

HISTORY OF CANADIAN METALLIC CURRENCY.

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(Read 22nd April, 1911.)

Canadian metallic currency as we have it to-day has not been the result of any definite or conscious choice on the part of the Canadian people or their Government. In fact, if the earlier Governments could have settled the matter according to their own convictions and wishes, our currency would be quite other than what it is. However, circumstances are stronger than policy and popular usage than Government enactments.

At the time of the Conquest Canada passed into the hands of the British with practically no metallic money in sight. It was submerged in a flood of depreciated paper currency, the result of extravagance and corruption on the part of the last French colonial Government. When confidence was restored the trade of Quebec and Montreal began to revive through the activities of the immigrant British merchants from the southern colonies. Metallic currency re-appeared, but it was of a very varied character, coming as it did from the old stockings of the more fortunate French-Canadians, the traders from the English colonies and the payments of the British Government.

The long and intimate trade connection between the American colonies and the West Indies resulted in the introduction of Spanish and Portuguese coins. The Spanish dollar was the chief medium of exchange and consequently the practical standard of value. The sterling currency of Britain was the legal standard of the colonies, but there were few British coins in circulation. Metallic currency in a new country whose manufactured goods must be obtained from abroad is apt to be scarce. Popularly the most reasonable manner of protecting and retaining currency is the simple method of over-rating it. This however led to competition in over-rating among the British colonies in America. The Legislature of Massachusetts fixed the value of the Spanish dollar or "Piece of eight" (meaning eight Reals) at six shillings. This was confirmed by the Royal proclamation of Queen Anne, under advice from the Board of Trade, in 1704. In this Proclamation the same rating was extended to the other colonies, and the other silver coins were rated in like proportion. As the Proclamation was only indifferently observed by some of the other colonies, in order to have it legally enforced its terms were embodied in an Act of the Imperial Parliament in 1707.