

point, the most obscure in the history of the country. To the student of economic history it is almost entirely virgin ground. It is only, indeed, since the valuable collection of documents and papers brought together in the Canadian Archives Office has been made available to the student of our country's history, that a continuous and sure-footed narrative in this department has been at all possible. The other sources of information, valuable though they are on many points, are yet very fragmentary, and require for their full understanding the light which these voluminous records throw upon them. I may be pardoned, therefore, if, in this new field, I give in some detail the prevailing ideas, methods and conditions of exchange which preceded and prepared the way for the introduction of banking.

Practically all of the Canadian trade with the outside world, being mainly that with old and new England, and much the greater part of the wholesale domestic trade as well, passed, at the time of the Conquest, into the hands of the English traders. It thus took on quite a different complexion, and was conducted on quite different principles from those which prevailed under the French regime. Hence, though the monetary and general economic experience of the French Canadians under French rule, naturally continued to have much influence upon their economic habits, as well as upon their attitude towards the English methods of trade and exchange, yet it is not necessary to go behind the period of the Conquest in seeking a starting point for our narrative.

The chief feature of interest to us in connection with the passing of French power in Canada, was the enormous issue of paper currency during the closing years of French rule. The magnificent scale upon which corruption flourished in that small community, and the exhaustion of the French treasury, left an immense amount of paper currency, or bills of exchange obtained for it, unpaid, and the cession of the colony to Britain left little hope of the paper being redeemed. For some time before the Conquest, practically nothing but paper currency was in circulation; while after the Conquest, and before the extracting of a promise from France to make a partial redemption of its obligations, the paper money was almost worthless, and was not receivable in trade by the British merchants. It