

When in 1755 the king sent out regular troops to Canada, the officers and soldiers were promised that they should be paid in specie, and not in the already considerably depreciated colonial paper. This policy resulted very unfortunately for almost all parties.

The minister, writing to Bigot on the first of April, 1755, explains the plan to be adopted.

First of all the intendant is authorized to draw letters of exchange, for the expenses of the imperial troops alone, payable the year following, as originally, though he is asked to make the date of payment as far on in the year as possible. It is expected that in consequence he will be able to obtain the necessary provisions for the troops at a corresponding reduction in price, as compared with what is charged when payment is made in exchanges extending over three years. But it is necessary to make a general reduction of the excessive prices which have prevailed in Canada for some time. The most effective way of doing so would be to pay in specie the whole of the expenses of the king in Canada, and he would adopt this method were it not that the condition of the treasury renders it impossible. As it is, he can send only sufficient specie to pay the troops who are going out, and he asks the intendant to observe what effect that money will have in reducing prices, and how much more he thinks would be necessary to bring them back to their normal level.

In his estimate of the Canadian situation and the remedy required, the French minister has made several mistakes. In the first place complete payment in specie was not at all called for in Canada. Under the conditions which then prevailed, the imports of necessity greatly exceeded the exports, which, except for the beaver, had almost ceased, being more than required in the country itself. Hence, were specie sent out to Canada, most of it must simply have returned to France, or gone to other countries to pay for imports. The risk of sending specie in time of war would considerably diminish its value, whereas letters of exchange, drawn against the specie if left in France, would have answered all the Canadian needs, and at the same time would have been a much safer and better method of making payments. All that was necessary to get rid of the abnormal