

XII.—*The Copper Currency of the Canadian Banks, 1837-1857.*

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Trade, which, from early times in the British North American colonies, had suffered from an insufficiency of currency, was still further hampered, during the latter half of the eighteenth century, by the almost total cessation of the coinage of silver at the Royal Mint.¹

While this scarcity prevailed in the north there was abundance in the south, through the wonderful activity of mints in Spanish America,² and some of this abundance found its way northward.

This Spanish coinage, mainly dollars, so came to be the prevailing currency in the British Colonies, and so influenced the circulation that the dollar, in a manner, came to be considered the unit rather than the pound, while many transactions, entered into by the government as well as by individuals were expressed in "Spanish milled dollars." The dollar too was divided into so many shillings and these shillings, although still calculated as twenty to the pound, were based not on the pound sterling but on a standard known as the pound currency. Thus the pound in the colonies was reduced to meet the altered circumstances. The number of the shillings to the dollar varied in the different Colonies; for in Massachusetts it was six, in Pennsylvania seven and a half and in New York eight.

In Nova Scotia, after it came under British rule, a different standard still was adopted, which, from the capital of the province, was called "Halifax Currency." By this currency the dollar was divided into five shillings and ten sixpences which gave it an approach to the decimal system. When this standard was first adopted the dollar was worth four shillings and sixpence sterling; on which rate was based the old par of exchange. But Halifax currency followed the decline in value of the dollar until it was finally fixed in 1837 by the virtual adoption of the gold standard in the United States. Then par of exchange, which had been advanced from time to time, was finally settled at nine and a half, the present rate.

After the revolt of the thirteen colonies, Halifax currency was extended to the old Province of Quebec where, by the way, it is first mentioned in a tentative currency promulgated in an ordinance issued

¹ Only a single silver coinage, and that limited to £55,000 in shillings and sixpences, issued in 1787, was struck between the years 1758 and 1816.

² According to law the whole of the extensive products of the silver mines of Mexico and Peru had to be coined before being exported.