

held that the best policy, with a view to maintain a latent hold upon the French Canadians, was to promptly and fully meet all obligations in Canada.

While the issue remained uncertain, the English merchants generally refused to accept Canadian paper for goods. In consequence, the paper money for a time almost wholly dropped out of use as a medium of exchange. Even where contracts were made payable in paper money, the courts were instructed to suspend judgment upon them until an ultimate settlement of the matter had been reached. When, after the treaty, the prospects of payment became brighter for a time, a good deal of speculative buying of Canadian paper was indulged in.

At first Murray and the English generally endeavoured to convince the Canadians that there was no hope of the French Court ever redeeming their claims upon it; and that, therefore, they would lose nothing in transferring their allegiance to Britain. But after his position was secure, Murray adopted the opposite tack, and advised the French Canadians to hold on to their paper money, as the British Government would secure its redemption.

The French Court, when suspending the payment of the Canadian paper in 1759, had at the same time promised to redeem it as soon as the war was over, at the rate of 500,000 l. per annum. But, as this applied to the paper of all the French colonies, even if the promise had been kept, it would have required several centuries during which to complete the payment.

In Canada, in particular, Vaudreuil and Bigot, both before and after the capitulation, had given the strongest assurances in the King's name that the Canadian paper would be redeemed after the peace. These pledges and assurances were, of course, used with effect in the peace negotiations which followed.

From the first, the Canadians were naturally clamorous before the English authorities in Canada, to obtain some definite decision as to the status of their paper money, both in commerce and with reference to previous contracts. The people in Montreal went so far as to send a petition to the British Government to secure the redemption of their paper, as it was practically the only money which they had. This was fairly correct as to the Montreal district, which had not the same opportunities for