

CANADIAN CURRENCY AND EXCHANGE UNDER FRENCH RULE

V. ULTIMATE DISPOSAL OF THE PAPER MONEY*

Though attended by many anxious watchers, the French Canadian paper currency suffered a painful and lingering death. The embarrassment of the French treasury during the greater part of the Seven Years' War is a well-known fact of financial history. During the last years of the war the treasury was practically bankrupt, the treasurer being compelled to repudiate past promises and obligations from almost every quarter. The deferring of payments in Canada was simply a partial expression of the general attempt to ward off an utter collapse, and the complete suspension, in October, 1759, of all payments on Canadian account, was not merely an expression of the abandonment of Canada to her fate, after the capture of Quebec.

In the last article a table was given showing the amount of the exchange drawn upon France during the closing years of French rule. From that it will be seen that the most remarkable increase in the expenditure took place in the years 1757-8-9. But, by the system of deferred payment then in force, one-fourth of the value of the exchanges drawn in any one year, was to be paid the following year, one-half the second year after, and one-fourth the third year after being drawn. When, therefore, the payment of the Canadian exchanges was wholly suspended in

*Chief sources :

Canadian Archives, Haldimand Collection B. XXI, XXIII, XXIV, XXVII, XXXVII.

State Papers, Q. I—V & LV.

Jenkinson's Collection of Treaties of Peace, Alliance and Commerce between Great Britain and other Powers. Vol. III.

An Act of the King's Council of State which orders the Liquidation of the Bills of Exchange and Money Bills of Canada. (June 29th, 1764).

De l'Administration des Finances de La France. Par M. Necker, 1784.