KING.

In order to terminate the discussions, which have too long subsisted in regard to the liquidation of this paper, belonging to the subjects of Great Britain, the two courts have named and appointed their respective Ministers Plenipotentiary, viz :

His Brittanic Majesty, the Sieur Henry Seymour Conway, Lieutenant-General of his armies, and one of his principal secretaries of state, likewise authorized to the same effect by the proprietors of the said Canada paper; and His Most Christian Majesty, the Sieur Count de Guerchy, Knight of his orders, Lieutenant-General of his armies, Colonel Commandant of his regiment of foot, and his Ambassador to His Brittanic Majesty; who after having communicated their full powers

and authorizations in due form, to each other, copies whereof are transcribed at the end of the present Convention, have agreed to the following articles :

ARTICLE 1ST.

His Excellency General Conway, invested with the above mentioned full powers and authorizations, accepts, for the British proprietors or holders of the Canada paper, and in their names, the reduction of the said paper, on the footing of fifty per centum for the Bills of Exchange, and such part of the certificates as are entitled to the said payments and of seventy-five per centum, for ordonnances cards and the remaining part of the certificates, and to receive for the fifty and twenty-five per centum of the reduced principal, reconnoissances or rent-contracts, which shall bear an annual interest from the 1st day of January, 1765, of four and one-half per centum, to be subjected to the Dixième from the said 1st day of January, 1765, in as many reconnoissances as it shall suit the holders to divide their liquidated principals into: provided that each reconnoissance shall not be for more than one Thousand Livres Tournois; which reconnoissances shall share the same fate for their reimbursement, as the other debts of the state, and shall not be subjected to any reduction whatsoever: the whole conformably to the arrêts of the Council issued in France the 29th of June, 2nd July, 1764; 29th and 31st December, 1765.

ARTICLE 2ND.

In order to ascertain the British property of this paper, at the period, and according to the meaning of the Declaration annexed to the last treaty of peace with France, each proprietor or holder shall be obliged to make a declaration thereof upon oath, in the form and terms which shall be hereafter prescribed in consequence of a further delay, which his Most Christian Majesty grants them, to the 1st of October, 1766: after the expiration of which, such of the said papers, as shall not have been declared and tendered to be liquidated, shall remain excluded, null, and of no value.

ARTICLE 3RD.

These declarations on the part of the proprietors and holders of this paper shall be accompanied by an oath to be taken before the Lord Mayor of the City of London, or such other magistrate in person as shall be named for that purpose, in such place and at such times as shall be specified in the presence of the commissaries or deputies appointed as well on the part of the Court of France as on the part of the proprietors of this paper ; which commissaries or deputies shall be allowed to ask through the magistrate who administers the oath, such questions of the deponent, as they shall judge necessary relative to the object of the oath.

4TH ARTICLE.

Each declaration shall contain only what belongs to one holder, whether they are his own property, or held by him for account of others, mentioning therein his name, quality, and place of abode ; and this declaration shall be made conformable to the model annexed to the present convention.

5TH ARTICLE.

Duplicates shall be made of these declarations, certified to be true, signed by the holders of the said papers, and previously delivered to the English and French commissaries or deputies, who shall be obliged, three days after receiving these declarations, to assist at the taking of the oath before the magistrate appointed for that purpose.

6TH ARTICLE.

As this paper may, since the last treaty of peace, have passed into the hands of three different classes of proprietors ; namely, the actual proprietors, the intermediate, and the original ; the form of an oath suitable to each class of proprietors shall be prescribed in the three following articles.

7TH ARTICLE.

The actual proprietors, who are not original proprietors, having been intermediate purchasers, with a guarantee of the British property, shall take the following oath underneath the declaration of their paper.

“ I affirm and solemnly swear on
 “ the Holy Evangelists, that the papers mentioned in the
 “ foregoing declaration are the same (or part of the same) that
 “ I purchased of B the with a
 “ guarantee of their being British property ; and that I hold
 “ them on my own account (or on account of)
 “ so help me God.”

8TH ARTICLE.

The intermediate proprietors, who have been purchasers and sellers, with a guarantee of their property being British, shall take, by endorsement on their declaration an oath in the following form :

“ I affirm and solemnly swear on
 “ the Holy Evangelists, that I did purchase of C
 “ on the day of sundry
 “ Canada papers, amounting to : and
 “ that I did sell the same, or of the
 “ same, to D which was guaranteed to, and by
 “ me, to be British property, so help me God.”

This oath to be repeated by each intermediate purchaser, back to the person, who brought them, or received them, from Canada.

9TH ARTICLE.

The Canada proprietors, or those who represent them in London, being the actual possessors, or no longer so, shall take the following oath, with the modifications expressed, suitable to the different circumstances, under which they may find themselves :

“ I affirm and solemnly swear on
 “ the Holy Evangelists, that the papers mentioned in the
 “ foregoing declaration :

(If the property of a Canadian) “ are my own property,
 “ having had them in my possession at the date of the last
 “ treaty of peace (or having bought them in Canada, from
 “ whence I brought them.”)

(If in possession of a British Representative of a Canadian subject) "are my own property, having bought them (or "received them) from Canadian subjects."

(If not in his possession) "were my own property, "having bought them (or received them) from Canadian "subjects; and that I sold the same (or part of the same) "to the"

(If these papers came from France or elsewhere, being the property of Canadian or British subjects) "were sent to "me from France, or elsewhere, on account of "as British property."

(If sold) "and that I sold the same (or part of the same) "to the"

(Foreigners, who shall have sent them to England, shall take the same oath as the intermediate proprietors, as expressed in the 8th Article, preceding.)

(Foreigners who shall have received them from Canada or Great Britain)

"I affirm and solemnly swear on "the Holy Evangelists, that at the date of the last treaty of "peace, I held in trust, or that since that date I have received "from in Canada (or in Great "Britain) sundry Canada papers, amounting to "on the proper account of "an actual British Canadian Subject; and that I have sold "(delivered) (or sent) the same (or part of the same) to " as British property."

On these different oaths being judicially and legally made the respective commissaries shall be obliged to grant to the holders of the papers, that shall have come from France (or elsewhere) a certificate of their being British property as well as to the holders, who shall have received them directly from Canada.

(If the papers have been brought from Canada, on account of any other than the person who sent them) "have been sent

“to me directly by of in
 “Canada, who purchased them from British Canadian
 “Subjects, upon commission for account of
 of”

(Lastly, if the papers are for account of Canadians and transmitted by them.) “That I received from
 “of in Canada and for his account.”

(All indifferently are to add.)

“I further swear that the said papers were neither
 “purchased, nor have been negotiated in France, as French
 “property, nor acquired directly or indirectly from natives of
 “France, who were the proprietors of them at the date of the
 “last treaty of peace, and that no part of these papers were
 “carried from Europe to Canada, in order to give French
 “property the sanction of British property, which I affirm and
 “solemnly swear, so help me God.”

10TH ARTICLE.

Nevertheless, in case the actual proprietors or holders produce Borderaux in good form, registered heretofore in Canada in consequence of the orders of the English Governors or declared in France as British property, and not liquidated within the time (for those declared in France) that the Registers for the Declaration, were opened for the French, it shall be sufficient, that the proprietors or holders, so circumstanced, take the following oath :—

“I affirm and solemnly swear on the
 “Holy Evangelists, that the papers, mentioned in my
 “foregoing declaration, have been registered in Canada (or
 “in France) conformably to the annexed Borderaux, which
 “I certify to be true, so help me God.”

11TH ARTICLE.

After the administration of the oaths, there shall within the space of three days, be delivered, to each actual proprietor or Holder, a certificate of its being British property, by the magistrate who administers the oaths; which certificate shall be revised and signed by the respective commissaries or

deputies and shall contain an account of each sort of paper, which shall have been therein proved British property; in order, that by means of this voucher, the possessor may present his paper to the office of the Commission at Paris, there to be examined, revised, liquidated, and converted into reconnoissances or rent-contracts, according to the reduction fixed and agreed upon: Every thing shall meet with all possible despatch, and the holders of this paper shall be at no expense whatsoever.

12TH ARTICLE.

In case any unforeseen accident shall have deprived any actual proprietor of this paper of an intermediate proof between him and the first proprietor who received it from Canada, so as that the proofs which precede and follow that which ought to join them, and which is missing, seem to have report, and belong to each other; in that case only the respective commissaries or deputies shall be empowered to admit the paper, it relates to, as British property, if they think proper, notwithstanding the deficiency, which shall have broken the link of the proof: and if the respective commissaries or deputies should chance to differ in opinion, the decision of the object in question shall be referred to his Britannic Majesty's Secretary of state, and the Ambassador of His Most Christian Majesty.

13TH ARTICLE.

In virtue of the foregoing arrangement, the Court of France grants to the British proprietors of this paper an indemnification or *premium* of three millions of Livres Tournois, payable in the following manner, viz. :—The sum of five hundred thousand Livres Tournois, which shall be paid in specie to his Britannic Majesty's Ambassador at Paris, in the course of the month of April next, and the sum of two millions five hundred thousand Livres Tournois in reconnoissances or rent-contracts, of the same nature of those which shall be given for the fifty and twenty-five per centum on the certificates of the Bills of Exchange, Cards,

Ordonnances, &c. ; but the interest of which shall only run from the 1st of January, 1766. Which sum of two millions and a half of Livres Tournois shall be delivered to the aforesaid Ambassador immediately after the ratification and exchange of the present convention in reconnoissances of one thousand Livres Tournois each, on the express condition, that all the Canada paper belonging to British subjects, not liquidated, shall share the same fate, for its reimbursement, as French paper, and shall come in course of payment with the debts of the state, the reconnoissances or rent-contracts whereof shall be paid as the other debts, without being subjected to any reduction whatsoever ; and on the further condition that all the English proprietors of the said paper shall give up every particular indemnification from any cause or pretext whatsoever.

14TH ARTICLE.

The solemn ratifications of the present Convention shall be exchanged in good and due form, in this city of London, between the two courts, within the space of one month, or sooner, if it be possible to be reckoned from the day of signing the present convention. In witness whereof, we, the underwritten Ministers Plenipotentiary of the said two courts have signed, in their names, and by virtue of our full powers, the present convention, and caused it to be sealed with our arms.

Done at London, this twenty-ninth day of March, 1766.

⋮⋮⋮ L.S.⋮ H. S. CONWAY.

⋮⋮⋮ L.S.⋮ GUERCHY.

Canada Paper.

Declaration made in consequence of the *arrêt* of Council the of 24th December, 1762.

“ I, the underwritten do declare,
 “ that I have in my possession the Canada papers
 “ here undermentioned, which belong to me, or belong to
 “ ”

BILLS OF EXCHANGE.

Exercises.	Stamp of the Bills of Exchange.	Dates.	Numbers.	Names of the Drawers.	Upon Whom Drawn.	To the Order of.....	When Due.	Sums.	Total per Exercises.

Total of the Bills of Exchange,

BILLETS DE MONNOYE OR ORDONNANCES.

No. Receipt of the Treasurer of Canada for *Billets de Monnoye*.

<i>Billets de Monnoye</i> of.....	1000
of.....	96
of.....	50
of.....	48
of.....	24
of.....	12
of.....	6
of.....	3
of.....	1 10 s.
of.....	1

Total of the *Billets de Monnoye* and *Ordonnances* included.
 Receipts of the Treasurer of Canada.....
