

as compared with the silver coins, as was the case in most of the North American colonies, hence little gold remained in circulation.

It may be observed as a general principle in considering the fluctuating rates of the coins current in America, that though a uniform scaling up or down of the currency has little effect either in retaining it in the colony or driving it out, yet an unequal rating of the coins, as compared with their intrinsic value, will have the inevitable effect of driving the under-rated coins out of the country, while retaining the over-rated ones in it, this being only a special application of Gresham's law.

The merchants of Canada evidently paid no more attention to the requirements of this ordinance than suited their convenience. Though it was undoubtedly of value as affording a definite basis for legal settlement in cases of dispute, yet in the normal course of business the merchants continued to follow the usages to which they had been long accustomed.

Finding this to be the case, a further ordinance was passed on the 15th of May, 1765. By this the settlement of every form of commercial obligation entered into before the coming into force of the ordinance of 1764 was made legal if according to the scale of values stated in that ordinance. But the new ordinance went much further, containing the following very drastic clause: "That all original entries in books of accounts, and all accounts whatsoever for goods and merchandises, or other things sold and delivered, agreements, bills (bills of exchange only excepted), promissory notes, bonds, mortgages, and other securities for money, leases, and all interests and rents thereby reserved, kept, made and entered into, after the said first day of July next, in any other currency than the said currency by the said ordinance established, contrary to the true meaning thereof and of the said ordinance, shall not be admitted as evidence in any court of Law or Equity in this Province, but shall be deemed, adjudged and taken, and are hereby respectively declared to be null and void to all intents and purposes whatsoever."

Considering the conditions under which business had been carried on in the American colonies, this stringent regulation was not only a great injustice to the merchants, but simply