

expended in it to carry on the war. Everything depended upon the prompt and adequate supply of funds from the French treasury.

In 1690 part of the supplies sent to Canada were lost in transit, and Champigny, finding himself in the same position as Demeulles, availed himself of the same expedient. But, since the colony was now so completely dependent on France, nothing that would not command supplies from France was of any avail. To pay the soldiers in card money was simply to increase the demand for goods without giving the merchants the means of purchasing them. The natural result was a rise in prices, and a special price for card money.

In 1691 the same difficulty occurred, and a new issue of card money was made, the issue of 1690 being paid off. In his report to the minister, dated 10th May 1691, Champigny thus describes the situation :

"Though Count de Frontenac and I have drawn, through M. de Lubert's clerk, last November, bills of exchange on France for 87,377 l., in order to have funds in this country, we could not meanwhile avoid making this year a new issue of the card money in order to meet all the expenses, as a portion of our funds, which consisted of ammunition, did not arrive last year, and we have redeemed the paper money issued in 1690. It is highly necessary, my lord, to adopt some other expedient, in order to have funds every year in this country to meet the expenses of the first five or six months of the one succeeding. If you will authorize the payment in France of bills of exchange to be drawn here when the last vessels sail, at two or three months sight, by M. de Lubert's clerk, means will be found to borrow to the amount of 50,000 écus in ready money. We pray you to consider it, my Lord, and to think of the wrong done the troops who purchase for much higher rates for paper money than for specie, and who experience, in addition, considerable difficulty in procuring necessities."

Here we observe that the depreciation of the card money was plainly not due to any lack of faith in its redemption, for the only two issues yet made had been promptly and fully redeemed. The depreciation was due simply to the card money increasing, for the time, the amount of currency without corresponding increase in the goods to be purchased. Hence, as he