

showed a larger amount than the first estimate sent, and as the claims were made upon France on the basis of the first estimate, it may be difficult to get the additional sum admitted. The ambassador, however, will be instructed to do his best in the matter.

The British Government naturally took exception to the act of June, 1764, for the liquidation of the Canadian paper, and the Court of France as naturally sought to justify its action. The reasons given by France in justification of the very great reductions in the value of certain parts of the paper were: (1) The discredit into which the paper had fallen. (2) The high price of necessities in 1759. (3) That the letters of exchange given before 1759 were paid in part. (4) The ordonnances and cards were only such as were issued after the last delivery of letters of exchange. (5) The retailers and merchants purchased the ordonnances at 80 or 90 per cent. discount. In reply to these the British Government made the following answers: (1) The Court of France, being itself the author and cause of the discredit, has no title to be benefited by it. (2) In 1759 the prices for the King were fixed by the Intendant at a lower rate than that at which necessities were sold in the colony. (3) No reasons are given why the letters anterior to 1759, are not entitled to complete payment. (4) Ordonnances and cards of an old date were the circulating medium of the country. (5) The Court of France is responsible for the full value, whatever they may have been purchased for. And they might have added, had they fully understood the situation, that a considerable portion of the cards at least, represented the savings of the people, and were not issued, as asserted, after the last delivery of exchanges.

The negotiations continued through 1765. In the meantime many of the English merchants in the course of their trade, and from speculating in Canada bills, had become personally interested in the payment of them. These persons sent a petition to parliament, in which they rehearsed the chief points in the history of the question up to that time. They complained of the unfair terms of the settlement made by the French Court. The 4 per cent. funds in which the payment was to be made then stood at 24 per cent. below par, so that the letters of ex-