

in Canada by the British Government during the war of 1812-15. Had the exchanges drawn for the cards been promptly paid, as in the case of the army bills, they could not have affected disastrously the currency of the country, for only a temporary over-issue would have been possible. An increase in the amount issued would have meant an increase in the expenditure of the government, which in turn would have meant an increased demand for goods and labor, and this would have involved a corresponding increase in the import of French goods, which would draw off, in return for letters of exchange, the greater part of the extra issue of card money. As the trade of the colony might be enlarged in this way, an increasing quantity of the cards would have remained in circulation to act as a medium of exchange.

It was not the quantity of cards issued in proportion to the population and trade of the colony that led to their depreciation, but simply the inability of the government to redeem the surplus not required as a circulating medium. Had the amount of card money issued not exceeded the needs of the country for a currency, they would not have fallen in value, whether the home government could have redeemed them or not. The need for them as currency would have prevented a call for their redemption.

Thus the card money, like the army bills, though issued simply as a means of enabling the authorities to carry on the affairs of the country, yet, once issued, discharged two totally different functions: first, as a currency or local medium of exchange; secondly, as orders on France for supplies. The first, however, was simply incidental. Further, as the cards were issued only when the government was in straits, owing to the failure of the recognized methods of supply, the real currency function of the cards never had an opportunity to be recognized during this first period. In the beginning of the second period, however, this feature was strongly brought out, as will appear from the facts to be related in the next paper.

Other aspects of the card money as they appeared to the philosophic observer of that time, are admirably stated in a memoir on the subject, bearing date 1711. It contains a shrewd apology for the card money, written from the imperial point of view.

It is stated that nothing but card money is to be found in Canada. This the writer regards as very fortunate for France,