

The total amount of treasury paper for all purposes returned for conversion in October, 1746, amounted to 1,776,331 l. 17s., and of card money only 38,222 l. 12s. Hocquart, the intendant, adds significantly, that if he had not shut down promptly on the 20th of October he would have had a much larger sum to meet, owing to warrants coming in from Acadia and other distant parts.

We have thus reached the period when the business and currency of the country ceased to be governed by the normal conditions of production and consumption, and the need for a medium of exchange proportioned to them. Henceforth the normal commerce and currency of Canada are swallowed up and lose all identity in the enormously increased expenditure on the king's account, dominating the markets for home and foreign goods, and wholly determining the machinery of exchange, domestic and foreign.

Among the changes arising from the new conditions which produced a derangement of values we may take the following :

The intendant reporting on the enormous increase of the expenses, says that it was necessary to draw exchanges for all the paper presented in order to support the king's credit, pointing out the financial embarrassment which he would suffer were confidence in the prompt payment of claims destroyed. Nevertheless, when the bills reached France their payment was deferred, in part at least, if not altogether.

Here we have the beginning of that postponing of payments by the French treasury which first impaired and ultimately destroyed the credit of the treasury paper and even of the card money as well.

The Quebec merchants at once felt the effects of the deferring of payment, and through their syndic made a protest to the governor and intendant. They declare that they are not alarmed as to the ultimate payment of their exchanges, but the delay has the greatest effect upon the commerce of the country, which requires prompt returns. As Hocquart himself puts it, the action of the French treasury has already greatly raised prices in Canada. People fearing that their bills may be deferred again next year, are attempting to exchange them for bills on the Company of the Indies obtained for furs sold them.