

nances then in force for the regulation of the currency, and which had been mostly determined in Britain, were not workable.

On August 17th, 1772, Gramahé, who was administering the government in the absence of Carleton, sends to Hillsborough quite a full and interesting report on the subject of the currency. He confesses that he had found it necessary, in the end, to leave the adjustment of the values of the different larger coins, especially the Portuguese Joes and half-Joes, as they were called, to be settled by the Quebec and Montreal merchants between themselves. The Montreal merchants, we find, were able to turn the scale in favor of their usage, which, in turn, was determined by that of the English colonies to the south, with which the Montreal merchants were always most intimately connected, and from whence both the government and the merchants of Canada obtained their supplies of specie.

In the same despatch Gramahé refers to the continued high price of silver, which, as it circulated in Canada by tale and not by weight, and was underrated as compared with the gold coins, was still the more profitable metal to export to the other colonies in payment for supplies. Referring to the lack of small silver for change, he says, "It is so very scarce that government has been under the necessity of winking at every little retailer's circulating paper bills of his own, some, if not much of which must fall a dead loss to the public, whenever they are cried down, or the issuers come to wind up their affairs." He hopes that when the government here is fixed upon a permanent basis some method will be found to correct these evils. On Nov. 4th, Dartmouth, on behalf of the Board of Trade, replies to Gramahé, admitting that his leaving the determination of the values of the Portuguese coins to the practical arrangements of the Quebec and Montreal merchants, was the wisest thing to do under the circumstances. With reference to the scarcity of the silver coins, he says it is a difficulty to which Quebec, in its present commercial condition, must continue to be exposed; but nothing can be done until the colony has a more permanent constitution. Till then the circulation of foreign silver coin must be regulated by the provisions of the statute of Queen Anne.

Thus were the currency difficulties of the colony left for