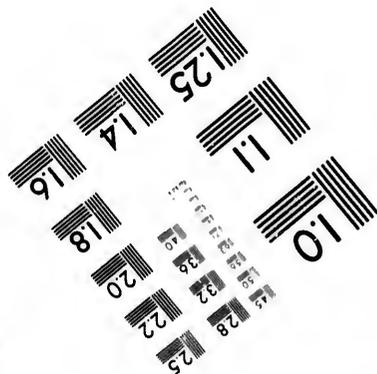
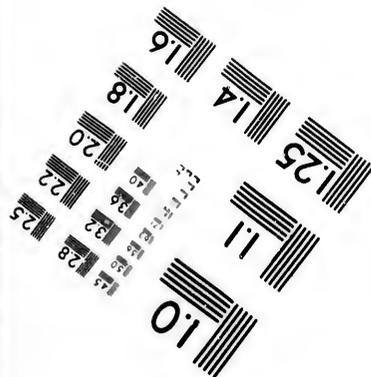
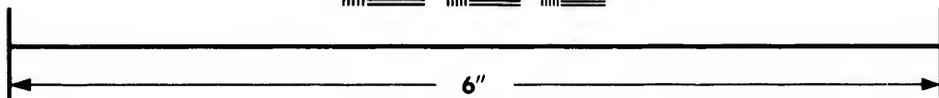
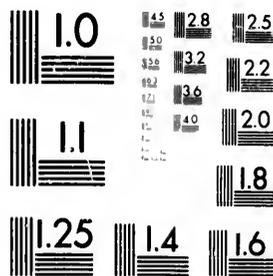


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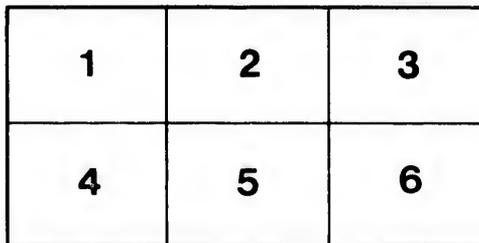
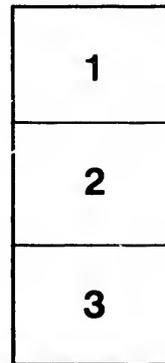
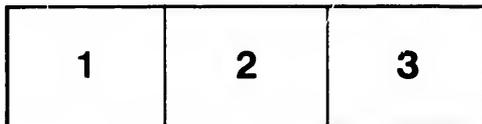
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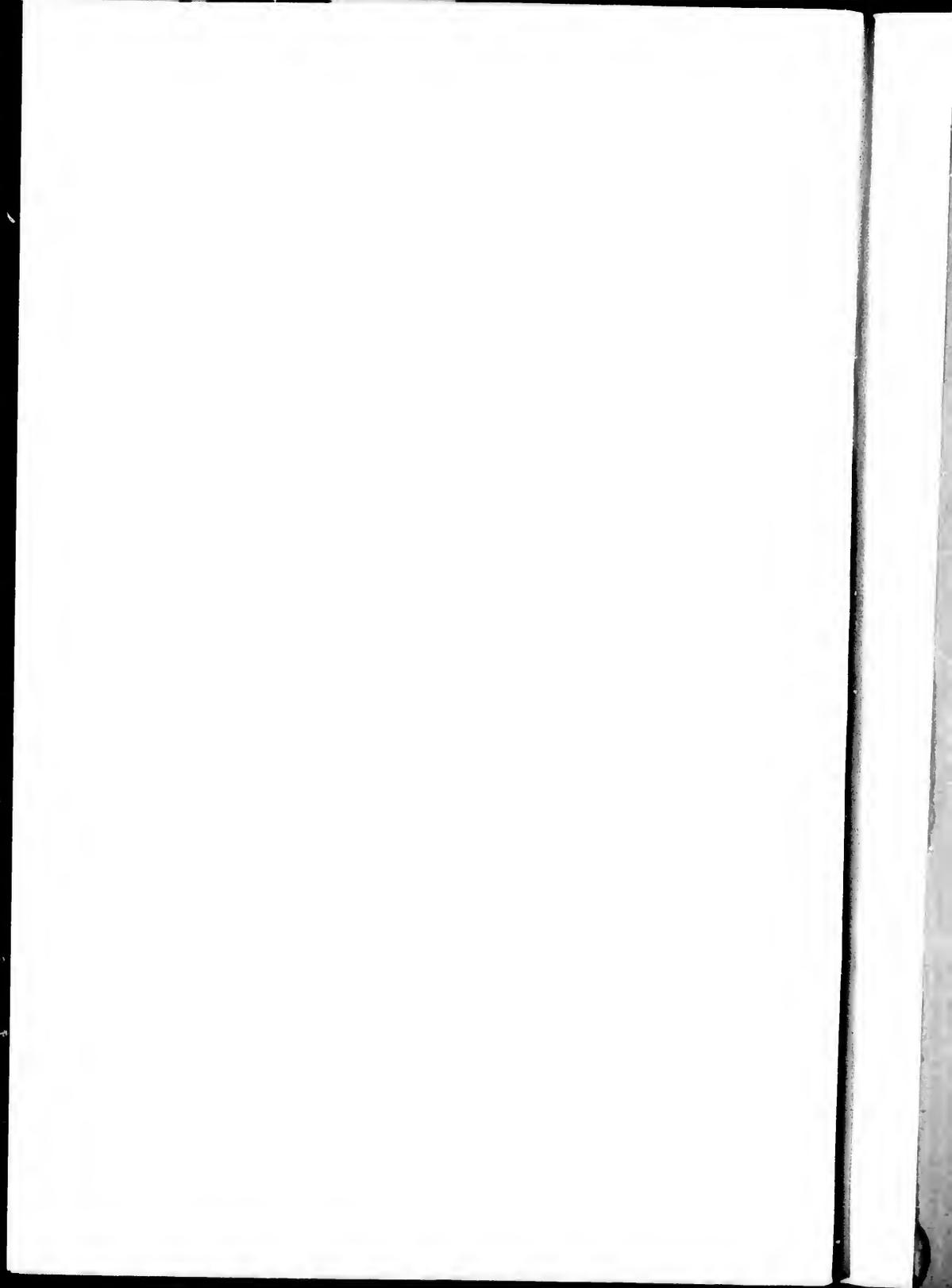
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The  
Nova Scotian Treasury Notes

by

R. W. McLachlan



Montreal  
1898

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## THE NOVA SCOTIAN TREASURY NOTES

BY R. W. McLACHLAN.



**I**N a paper read, in 1892, before the Royal Society of Canada, <sup>(1)</sup> I referred to the Treasury Notes issued by the Province of Nova Scotia in the following paragraph :  
“ Under the Act of 1812, to provide for larger coins, Treasury Notes were issued. These were gladly hailed by business men as a great convenience and passed current for all transactions within the Province. The notes were first printed from type, signed by the treasurer and countersigned by the Commissioners as provided by the Act. In 1820 regular notes, printed from engraved plates prepared by Mavricks, a Boston engraver, were issued. These notes, as the

(1) “ Annals of the Nova Scotian Currency ” in the Proceedings of the Royal Society of Canada. Vol. X, Section II, page 33.

treasurer writes in 1825, were extensively counterfeited. In this letter he states that there are many counterfeiters in Boston; and, after asking that a stamp with special ink be sent to him, inquires if any paper especially made for bank notes, so as not to be easily imitated, could be procured. This Act was amended or supplemented by later Acts, as necessity required, providing for the redemption of the old notes, issuing new ones or increasing the issue. Montgomery Martin reports that in 1836, these notes had driven all gold coin out of the country, and that the amount of treasury bills in circulation, chiefly one pound notes, reached £67,644."

It was the continued insufficiency of the currency, by which trade was greatly hampered, that forced the Provincial Legislature to issue treasury notes. A scarcity of coined money seems to have been chronic in all the North American Colonies. To cure this trouble each of them successively issued a paper currency. In this innovation Canada took the lead, when Intendant de Meules, at his wits end for want of money, paid in 1685 the importunate troops, sent out to defend the Colony against the raiding Iroquois, with bonds which he compelled traders to accept as ready cash in payment for goods. Massachusetts followed in 1708, New York in 1709 and each of the other colonies in turn, Virginia being the last in 1757. This currency, although becoming more and more depreciated, continued to form the bulk of the circulating medium of the revolted colonies until 1791. After which as something almost valueless, it was repudiated.

It will be seen then that the Nova Scotian treasury notes, which were authorized by an act passed in 1812, cannot be classed along with the earlier colonial issues which had, as utterly worthless, ceased to be current twenty years before.

This act empowered the Lieutenant Governor to appoint three Commissioners "to issue treasury notes to the amount of twelve thousand pounds as follows, viz.

Fifty notes of fifty pounds each; one hundred notes of twenty pounds each; two hundred notes of twelve pounds ten shillings each; four hundred notes of five pounds each; four hundred notes of two pounds ten shillings each; and two thousand notes of twenty shillings each; making in the whole, twelve thousand pounds, which Treasury Notes shall bear lawful interest from the day they shall be issued in payment from the Treasury, and shall be indented and impressed with the words "Nova Scotia," signed by the Treasurer of the Province and countersigned by the said Commissioners and containing the following figures and words, to wit :

No.	<i>Province of Nova Scotia</i>
£.	<i>Treasurer's Office.</i>

*By a law of this Province the bearer of this note is entitled to receive at the Treasury the sum of*  
*with interest, at the rate of six per cent.*  
*per annum from the day it is issued by the Treasurer.*

*Dated at Halifax, this                      day of*  
*in the year of Our Lord, one thousand eight hundred*  
*and*

The Act specifies how the notes shall be paid out and redeemed and makes provision against counterfeiting and raising the value and also for the withdrawal of the notes from circulation.

A careful perusal of the Act shows that these bills partook more of the character of promissory notes than of a paper currency. The correct computation of interest on the smaller notes would be a difficult matter, as they passed from hand to hand, inducing holders to present them for redemption oftener than they otherwise would. But as the notes came to be the only circulating medium for large payments, the promissory or interest feature was dropped and they circulated as freely as the later bank issues.

The provincial authorities profiting by the experiences of the other Colonies carefully guarded the treasury so that there should not be an over issue and that the notes should be redeemed promptly when presented. So careful was the treasurer that he had to pay as high as fifteen per cent premium for exchange when par was only seven and a half to obtain the necessary specie to meet the calls of those holding treasury notes.

As has been stated these notes were printed in the province from type. The only guards against counterfeiting were the signatures of the Treasurer and Commissioners with the name of the Province embossed in raised letters. But the need for something more difficult of imitation soon began to be felt. Notes were ordered from Boston printed from copper plates engraved by Mavrick. The larger denominations seem to have been discarded as well as the interest clause in the notes.

Only the three lowest were required, ones, twos and fives, for the purposes of circulation. The Treasurer evidently distrusted the Boston people for he ordered the plates to be sent on to Halifax; where, finding no one capable of printing from copper, he could do nothing with them. He therefore wrote the following note to the provincial agents at Liverpool.

Halifax, Nova Scotia, 5th June 1824.

Gentlemen,

.....  
 By this conveyance I send you a small Box containing two sheets of copper engraved for one and two pound Province notes, which I cannot have struck off here for want of competent workman. If there be such in Liverpool I have to request that you would take the trouble to have it immediately executed and sent out by the Adelphi now supposed to be near Liverpool, or any other good conveyance, on such paper as the note I enclose herein, or better for durability if to be had easily.

Forty thousand one pound notes.

Fifteen " two " "

Two " five " "

A plate must be engraved for the five pound notes, as the one I had has been mislaid. If you cannot get the notes properly executed in Liverpool you will oblige me by sending the box with the plates to Messrs. Andrew Belcher & Son, London, to whom I shall send the necessary directions, but I hope it will not be necessary since they are much wanted

here and I reckon the chance of getting them early from Liverpool is greater than from London at this season.

I will thank you to send me four or five reams of the same letter paper as what you have lately used, none good enough to be had here at present.

I remain with esteem,

Your obedient servant,

Messrs. Smith, Forsyth & Co.,      Mich. Wallace.  
Liverpool.

The agent's prompt reply assures the Treasurer that they can have the order executed in time, but he did not allow for the delay necessary to engrave the new plate for the five pound note.

Liverpool, 6th July 1824.

The Hon. Mr. Wallace,  
Sir.

.....  
We have little doubt but that we shall be enabled to have the notes you ordered executed in sufficient time for the Adelphi which is to sail about the 25th instant. We have some very good engravers here who we expect will do the work well. We shall likewise forward to you by the Adelphi the letter paper you have ordered which we presume is somewhat of this quality, but rather thicker and finer.

We are,

Your obedient servants,

Smith, Forsyth & Co.

But the bills were not ready in time for part of the order only was shipped two months later as the next letter clearly proves.

Liverpool, 4 September 1824.

The Hon. Mr. Wallace,

Dear Sir,

By the present conveyance the "Maria" we have shipped a box marked M W 1 containing 5,000 £1., 10,000 £2., and 2,000 £5. Nova Scotia notes together with the 4 rheams of writing paper ordered in your last. We trust the whole will arrive safe and be approved of. Should the writing paper not be such as you wished to have, we will thank you to enclose a small piece of that which you allude to and we will procure some of the same quality. We hope to have the remainder of the notes finished in the course of a fortnight or at any rate in time to put on board of the next vessel sailing for Halifax.

When they are all complete, we shall hand you a note of the cost.

Meantime we are, Dear Sir,

Your most obt., sts.,

Smith, Forsyth & Co.

A month later another shipment is made, which according to the following letter, did not complete the original order.

Liverpool, 11th October 1824.

The Hon. Michael Wallace,

Dear Sir,

We enclose you a bill of lading for a box of blanks for bank notes as specified at foot.

We are disappointed at not having the whole ready for this vessel (the Perseverance) they are getting them thrown off as quickly as they can and we expect to send you a further (if not the whole) quantity ready for the Sceptre which vessel is to sail in a few days.

Yours very respectfully,

Smith, Forsyth & Co.

The box No. 2 contains, 14,000 blanks for notes £2.

The Treasurer replies acknowledging receipt of this letter also the balance of the notes by the "Perseverance."

Halifax, Nova Scotia 19th January 1825.

Gentlemen,

Your last per Perseverance with the remainder of the Province blank notes have been received, and I presume are all correct, altho' I have been seldom in the treasury since they arrived to make enquiry.

.....

I am Gentlemen,

Your obedient servant,

Mich. Wallace.

Messrs. Smith, Forsyth, & Co.

Liverpool.

From these letters we learn that the five pound note of this issue which we may class as the third, was printed in Liverpool from a copper plate engraved

in that city and that, although the one and two pound notes were printed in Liverpool, the plates were engraved in Boston.

In March the Treasurer again writes about the notes in the following terms :

Halifax, Nova Scotia, 26 March 1825.

Gentlemen,

We have lately been annoyed by the discovery of our Province notes being forged at Boston and brought into the country for circulation, and I am very desirous of procuring some kind of stamp to put on the face of them that would not easily be imitated.

You have plenty of ingenious mechanics in your neighborhood, no doubt at Birmingham particularly. You will do me the favor by consulting an engraver whether such a stamp could be had, and if there is, that you would get it executed and sent out as soon as possible with suitable ink for the purpose of using it. Have the bankers in England discovered any improvement in the manufactory of paper for notes that is not liable to be imitated by our neighbours in the United States where many of the first masters of arts have congregated? A paper medium is absolutely necessary in this Province and hitherto has proved of great public utility and we have been very fortunate in suffering very little by forgery since its commencement in 1811.

I remain Gentlemen,

Yours with esteem,

Mich. Wallace.

Messrs. Smith, Forsyth & Co,  
Liverpool, G. B.

The facts brought out by this letter are that the Treasury Notes were first issued in 1811, a year before they were authorized by the Legislature. This with their promissory note feature and the large denomination of many of the notes described in the act of 1812 clearly points out that the issue was made to meet the urgent requirements of the Province and tide over a financial crisis. Also that this form of currency filled a long felt want in the circulation of the Province and that the old copper plate notes, having become easily imitated, must needs soon be discarded.

The answer to this request shows that the proposition of the Treasurer could not be carried out.

Liverpool, 1st June 1825.

The Hon. Michael Wallace,

Dear Sir,

We find that there will be some difficulty in procuring you a stamp such as you require and if you had it not in your power to engrave the notes in Halifax you would experience still greater trouble in putting the stamps on notes that have been issued and consequently soiled. The parcel which accompanies, contains several devices. On the back of your own is one that might probably answer. To have it engraved on a copper plate would cost 20 gs. but then it would not be so fine and consequently more easily imitated than if it were a steel plate, this however the patentees never part with. As soon as you decide, let us know and we shall get your wishes

immediately carried into effect. Annexed is a copy of Mr. Fosberry's letter.

We remain very truly, Dear Sir,

Your most obedient servants,

Smith, Forsyth & Co.

This letter enclosed a tender for notes engraved on steel. A process apparently newly patented which the patentee guaranteed against forgery.

Liverpool, 30th May 1825.

Messrs Smith Forsyth & Co.,

Gentlemen,

Herewith I hand you a few specimens of the hardened steel plate notes now usually adopted by bankers in this country. Such is their perfection that during the last few years there has not been any instance of a forgery of such. The patentees are so confident on this point that they warrant the notes worked on back and front and engage not only to work off a new impression, etc., free, but also to prosecute at their own expense in the event of any imitation of the front plates and engage to finish a new device, etc., etc., gratis.

The expenses are, including proper paper which will last ten times longer than that now used by your friends, etc. back and fronts to be selected from any of the specimens or any part of them united to the fancy of the parties.

£1 notes	about	£5.5.0	per m.
£5 and £10	"	£6.	"

Not less than 10,000 £1, 5,000 £5, and £10., in the first order. For backs only such as the specimens on the Nova Scotia note of the proper paper £4.4.0 per M., if on your paper £3.13.6 per M. Should your friends select a note or one made up of various devices they will please to send the note or one formed like that on the back of their own note which if approved must also be returned.

I am very respectfully,

Your most obedient servant,

W. Fosberry.

Although this seemed to be the best way to prevent successful forgery, the Treasury rejected the offer and accepted as, no doubt cheaper, an offer for lithographed notes executed at New York.

Halifax, 19th July 1825.

Messrs. Smith, Forsyth & Co.,

Gentlemen,

I have to acknowledge your favor of the 16th April and 1st June. The former enclosing accounts current to 1st of January last, and the latter, specimens of bank notes for which I am greatly obliged. They are extremely well executed and I should have no difficulty in selecting one for our Province notes, since I am aware an official check by a stamp might not be found to answer the end.

I should now send you an order to have some new notes executed but there has lately been discovered by a Scotchman at New York a mode of executing bank notes upon a stone on the lithographic principle

which has acquired so much celebrity as to entitle him to a patent in preference to Mr. Parkin's steel plate castings. With this person I have entered into correspondence and until the result is known I defer sending any order to you for a supply of new notes for the Province.

I am, Dear Sir,  
Your sincerely,  
Mich. Wallace.

Accordingly, we may conclude, towards the close of 1825 or the beginning of 1826 the fourth series or variety of the Nova Scotian treasury notes were issued, having been printed from stone in New York. This newly invented process does not seem to have proved all that was claimed for it as more difficult of imitation for within a few years the notes printed by it were forged to such an extent that a new issue become necessary. The lithographed notes are dull and blurred looking when compared even with the copper plate notes.

The fifth series were from steel plates engraved, in England, most probably by Mr. Fosberry who tendered before the lithographed series was accepted. These continued for a number of years, until the more elaborate and artistic notes engraved by the American Bank Note Company of New York, were adopted. This is the sixth series or change in the Provincial notes. Not having had access to any of the correspondence on this subject, subsequent to 1825 I am not in a position to state at what dates these

latter changes were made. Notwithstanding that, after the establishment of chartered banks, there ceased to be such pressing need for the treasury notes, the government continued their issue until confederation in 1867. Even now stray specimens, perhaps from old hoards, find their way into circulation and are presented at the treasury for redemption.



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