

THE HISTORY OF CANADIAN CURRENCY, BANKING AND EXCHANGE*

II. ONE CURRENCY FOR THE EMPIRE

IN entering upon the next phase in the history of Canadian currency and exchange, we have to deal with a very extensive and interesting experiment in currency regulation. This was the attempt, undertaken by the British Government in 1825, to extend the British currency and its standards throughout the Colonial Empire.

While the great wars were going on round the turn from the last to the present century, while the currency was demoralized and specie payment by the Bank of England suspended, throughout the Empire Britain made use of whatever coins she could command in exchange for bills on the Imperial treasury.

The internal trade of Lower Canada, so far as carried on with the French Canadians, employed almost entirely the old French currency, to which the Habitant clung as part of that cherished nationality which marked his independence of British institutions. But in the extensive payments of the British Government, in the wholesale and foreign commerce, and in the

*Chief sources:

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