



Frederick C. Mürtele

Quebec.


RELIEVÉ PAR  
P. A. LAFRANÇOIS

The background of the image is a traditional marbled paper pattern. It features a complex, organic design with irregular, cell-like shapes in shades of olive green and beige, separated by thin, branching veins of red and blue. The overall effect is dense and textured. In the upper left quadrant, there is a white rectangular label with a thin black border. Inside this label, the text "The Library of York University" is written in a black, elegant Gothic-style script font. The text is arranged in two lines: "The Library of" on the top line and "York University" on the bottom line.

The Library of  
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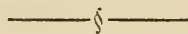
DELIVERED BY

JAMES STEVENSON, PRESIDENT,

WEDNESDAY, 19TH DECEMBER, 1877,

TO THE MEMBERS OF

## The Literary and Historical Society of Quebec.



I have much pleasure in welcoming you to the first meeting of the lecture season, and I hope the proceedings of the evening may not prove altogether uninteresting.

We shall have the pleasure of listening to a lecture by one of our associate members, Mr. Turcotte, recalling the annals of this Society. The purposes for which this Society was formed are clearly set forth in its Royal Charter: "The prosecution of researches into the early history of Canada; the recovering, procuring, and publishing interesting documents and useful information as to the natural, civil, and literary history of British North America, and for the advancement of the arts and sciences, from which public benefit may be expected."

Mr. Benjamin Sult, of Ottawa, is at present engaged in preparing for the press, a history of "L'Institut Canadien" of Ottawa; and Mr. Turcotte, animated by a similar spirit, has prepared a short history of our own Society, which was established long before the city of Ottawa had any existence, or was even known as a place under its primitive patronymic of "By-town."\*

\* After the late Colonel By, Royal Engineers.

This Society, as far as I have had opportunities of judging, has realized the expectations of its Founder. Its rooms are the resort of those who find time to cultivate an acquaintance with literature, and who are desirous of diffusing knowledge. A few of its members continue to prosecute researches into the early history of Canada; and from time to time, useful information relating to the natural, civil, and literary history of the country, appears in our "Transactions." The aids which the Society affords to study, the museum and the library, are accessible to members during the greater part of the day, and are not allowed to fall into a state of decay or neglect; but are properly arranged, duly cared for, and frequently enriched by desirable additions.

Although the Society was formed chiefly for the purpose of prosecuting researches into the early history of Canada, its founder, the Earl of Dalhousie, was anxious to bring together and secure the co-operation of all those in the small community, who had given their attention to subjects of science, whether natural, physical or historical. Hence the museum for the purpose of exhibiting specimens of the Fauna and Flora, as well as the Archæology and Numismatology of the young colony. The department of Natural history—though somewhat foreign to the main purpose of our mission—has received a good deal of attention, and I believe the Ornithology, Oology, and Entomology of Lower Canada are fairly represented. Upon all those subjects, however, I can unfortunately say but little, for the simple reason that from my own ignorance of them, I have nothing to contribute. Still I am not insensible to the enjoyment which our collections must furnish to the students of natural history, and to every lover of nature.

As regards other objects in our museum, considerable interest is attached to the Indian relics, to some valuable old charts, a well executed drawing, representing the inte-

rior of the old church of the Recollet Fathers, models of forts, and other reminiscences of old buildings and places in Quebec, all which may be considered the commencement of a collection to be designated hereafter our Archæological Section. The Society is perhaps fortunate in the possession of these relics, for the mural monuments of Quebec, those mute chroniclers which better represent the character of a city than a score of books, are rapidly disappearing. Municipalities generally look upon things from the utilitarian point of view, and are never very favorably disposed towards old city walls, but look upon them as useless impediments to circulation. Old gateways, too, are an impediment to traffic, so that there is a strong tendency to demolish them. Artists and antiquarians, on the other hand, and all people who have either a love for the picturesque, or a sentimental interest in the historical past, are eager to preserve such great visible relics of it, as walls and towers, which speak of it to all men, and once destroyed can never be restored. The familiar monuments, witnesses of olden times—our gates—are gone, but they may be replaced by others of modern and more ornamental construction. We have reason to hope they will, for our worthy Mayor informed us in a recent speech, that the Prime Minister had promised to place on the estimates for next session of the Dominion Parliament, an item for carrying out the improvements suggested by our distinguished Governor-General. I trust, therefore, that the old walls which surround the city proper, may be spared, and that suitable gates will be built in the breaches. There is a strong desire to preserve the monuments of the past in a city, rich in associations with memorable events and romantic adventure. Thanks to the enterprise and liberality of a few of our esteemed citizens, the historic Plains of Abraham have been rescued from a discreditable condition, and are now surrounded by a substantial fence, while the Plains continue accessible as a promenade, a drive, or a parade ground.

Our limited collection of coins and medals, some of which are exhibited in the reading room, has no doubt been examined by many members. That collection has not been made for the mere purpose of gratifying or amusing antiquarian curiosity, but with a higher and more important object. No doubt public acts, official papers, journals and private memoirs are the sources from which the historian must draw his facts, but he frequently has recourse to cabinets of coins and medals for information. Old coins and medals may therefore be classed with historical documents, for they are of acknowledged value and service in the elucidation of history, especially of ancient history. Princes and corporations consecrate the memory of great events by striking medals, the materials of which are so durable that many historical facts unnoticed in manuscripts and inscriptions, stand recorded upon medals. The national collections of Great Britain have recently been enriched by valuable trovers or finds. We read in Ruding that : "Some years ago, as four boys, under ten years of age, were playing at marbles, on a Sunday afternoon, on a small piece of pasture land, at Beaworth, in Hampshire, one of them discovered in the track of a wagon-wheel, a piece of lead sticking up above the surface ; upon stooping down to take hold of it he perceived a small hole, into which he thrust his hand, and brought out a number of coins, his companions immediately following his example. Though they did not consider their treasure to be more than old buttons, they concealed part of them in an adjoining potato field, and others they took to the village of Beaworth, but treating them as of no value, some they jerked into the pond, and others they flung about the road. Half a dozen villagers who were, as usual upon a Sunday afternoon, congregated in the street, were attracted by the circumstance, and being more aware of the value of the pieces thus discovered, hastened to the spot and commenced a regular scramble for the booty. As some of the parties

obtained possession of many more than others, the parents of the boys who first discovered the treasure, became dissatisfied, and appealed to the owner of the land. This gentleman immediately sent a confidential person to Beaworth to claim from the parties the delivery of the coins to him, which was readily complied with, though it is suspected not to the full extent; on the same evening he received upwards of six thousand. They were chiefly composed of coins of William the Conqueror and William II; and, according to the villagers' account, they were packed in regular layers, in a leaden case, with an attempt at chronological arrangement."

But perhaps the greatest discovery that has been made in modern times of treasure-trove, in the shape of ancient coins, has just occurred in Scotland, on the Montrave estate, belonging to Mr. John Gilmour, (son of the senior of one of the leading commercial houses in this city), who is now in this country, and from whom I have received the following interesting particulars on the subject: "Several farm laborers had been employed to drain a part of the land about 500 yards from the farm steading. The operations were being carried on two feet from where, according to the drain plan of the farm, laborers must have been engaged in a similar enterprise a quarter of a century ago. The soil is of the wet, boggy sort. The laborers had not been long at work, and had only got ten inches below the surface, when one of the picks struck upon what, at first, seemed to be a round boulder, which was speedily unearthed, it then appeared that the stone was the cover of a large pot, into which it was firmly wedged. It was considerable time before the contents could be got out. Latterly this was accomplished, though with difficulty, and earth and coins emptied on the ground. It was a very tedious and difficult task to separate the pieces of silver

from the earth, the sides, and the bottom of the pot. Indeed the bottom of the pot remains inlaid with coins. On removal to Montrave House, the counting was proceeded with by Mr. and Mrs. Gilmour, when it was discovered that there were upwards of 10,700 pieces! The most of these are about the size and thickness of a well worn sixpence, a few the size of a florin, though not so thick, and a small number of medium size between these. From the partial examination that has been made, the silver pieces are evidently the coins of the realm that were used in the 12th, 13th, and 14th centuries. The most of the letters are obliterated. Some of them bear the words *Rex Scotorum Dei Grati*, and *Rex Scotorum David Di Grati*. These letters surround the head of a monarch on the one side, while on the other a cross extends over the whole silver piece, with four stars in angles in the centre. In several, three dots occupy the place of the stars. It is supposed that the coins were used in the reigns of Robert II, Robert III, David II, and in one or other of the Alexanders, and that they must have been in the position where they were found, for more than 300 years. The pot, which is in an excellent state of preservation, is about 20 inches high, 13 inches in diameter at the top, and bulging out towards the centre. It is evidently a bronze composition. The stone which covered the mouth of the pot is of a reddish color, very much decayed, and in a crumbling state.”

“Amongst the coins found at Montrave are many foreign imitations manufactured chiefly in Holland—raising interesting questions for the Antiquary and Historian. Half of the coins seem to be Scotch, half English, and many of them have a present market value for museums and private collections, of from \$25 to \$50 each; at these prices, the 10,735 pieces would be worth converting into current coin. The Queen, however, is entitled to the whole, and all, including the pot, are now in London, where, after

scientific examination and classification, probably occupying a year or two, the final distribution will be made as may please Her Majesty. To the two men only who actually dug up the treasure, is any share of the find lawfully due. The proprietor of the estate, can demand nothing, although every reason exists for believing that when the investigation is over, he will receive back any portion he may in reason ask for."

"The kingdom of Fife, in which the Montrave estate is situated, is rich in Historical tit-bits, and there, as elsewhere, old coins and other relics are, no doubt, appropriated by the finders oftener than given up. On the estate of Largo, some years ago, an interesting and valuable suit of silver armour was found by a vagrant pedlar who unfortunately kept his secret until disposing of his find in the ordinary course of his trade, by peddling it piece by piece away, he lost to the country a priceless relic of the fierce old times." It has ever been considered as the common interest of mankind to concur in the preservation of old coins, for few monuments have contributed more to establish history upon a sound and trustworthy basis than the numary monuments.

And now leaving the museum, I turn to our extensive library, comprising upwards of thirteen thousand volumes. It would be difficult to construct a sentence which could convey an adequate idea of the collection of valuable books which it contains. Since the formation of the Society, many rare and valuable volumes have been damaged and destroyed by fire, but the liberal contributions which have since been made, from time to time, by the Government and by private individuals, have enriched the library with works which illustrate the truths of history, and exhibit the progress of science. The members of the Council, in making their selection of books, have not been unmindful

of the mission and objects of the Society, and consequently a preference has been shown for those more costly productions which few can afford to purchase, but which many feel bound to read; while the lighter and more graceful forms of literature have not been systematically excluded. A roomy fire-proof chamber has recently been constructed in the basement of this building, for the custody of old and rare works which could not be replaced in the event of loss; and to make security doubly sure, the chamber has been provided with an iron chest, in which historical manuscripts, memoirs, and other documents which constitute the archives of the Society are deposited.

Since I last had the pleasure of meeting you, this society has published its transactions for 1876-7, and also a small volume of historical documents relating to the war of 1812, selected from those rare old pages in our possession, of the "Quebec Gazette." Among the documents which we have just published, will be found particulars of the engagement between the British man-of-war "Leopard," Captain Humphreys, and the American frigate "Chesapeake," Commodore Barron, one of the events, if not the very event, which brought on the war of 1812. I shall read a portion of a paper which I have just received from a friend relating to that affair. "In the early part of June, 1807, the fifty-gun ship "Leopard," Capt. Salasbury Pryce Humphreys, sailed from Halifax with an order addressed to the captains and commanders under the vice-Admiral's command, directing that in case of meeting the American frigate "Chesapeake" at sea, and without the limit of the United States, they were to show her Captain that order, and require to search for deserters from His Majesty's ships "Belleisle," "Bellona," "Triumph," "Melampus," "Chicester," "Halifax" and "Zenobia," and were to proceed and search for the same." "The 'Leopard' having weighed and made sail, arrived off Cape Henry within hail of the 'Chesapeake.'"



Captain Humphreys hailing, said, "He had despatches from the British Commander-in-Chief." The answer was "Send them on board, I shall heave to." Both vessels hove to at about half-past three in the afternoon, and in a few minutes Lieut. Meade went on board the "Chesapeake," bearing in addition to Vice-Admiral Berkley's order, already cited, a letter from Captain Humphreys to Commodore Barron, adverting to the order enclosed, and expressing a hope that every circumstance might be amicably arranged. At 4.15 in the afternoon, the boat not making her appearance, the "Leopard" recalled her by signal, and in a few minutes Lieut. Meade returned with Commodore Barron's reply : "I know of no such men as you describe, the officers who were on the recruiting service for this ship, were particularly instructed not to enter any deserters from His Britannic Majesty's ships, nor do I know of any being here." "The Commodore then states that his instructions are not to permit the crew of his ship to be mustered by any but her own officers, that he wishes to preserve harmony, and that he hopes his answer will prove satisfactory."

"The 'Leopard' then edged down nearer to the 'Chesapeake,' and Captain Humphreys again hailing, said :— 'Commodore Barron, you must be aware of the necessity I am under of complying with the orders of my Commander-in-Chief.' After this hail had been twice repeated, the only reply returned was, 'I do not understand what you say,' yet the words were distinctly heard by the hailing ship, and she was to windward. Captain Humphreys resolved no longer to be trifled with, and observing on board the American frigate indications of intended resistance, the 'Leopard' discharged a shot across the 'Chesapeake's' fore-foot. In a minute's time, a second shot was fired ; and in two minutes more, or at 4.30 p.m., nothing but evasive answers being returned to the hails of Captain Humphreys, the 'Leopard' fired her broadside. Commodore Barron then

hailed ; upon this, orders were given to cease firing ; but as the purport of the hail was only to intimate that he would send a boat on board the 'Leopard,' and as the 'Chesapeake' was now clearly seen making preparations to return the fire, the thing was considered to be an artifice to gain time, and the 'Leopard' renewed her fire ; the 'Chesapeake' returned a few straggling shots, not one of which struck her opponent, and at 4.45, just as the 'Leopard' had fired her third broadside, the American frigate *hauled down her colours.*"

" Almost immediately after the surrender of the American frigate, her fifth Lieutenant, Mr. Sidney Smith, came on board the "Leopard" with a verbal message from Commodore Barron, signifying that he considered the "Chesapeake" to be the "Leopard's" prize."

" At 5 p.m., Lieut. Gordon, J. Talcott, George Martin Guise, and John Meade, with several petty officers and men, went on board the "Chesapeake" to fulfil the object of the orders of Vice-Admiral Berkley. The books of the "Chesapeake" were produced and the crew mustered, one only of the five deserters from the "Halifax" was found, but three were found from the "Melampus" frigate.

" With these, at 7.30 p.m., the "Leopard's" boat returned to the ship, bringing also Lieut. William Henry Allen, of the "Chesapeake," with a letter from Commodore Barron, again offering to deliver up the frigate as a prize. To this Capt. Humphreys replied, that having fulfilled his instructions, he had nothing more to desire, but must proceed to join his squadron, he then tendered assistance and deplored the extremity to which he had been compelled to resort. At 8 p.m. the "Leopard" made sail towards Lynhaven, and shortly after the "Chesapeake" did the same towards Hampton Roads."

“Unfortunately this encounter, although bloodless to the “Leopard,” was not so to the “Chesapeake,” the latter having had three seamen killed, the Commodore, one midshipman, and sixteen seamen severely wounded. Although no one could regret more than Captain Humphreys that the order should have issued, he performed the unpleasant duty imposed upon him like a gentleman and a true heart of oak. Admiral Berkley perfectly approved of the conduct of Captain Humphreys in the fulfilment of his duty, but the Captain was nevertheless visited with the condign displeasure of the Admiralty, was recalled, and never received any command afterwards, although he frequently applied for one. When the “Chesapeake” was captured by the “Shannon,” during the war of 1812, he earnestly solicited Lord Melville to give the command to him to whom she had previously lowered her colours; but neither this nor any other application met with success.” Twenty-seven years later, however, our sailor-king, William the IVth, having looked into the case of Captain Humphreys (afterwards better known as Sir Salasbury Pryce Davenport), conferred upon him the honor of Knighthood, thus tardily recognizing the merits of a brave officer. Through the kindness of his grandson, Malcolm Davenport, Esq., son of the late Captain Davenport, of the 39th Regiment, who married a daughter of Chief-Justice Sewell, one of our first presidents, I have been enabled to submit the particulars just read of the attack on the “Chesapeake,” and I am further enabled to bring the event vividly before you by exhibiting an admirable likeness of the gallant sailor—valuable both as a work of art and a historical relic—which has been entrusted, temporarily, to the safe-keeping of this society by the heirs of the family. Every possible reparation for the attack on the ‘Chesapeake’ was made and offered to the American Government. It was declared that the right of search, when applied to

ships of war, extended only to a *requisition*, and could not be carried into effect by force. But the wrath of America was unappeasable, the blow, the irreparable and unpardonable blow, had been struck.

The volumes of the *Quebec Gazette*, which afford further information on the same subject, contain numerous copies of important state papers relating to the civil and military history of Canada, published under the authority of the Executive Government. To trace the sources and movements of history in public documents is an enterprise full of interest and utility. In the perusal of historical works, otherwise nobly executed, we frequently meet with passages the accuracy of which has to be questioned; for the historical imagination sometimes unconsciously paints a picture not of what took place, but of something entirely different; something, perhaps, that harmonizes with the political bias of the author. I shall give an instance of this:—In one of our most interesting histories of England, it is stated that when King Charles I, who had left London to spend some time in Scotland, received the terrible news of the Irish rebellion, terrible because of the cruelties which were committed, “he sat down and wrote coolly, ‘I hope the ill-news of Ireland may hinder these follies in England.’” Now listen to what we have from other sources, from those who were in the company of the King at the time:—“The King was engaged in the game of golf,\* on Leith Links, when in November, 1641, a letter was put into his hands which gave the first news of the Irish rebellion; on reading the letter he suddenly called for his coach, and leaning upon one of his attendants, in great agitation, he drove to Holyrood palace, from whence he

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\*The Royal and ancient game of golf, in which the King took delight, was introduced a few years ago into Canada by the present Captain of the Quebec Golf Club, C. Farquarson Smith, Esq., and is played with great zest, during the golfing season, by some of our citizens, over that extended common known as the Cove Field, which golfers now call the Quebec *links*, in imitation of the custom in the Mother Country of applying the term *links* to an extended grass common or downs.

set out the next day for London." This was, undoubtedly, his last game in Scotland, and probably the last game of golf he ever played. The touching story of the golfers bears upon its face the very stamp of truth, and removes the painful impression produced upon the mind by the implied heartlessness of the King, as he is represented in the historical narrative.

It would not be difficult to adduce other instances of conflicting testimony in historical literature, but I have said sufficient to show that for practical guidance in the construction of history, we have to depend upon such documents as this Society, in fulfilment of its mission, has published from time to time. Thus far the attention of its working members has been bestowed chiefly upon the early history of Canada under the French régime—a delightful theme, equally gratifying to the historical and the antiquarian taste. We have, however, reached a point, I think, in our search for materials belonging to that period of history, when we travel over the same ground again and again without making many new discoveries, and consequently it has been considered desirable to enter upon another field embracing a later period of our history, and to deal with it in the same manner that we have dealt with the elder. Hence the publication of the fifth series of historical documents which I have referred to, and which relate almost exclusively to the war of 1812, every event of which is interesting to us as Canadians.

In pursuance, then, of that design, it is the intention of the Society, I believe, to continue collecting and publishing such papers of interest as can be obtained, consisting of official documents, journals and memoirs relating to the war. The latter, I may add, are very rare; therefore, if any member of the society has such in his possession, or knows where they are to be found, I

shall be pleased if he will communicate with me on the subject with a view to their publication. One valuable memoir has been transmitted to me by our esteemed friend, Colonel Coffin, of Ottawa, author of "The War of 1812 and its Moral," in whose behalf I have now the pleasure of presenting the memoir to the Society, as a gift, viz. :—An autograph letter of the late Sir Etienne Taché, relating to the battle of Chateauguay and the attack on Plattsburg. I shall read an extract from a note, which I received from Colonel Coffin, accompanying the *mémoire*.

"I have been amusing myself," he says, "by re-assorting papers relating to the war of 1812. Side by side with a very pleasant letter from yourself, I find a paper to which I attach more than ordinary historical importance. It is an autograph letter from Sir Etienne Taché, written in 1863, to assist chiefly in compiling my (intended) account of the Plattsburg campaign. I never got so far, and so the paper has remained unused. It is doubly valuable as a truthful and trustworthy narrative of the occurrences related, and as indicative of the modest and manly character of the writer. I think the paper too valuable to remain in my hands, and that the archives of the Literary and Historical Society of Quebec would be an appropriate shrine for such a relique. I hasten, then, to place it, through you, at the disposal of this body, praying simply that in return they will have the goodness to cause a copy to be made and sent to me—retaining the original."

I shall now do myself the honor of reading the memoir, which I am sure will be listened to with attentive interest. It is dated

MONTMAGNY, 29<sup>me</sup> MAI, 1863.

MON CHER COLONEL,

Je vous remercie bien sincèrement de votre obligeance, dans le dessein d'obtenir de moi des renseignements per-

sonnels touchant la bataille de Châteauguay, afin de vous permettre d'introduire mon nom dans la série de lectures que vous vous proposez de donner sur les événements de la guerre de 1812. Les choses changent bien dans le cours d'un demi-siècle, et les péripéties de la vie humaine étonnent souvent ceux qui en sont les jouets, tant dans la bonne que dans la mauvaise fortune.

Il y aura cinquante ans l'automne prochain que s'est livrée la bataille de Châteauguay. A cette époque je n'étais *qu'un pauvre petit lieutenant*, bien jeune, n'ayant que 18 ans. Vous vous proposez de donner, sur la dernière guerre avec nos voisins, des lectures *historiques*, sans doute, et non de la *poésie*, ou du *roman*, comme cela se pratique quelque fois. Or, *l'histoire*, c'est quelque chose de sacrée; l'histoire c'est la fille du ciel, qui n'admet pas l'ombre même d'un relief pour l'ornement d'un fait. Voici donc la part que j'ai réellement prise lors de l'événement mémorable en question. Deux de nos compagnies—la droite et la gauche, commandées par MM. les capitaines Lévesque et Debartch—furent chaudement engagées dans cette affaire; un lieutenant y fut blessé—Powell, des Townships—et plusieurs hommes tués et mis hors de combat, *mais je ne faisais pas partie de ces compagnies*. Le reste du bataillon, le 5ème, ou "*Devil's own*," comme on l'appelait alors, parce qu'il y avait bien des avocats parmi les officiers, était stationné aux Cèdres et au Côteau-du-Lac. A la nouvelle de l'approche d'un gros corps ennemi se dirigeant *vers la fourche*; ordre fut donné au détachement stationné au Côteau-du-Lac de traverser incontinent à Beauharnois et de se porter en toute hâte sur Châteauguay. Ce détachement, composé de trois compagnies, était commandé par le Major Guy, et les Capitaines étaient Louis Joseph Papineau, La Rocque et votre humble serviteur, le petit Lieutenant de 18 ans, commandant une compagnie vacante en l'absence de son brave Capitaine, M. Berezy, remplissant à

cette époque, dans le Haut-Canada, des fonctions spéciales. Ce détachement, après avoir passé le fleuve, en toute hâte se dirigea à marches forcées à travers les bois, les rivières et les marais sur Châteauguay. Cependant il était décrété, là-haut, que, nonobstant nos fatigues et nos privations de toutes sortes, nous n'aurions pas le plaisir de tirer un coup de fusil, l'ennemi ayant pris la fuite peu de temps avant notre arrivée. Néanmoins nous pûmes occuper de suite une position militaire et nous préparer à prendre une bonne part à une nouvelle lutte, si l'ennemi eût voulu la recommencer. C'est sur la narration fidèle, et attestée, de la part que prit notre détachement à l'affaire de Châteauguay, que la Commission, chargée par les autorités Britanniques de la distribution des médailles, a accordé la médaille de Châteauguay aux officiers et aux miliciens de ce détachement qui l'ont réclamée. Ainsi vous voyez, mon cher Colonel, que si *mes lauriers* de Châteauguay n'ont pas été teints de sang, ils ont été en revanche mouillés de beaucoup de sueurs et couvert d'une énorme quantité de boue et de fange !

Le printemps suivant, dans le mois d'avril, le détachement dont je faisais partie, ayant passé l'hiver en garnison à Montréal, ne fut pas plus heureux, du moins quant à l'occasion de faire le coup de fusil. Sur la nouvelle d'une approche de l'ennemi vers Lacolle, il reçut ordre, avec trois jours de provisions, de se porter en toute hâte sur le point menacé. Nous passâmes le fleuve à la veille de la débâcle, non sans beaucoup de dangers, et nous dirigeames alors notre marche par Laprairie, St. Philippe, l'Acadie, Bartonville, sur Lacolle. Vous dire la misère et la fatigue que nous éprouvâmes durant tout le cours de cette expédition est chose impossible à décrire, et avant de bivouaquer le soir à Bartonville il nous fallut passer une petite rivière, moitié à la nage pour les plus petits, et à l'eau sous les aisselles pour les plus grands, les hommes, durant cette ma-



nœuvre, accrochant leurs gibernes entre la bayette du fusil et le coude de la baïonnette pour préserver la poudre. Enfin, rendus à Bartonville, mouillés plus que des canards, il nous fallut coucher à *la belle étoile*, par une nuit très-froide du mois d'avril, et nous déshabiller *nus comme la main*, pour tordre nos vêtements et les faire sécher au feu de vieilles bâtisses que nous avons embrasées, et des piquets et perches de clôture qui se trouvaient à notre portée, dont nous nous servîmes toute la nuit pour combustible, durant de longues heures de souffrance. A l'heure qu'il est, je ne puis m'expliquer comment la grande moitié du détachement ne mourut pas de misère ; mais la jeunesse a tant de viabilité ; l'enthousiasme fait vaincre tant de périls ! Encore s'il nous eut été donné de pouvoir tirer un coup de fusil sur l'ennemi, cela nous eut dédommagé de bien des misères ; mais arrivés le soir, à la nuit tombante, à Bartonville, les Américains venaient d'être repoussés quelques heures auparavant, et cela seulement à deux milles de distance d'où nous étions parvenus. Ainsi la gloire—voyez les caprices de Dame fortune—les lauriers furent pour ceux qui n'avaient pas fait un mille pour se déplacer ; la fatigue, la misère, les dangers de l'immersion totale du corps, à cette saison de l'année, le dépit de n'avoir pas combattu l'ennemi, après tant de souffrances, devinrent notre partage ; et il nous fallut rebrousser chemin, la tête basse ; c'est bien ce qui s'appelle, à juste titre : “fortune de guerre.”

La campagne de 1814 s'étant ainsi ouverte pour nous d'une manière assez désagréable, se termina, en revanche, il faut le dire, d'une manière plus conforme au naissant esprit militaire qui commençait à se manifester alors chez tous nos compatriotes. En revenant donc de Bartonville, nous rencontrâmes l'Honorable Gerald de Courcy, ci-devant Major au 70ème Régiment d'infanterie, qui venait d'être nommé Lieutenant-Colonel de notre bataillon, lequel, dès lors transformé en bataillon d'infanterie légère, fut appelé

“Chasseurs Canadiens.” Depuis cette époque—la fin d’avril 1814—jusqu’à la marche de l’armée échelonnée depuis Chambly à Odletown, sur le territoire ennemi, au commencement de Septembre, ce ne fut pour nous qu’exercice et manœuvres du matin au soir. Notre jeune et infatigable chef étant debout au *réveille*--4 heures du matin--jusqu’à la nuit noire, nous donnait une heure pour déjeuner, une heure-et-demie pour diner, une heure pour souper, et employait le reste du temps, sans relâche, à l’instruction des officiers et des soldats. Aussi fallait-il voir notre corps, vers la fin d’août, comme il était beau, comme il manœuvrait fièrement en ligne, côte-à-côte des Wellingtoniens; comme il bondissait de jeunesse et d’enthousiasme, comme il avait confiance en sa force! Excusez, mon cher Colonel, ces réminiscences d’un demi-siècle : l’âge affaiblit le corps, et je sens des larmes involontaires s’échapper de mes yeux. La marche sur Plattsburg ayant été ordonnée, les Chasseurs Canadiens, les Voltigeurs, appartenant à la brigade Brisbane, longèrent les bords du lac Champlain, suivis du 103ème et du 13ème Régiments d’infanterie, composant cette brigade, tandis que les brigades Power et autres se portaient sur le même point par le chemin intérieur et parallèle à celui du lac. La gauche en tête, les Chasseurs ayant eu l’honneur d’être appelés à former l’avant-garde, mon brave Capitaine, William Berezy, qui alors avait repris le commandement de sa compagnie, celle de la gauche, eut l’avantage d’ouvrir la marche avec ses tirailleurs. Les tirailleurs ennemis firent bien frime de nous inquiéter, mais notre feu bien nourri, dans tous les cas, nous en débarrassa bien promptement. La colonne, arrivée à trois ou quatre milles de la place, se vit tout à coup arrêtée par des embarras considérables; des pins de trois à quatre pieds de diamètre ayant été jetés pêle-mêle, tête bêche, à travers la voie principale. D’abord le Général mit à l’œuvre ses sapeurs Wellingtoniens; mais que faire avec des hommes n’ayant que des serpes et des égohines “*handsaws*” pour

couper des pins de trois pieds sur la souche ? Alors de Courcy et Herriot se procurèrent des hâches, et cent bons bras Canadiens, mettant le fusil de côté pour un instant, commencèrent l'œuvre du déblaiement. Les pins se séparent en pièces de vingt pieds de long, comme par enchantement ; on les place à droite et à gauche de la route ; la colonne, arrêtée pour un instant, reprend sa marche : infanterie, artillerie et cavalerie se dirigent en avant. C'est alors que j'entendis un officier de l'état-major du Général Brisbane s'écrier : "*what smart young fellows ; what should we have done without these lads.*" Deux heures après la tête de la colonne, c'est-à-dire, mon vaillant Capitaine Berezy, arrivait à "*Dead Creek,*" qu'il fallut passer à gué, l'eau étant à demi-jambe, et fort agréable à cette saison de l'année, offrant un grand contraste, pour la sensation et la profondeur, avec la petite rivière que nous avons passée le mois d'avril précédent en approchant de Bartonville. Débarrassés alors des tirailleurs ennemis, nous nous trouvâmes en face du lac Champlain, en vue de la belle flotte Américaine, qui semblait nous défier, et qui, ayant des chaloupes canonnières sur les bords du lac, nous salua de son mieux, sans que nos chefs daignassent répondre à cet acte d'agression. Pendant six jours nous fûmes occupés à la tranchée et à la protection de nos ouvrages, à demi-portée de canon de l'ennemi.

Le jour de l'assaut, dont le signal devait être donné par l'attaque de notre flotte, la compagnie Berezy, toujours la gauche en tête, étendait son front en tirailleurs sur notre côté de la rive de la Saranaque, et les tirailleurs Américains nous rencontrant, en manœuvrant en sens inverse, il s'en suivit une bien vive fusillade, durant laquelle notre compagnie, d'un effectif de 70, eut treize hommes de tués et mis hors de combat en moins de quinze minutes. Mais le Capitaine Berezy m'ayant ordonné d'aller informer le Colonel de ce qui se passait, celui-ci ordonnant un "à

*gauche—pas de course !*” au reste du bataillon, les Voltigeurs, stationnés sur notre droite, en faisant de même, en un clin d’œil ce renfort opportun chassa dans l’intérieur du bois la force qui nous était opposée.

Je n’entreprendrai pas ici de blâmer, de justifier ou d’expliquer tout ce qui est arrivé dans le cours de la malheureuse expédition de Plattsburg. J’ai désiré me borner dans cette lettre à faire voir le rôle que jouèrent les Voltigeurs et les Chasseurs Canadiens dans cette occasion. Les Chasseurs, arrivés les premiers devant Plattsburg, furent aussi les derniers à laisser cette place : ils avaient formé l’avant-garde en marchant contre l’ennemi, ils durent former l’arrière-garde en retraitant sur le territoire Canadien. Quant à la part que prirent dans les chaloupes canonnières, deux compagnies du 3<sup>ème</sup> bataillon—les compagnies de flancs—je prends la liberté de vous référer à un petit mémoire que j’ai publié dans les “Mémoires et documents publiés par la Société Historique de Montréal, troisième livraison,” que je vous envoie, et que je vous prie de me renvoyer lorsque vous l’aurez lu, n’ayant que cette copie. Indépendamment de cette brochure, je vous expédie par la poste de ce jour trois exemplaires d’un petit opuscule que je viens de publier sur l’organisation des Volontaires et de la Milice. En somme, si l’expédition de Plattsburg a été une affaire manquée pour l’état, elle n’en a pas moins été une belle occasion pour les Franco-Canadiens, qui n’étaient pas tenus, par la loi, de faire une guerre d’agression en pays ennemi—de montrer que les frimas du Canada n’avaient rien refroidi l’ardeur belliqueuse des petits-fils de la vieille France ; que, semblables en tout à leurs ancêtres, ils savaient donner des preuves de cette gaieté inépuisable, de cette agilité incroyable, de ce mépris de la vie qui, à toutes les époques de l’histoire de l’Europe, a distingué le soldat Français.

Tout à vous,

E. P. TACHÉ.

The late Hon. Wm. Hamilton Merrit, of Niagara, a contemporary of Sir Etienne, a fellow soldier, and subsequently a fellow legislator, left a diary which he kept during the war—a mass of papers—no doubt of much historical value, but they were all burnt up with the town of Niagara. The raw material out of which history is formed consists of such papers : their safety and preservation is therefore a matter of importance to the common interest. We have, I fear, reason to apprehend that valuable historical documents are not lodged in places of safety. It is therefore the duty of the society to take cognisance of this, and to protect the archives of the country by every means in its power. At a Convention recently held in Ottawa, on the occasion of the inauguration of the new Hall of L'Institut Canadien, the subject of the archives of Canada was discussed. This society sent two delegates to that Convention, Past-President J. M. LeMoine, Esq., and Vice-President Colonel Strange, and on their return they submitted a lucid report of the proceedings, adverting more especially to the subject of the archives. Their views correspond with those expressed by one of our late Presidents —“That our first efforts should be directed to making arrangements for collecting together, assorting and indexing the very valuable historical documents which we already possess, but which are unavailable from being scattered from one end of the Dominion to the other.” No doubt that course should be adopted, and this society should join with others of kindred purpose in memorializing the Dominion Government upon the expediency, or rather the necessity of securing the safety and preservation of the archives by gathering them together into one Public Record Office. I shall not, however, attempt to discuss the subject in the last paragraph of an address already spun out to too great length ; but I will suggest that a special general meeting should be called for the purpose of dealing with it in a manner calculated to lead to practical and beneficial results.



PAPER II.—CURRENCY, WITH REFERENCE TO HARD  
MONEY IN CANADA DURING THE FRENCH  
DOMINATION.

BY JAMES STEVENSON, QUEBEC.

“The currency of the world includes many kinds of money. Gold, silver, copper, iron, in coins or by weight, stamped leather, stamped paper, wooden tallies, shells of various kinds, furs, pieces of silk, strips of cotton cloth of a fixed size and quality, are and have been all in use amongst mankind as forms of currency, as convenient and negotiable forms or representatives of property. Many of these kinds of money are simultaneously in use in the same country. Gold, silver, copper and stamped paper coexist in different forms of money in the currency of Europe and America: Gold, silver, copper and shells in India; silver, copper, and pieces of silk in China; copper, cotton strips, shells, and the silver dollar in various parts of Africa. Sparta had a currency of iron, Carthage of stamped leather. There is ample variety out of which money is made: metals, shells, cloth, leather, paper.” This is the statement of a recent writer on the subject of currency. With such an array, one may well enquire—what is money?

Paper money may be said to be of two kinds, viz:—Paper money, and money represented by paper. The former consists of notes upon which government confer the property of money, and which are not necessarily redeemable in specie; while the latter may consist of notes issued by the state or by corporations, and which are redeemable in specie. The former is a mere creation by political power; the latter grows out of engagements or commercial operations. The one, being declared legal tender, must be taken in satisfaction of a debt; the other, unless constituted legal tender by the state, may

be taken or refused at the option of a creditor. The present legal tender note of the United States corresponds to the first; the Bank Note of Canada to the last.

It would be a mistake to suppose that representative, emblematic, or paper money is an invention of modern times. The equivalent was used, in negotiable forms or representatives of property, as stamped leather, iron, tin, and stamped paper, in Carthage and Sparta, Rome, China and India, anterior to the Christian Era. The ancients were just as well aware of the unsoundness of an inconvertible currency as we are. They required a currency of intrinsic value, such as gold, silver, or copper money. The pieces of silk, strips of cotton cloth of fixed size and quality, were money of intrinsic value. The shells were also real money; the wampapeay and the couris were coveted for their variety, beauty and polish, and were valued just as we value precious stones: they had in themselves exchangeable power and intrinsic value, as gold and silver have; but the stamped leather, wooden tallies, bits of iron and tin had none, and constituted an unsound currency, having only the properties of money conferred upon them by political power.

The Chinese had a paper money made from the inside portion of the bark of the Mulberry tree. The bark was pounded in a mortar, moistened, spread out into sheets, cut up into small squares, certified by a chief officer of State, and stamped in red with the Imperial seal. Those little squares or cards, signed and sealed, having an authentic character, were issued by the State as money, and circulated throughout the Empire. It was death to counterfeit them, death also to refuse them in satisfaction of a debt, or in payment of goods. Their wise men, however, understood the true theory of paper money. One of them writes: "That paper should never be made money, should be used only as a sign or representative of articles of value, such as metals or commodities, which should be forthcoming when wanted by



the holder of such signs: this being the true intention of paper money; but when Government caught at the idea of making it real money, the original intention and true character of the currency were lost."

Every country had its monetary unit, which consisted generally of the principal merchandise or production of the place, estimated by weight, measure, or number. In some countries it was the silk or the cotton; in others the iron or the grain; and, frequently, the sheep and the cattle.

The monetary unit in Russia, in early times, consisted of skins or furs, which circulated as money; but in order to avoid the inconvenience of transferring such bulky articles from one to another, Government conceived the idea of cutting a small piece off each skin, as tokens and representatives of the skins stored away till claimed by the holders of the tokens. In primitive times it was not, however, always safe to entrust property to Governments; and the Government of Russia being in need of currency, found it easy to augment the number of tokens, and circulate them far in excess of the skins they were supposed to represent. When the Mongol Tartars conquered Russia, they would have nothing to say to this curious kind of currency; but insisted upon having the skins, and threw the monetary affairs of the country into confusion.

Some numismatists confiding in a passage in Aristotle, hold that the leather money of the Carthaginians represented skins or hides; and maintain that it was, therefore, a sound or convertible currency: but there is not sufficient evidence to justify any one in arriving at that conclusion.

The Greeks, not only understood the principles of currency, and the use of paper money, but carried on the business of banking, at least three centuries before the Christian era, and in a manner not very different from that in which it is

conducted now. They appreciated more than other nations a sound currency, preferring one of gold, silver, or copper; and never resorted to the use of paper or emblematic money, except in times of extreme peril to the State. There is, perhaps, no better definition of money than that given by Aristotle: "Money is a means of exchange or measure of value whereby one description of merchandise is exchanged for another." We have the means of ascertaining the weight, dimensions and bulk of a body, substance or object; we want also to ascertain its value. What the pound weight and the standard measure perform in respect of the former, that money does in regard to the latter: it measures its value: being, "the intermediate commodity interposed between what we have to sell, and what we wish to buy; establishing the value of each by the quantity of this interposed commodity which is given or taken in exchange."

In an article on Old Colonial Currencies, by Mr. S. E. Dawson, of Montreal, we learn, "that in America, within a comparatively short period, every conceivable form of currency has been tried. The accounts of New Netherlands (now New York State,) were, in 1662, kept in wampum and Beaver skins. That currency does not appear to have been more suitable than others; for in that year complaints were made of its increasing depreciation, and the Chamber of Commerce at Amsterdam credited all the Colonial officials with twenty-five per cent. additional salary in beaver skins to cover their loss, a precedent too seldom followed in later and more progressive times."

Parkman in "The Old Régime in Canada," tells us that, "In the absence of coin, beaver skins long served as currency in Canada. In 1669, the Council declared wheat a legal tender, at four francs the minot; and five years later, all creditors were ordered to receive Moose-skins in payment at the market rate."

During the period of the early settlement in Canada, the coins in circulation were of the reigns of Henri IV., Lewis XIII. and XIV., with the exception of three pieces struck specially for the colony.

Leblanc in his treatisé on money, page 388, alludes to these coins :

“ Afin de faciliter le commerce dans le Canada, le Roy fit fabriquer pour cent mille livres de Louis de 15 sols de 5 sols, et des doubles de cuivre pur. Ces monnaies étaient de même cours, poids et loi que celles de France. Sur les Louis d'argent de 15 sols et de 5 sols, au lieu de *Sit nomen domini benedictum* il y avait *gloriam regni tui dicent*, et sur les doubles : *Doubles de L'Amérique Française.*

Description de la pièce de 15 sols :

LVD. XIII. D. G. \* FR. ET NAV. REX. Buste juvenile de Louis XIV. à droite, tête laurée, perruque longue et bouclée. Le buste drapé par dessus la cuirasse.

“ Rylég : GLORIAM REGNI TVI DICENT, 1670. Ecu au 3 fleurs de lys surmonté de la couronne royale.

“ Module 27 millimètres.

“ Pièce de 5 sols semblable à la précédente.

“ Module 21 millimètres.”

And in reference to the other coins of the same reign, we find in “ Le Dictionnaire de Numismatique, publié par M. L'abbé Migné, Paris,” as follows :

“ On fabriqua au commencement du règne de Louis XIV. les mêmes espèces d'or, d'argent, de billon et de cuivre, que sous le règne précédent, savoir : des louis d'or, des demis et des doubles louis d'or, des écus d'or et des demis ; des louis d'argent de 60, de 30, de 15 et de 5 sous ; des deniers et doubles deniers de cuivre purs. Toutes ces monnaies étaient de même poids, titre, loi et valeur que sous le règne précédent.”

The Livre Tournois was the integer or money of account in Canada, but it was not known in Canada or even in France during that period as a coin. There was however once a coin called Tournois : " Petite monnaie bordée de fleurs de lis qui tirait son nom de la ville de Tours où elle était frappée. Il y avait des livres Tournois, des sols Tournois, des petits Tournois. Ce n'est plus qu'une désignation d'une somme de compte."

The Livre Parisis was also a money of account, but I have not found it alluded to in any old Deeds of sale in Canada. Sales were invariably made during the period of early settlement for sums stated in Livres Tournois. The Livre Parisis, however, is thus referred to in the Dictionnaire de Numismatique.

" Parisis, en terme de compte, est l'addition de la quatrième partie de la somme au total de la somme ; ainsi le Parisis de 16 sols, est quatre sols ; quatre sols Parisis font 5 sols : c'est aujourd'hui une monnaie de compte qui autrefois était monnaie réelle, qui se fabriquait à Paris, en même temps que le Tournois se fabriquait à Tours. Ces Parisis étaient d'un quart plus forts que les Tournois, en sorte que la livre Parisis était de 25 sols et la livre Tournois de 20 sols." And d'Abot de Bazingham "Traité de Monnaies," under the word Tournois, writes :

" On s'est servi en France dans les contrats des monnaies Tournois et Parisis jusque sous le règne de Louis XIV ; où la monnaie Parisis a été abolie. On ne se sert plus dans les comptes que de la monnaie Tournois. Il faudra donc à partir de Louis XIV entendre le mot livre comme Livre Tournois."

" La livre Tournois était représenté par des monnaies qui n'ont jamais variées sous le rapport du titre qui était de 11 deniers argent fin (917/00) mais qui ont subi des variations fréquentes, sous le rapport de la valeur."

“ Ainsi pour en citer un exemple : l'émission de Décembre, 1689 : Louis d'argent à 11 deniers de fin—de  $8\frac{1}{2}$  au marc, (poids 27 gr. 427) *LVD. XIII. D. G. \* FR. ET NAV. REX.* Tête virile à droite, perruque ample retombant en boucles sur les épaules drapées. Sous le buste : 1689.

“ R<sub>7</sub>.—CHRS. REGN. VINC. IMP. Croix de 4 doubles L. adottés et couronnées, avec 4 fleurs de lys dans les angles ; au centre la lettre monétaire. Ce Louis d'argent fut émis d'abord pour 66 sols puis pour 65, Juillet 1692.

64                                      Décembre 1692.

63                                      1 Juin 1693.

62                                      Août 1693.

“ Autres fabrications eurent lieu en 1701-1705.”

In the eighteenth century the écu of 6 livres went into circulation in Canada, viz. : in the last years of the reign of Louis XV.

“ Ces écus étaient à 11 deniers de fin, de poids de 29 gr. 49.

“ Description du dernier écu par Louis XV :

“ *LVD. XV. D.G. FR.—ET NAV. REX.* Effigée, tournée à gauche et laurée—buste drapé.

“ R<sub>7</sub>.—*SIT NOMEN DOMINI BENEDICTVM.* : Ecu ovale au 3 fleurs de lys, entouré de branches de laurier.

“ Divisions de l'écu : petit ecu, pièce de 24 sols, de 12 sols, de 6 sols.”

As I intend to confine myself to the subject of card or paper money, I shall not refer further to the coins which constituted to a limited extent, the currency of Canada during the French Régime. I have described a few only, which did service and circulated among the early settlers ; but, card money prevailed as currency, in the ordinary transactions of life in the colony.

While we rise pleased from the perusal of the history of the Bank Note of Scotland, convinced of the soundness of the system under which it issues, of the good service it renders, and of its title to existence: its little counterpart, "the card," in Canada, born, prematurely, about the same time, in an infant colony of France, has to be pathologically considered, and followed through various stages of disease, till death puts an end to its existence; but not to the mischief inflicted upon those among whom it circulated, and who put faith in its virtue.

Card money was issued in Canada by the Intendant Meales in 1685. He informs the minister, "I have no money to pay the soldiers, and not knowing to what Saint to make my vows, the idea occurred to me of putting in circulation notes made of cards, each cut into four pieces; and I have issued an ordinance commanding the inhabitants to receive them in payment. The cards were common playing cards, and each piece was stamped with the fleur-de-lis and a crown, and signed by the Governor, the intendant, and the clerk of the Treasury at Quebec."<sup>(1)</sup> They were convertible into Bills of Exchange at a specified period. Other cards, domiciled in France, appear to have issued afterwards, payable to bearer on demand, which circulated freely to the extent of the currency required in the colony; the rest were remitted to France or converted into Bills of Exchange. Subsequently card money, not domiciled in France, but, confined to the colony, was issued. Each card bore the name and coat-of-arms of the Intendant, the nominal value of the card, and the date of issue; also the signature and seal of the Governor as security against forgery. There were cards of the denominations, 32 livres, 16 livres, 4 livres, 40 and 20 sols. This new issue did not take well at

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(1) Parkman's *Old Régime*, p. 300.  
Meales au Ministre, 24 Sept., 1685.

first in the colony; the old, payable in France, being preferred. It was customary for the holders of card money to exchange it in autumn with the Treasurer at Quebec, for Bills of Exchange on the Imperial Treasury; and it was taken for granted that, the old issue would have a preference over the new. But the policy of the Treasurer was the very opposite of this; he demurred to the old, and readily issued Bills of Exchange for the new. The effect of this proceeding was, to establish the credit and currency of the new notes, which were thenceforth taken in preference to the old issue.

During a period of nearly thirty years the card money circulated, and served as currency in the ordinary transactions of life in the colony, and was considered safe to take in satisfaction of a debt; because, if not convertible into coin in Canada at the will of the holder, it was redeemed in Bills of Exchange on the Imperial Treasury, which constituted an excellent remittance for the colonists who had to meet their engagements in France. But trying times were in store for Canada: the Imperial Treasury, drained by the extravagance and costly wars of Louis the XIV., became unequal to the heavy demands made upon it; and the drafts drawn by the Colonial Government, being consequently dishonored, the financial affairs of the colony were thrown into a hopeless state of confusion. The card money rapidly depreciated in value. Treasury bills, formerly so much valued, were sold in France at a heavy discount; others were returned to the colony dishonored and under protest. Appeals were made in vain to the Colonial authorities for settlement. There was none to be had—no relief anywhere.

In 1714 the amount of card money in the hands of the colonists appears to have reached the sum of two million.<sup>(1)</sup> The population of Canada was then about twenty thousand,

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(1) Parkman's *Old Régime*, p. 300.

of which probably six thousand were settled in Quebec, and two thousand in Montreal. Considering the condition of the colony, the amount of currency floating should not, under the circumstances, have exceeded one million. Being in excess, depreciation followed as a matter of course; and Government, being pressed for settlements, compromised, from time to time, with the holders of the currency, by payment of one half its nominal value.

Finally in 1717, a decree, after citing the settlements referred to, and deploring the inconvenience of card money, announces the intention of Government to withdraw it entirely from circulation, and to redeem it within a certain period, at a reduction of value. At the same time a new issue, current at the reduced value, was made to meet the immediate requirements of the Treasurer, redeemable on the same terms and conditions as the old.

The decree referred to, provides that all card money shall be current in the colony at one-half of its nominal value, viz: A card of four livres for two (equal to one livre ten sols money of France): the total reduction being five-eighths of the original value.(1) Subsequently this decree was modified by another to meet the case of certain debtors, who would otherwise have had to pay twice as much as they really owed.(2.) But in the main it was adhered to.

The terms of settlement, or redemption, were as follows: the Treasurer is instructed to retire the card money before the ships leave in November for France; and holders will then be paid one-third of the reduced value in Bills of Exchange on France, maturing 1st March, 1718; one-third, 1st March, 1719; and the balance, 1st March, 1720. All card money presented for settlement, after the ships leave in 1718, will be redeemed at the reduced value: one-half in bills

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(1) Edits and Ord., p. 370.

(2) do. 393.



payable 1st March, 1719; the remaining half, 1st March, 1720; but all cards outstanding, after the ships shall have left in 1718, will be considered cancelled and valueless. A more mistaken policy, or a more unjust proceeding on the part of the Home Government than this, can scarcely be conceived. Government had had the experience of more than a quarter of a century to guide them in the issue of card money. A little reflection should have shown that, the amount of over issue, only, required to be redeemed. The remedy was simple: if one million livres of cards had been withdrawn, the rest would have kept out, and circulated to the great convenience of the community; and no one would have suffered any loss. As to the new issue for current expenses, redeemable at three-eighths of its nominal value—not a sol was saved; for it exchanged for that only, and no more.

The missionary spirit, in which the settlement of Canada was undertaken, continued to maintain and manifest itself among the clergy and many of the laity. Bold spirits such as La Salle and de Tonty, devoted their lives to discovery, and to the establishment of new colonies in the great west. The rest remained behind to trade with the Indians and with each other.

It was difficult to get the colonists to apply themselves steadily to agriculture. "In vain the government sent out seeds for distribution. In vain intendants lectured the farmers and lavished well meant advice. Tillage remained careless and slovenly."<sup>(1)</sup> The spirit of dogged industry was wanting. In the pursuit of trade they hoped to attain to wealth and independence by a shorter route, and with less labour; but the false financial system followed in the mother country, as well as in the colony, doomed them to disappointment and frustrated their hopes.

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(1) Parkman.

Next to an impartial administration of Justice, the most important object to a people is a safe and secure currency. This maxim was, however, disregarded in France, where the wildest ideas upon currency prevailed. The schemes of Law, introduced under the Regent Duke of Orleans about this time, proved a complete failure ; and France, if not covered with ruin, was plunged into a state of extreme financial confusion.

In Canada the Régime of card money was, for a time at any rate, at an end ; but the specie in the colony was quite inadequate to supply its place, and meet the wants of the community in the ordinary business of exchange between man and man. There was much groping in the dark in relation to currency questions, and we have consequently :

A Decree reducing the value of gold coins, dated May 7, 1719.

A Decree increasing the value of gold and silver coins and reducing the price of commodities, 24th October, 1720.

A Decree suspending the operation of the above, 26th December, 1720.

A Decree concerning copper money, 30th April, 1721.

A Decree concerning specie, 4th February, 1724 ; March 27th, 1724 ; September, 1724, and 22nd September, 1724.

In January, 1726, a decree ordering " la fabrication de nouvelles espèces d'or et d'argent."

May 26th, 1726, a decree augmenting the value of specie, currency, &c.

Trade languished, and a return to the use of paper money appeared to be the only remedy. Representations were made accordingly ; and Government, yielding to the wishes of the people, resumed the issue of card money, with little more light on the subject of currency, than they had in the

previous century. So the "card" revived on the 2nd of March, 1729; and its restoration was announced in the following :

*"Ordonnance du Roi au sujet de la Monnaie de Carte.*

"DE PAR LE ROI.

"Sa Majesté s'étant fait rendre compte de la situation où se trouve la colonie de Canada depuis l'extinction de la monnaie de carte, et étant informée que les espèces d'or et d'argent qu'elle y a fait passer depuis dix années pour les dépenses du pays ont repassé successivement chaque année en France, ce qui en cause l'anéantissement du commerce intérieur de la colonie, empêche l'accroissement de ses établissemens, rend plus difficile aux marchands le débit en détail de leurs marchandises et denrées; et par une suite nécessaire fait tomber le commerce extérieur qui ne peut se soutenir que par les consommations que produit le détail; Sa Majesté s'est fait proposer les moyens les plus propres pour remédier à des inconvénients qui ne sont pas moins intéressans pour le commerce du royaume que pour ses sujets de la Nouvelle-France; dans la discussion de tous ces moyens aucun n'a paru plus convenable que celui de l'établissement d'une monnaie de carte qui sera reçu dans les magasins de Sa Majesté en paiement de la poudre et autres munitions et marchandises qui y seront vendues et pour laquelle il sera délivré des lettres de change sur le trésorier-général de la marine en exercice; elle s'y est d'autant plus volontiers déterminée qu'elle n'a fait en cela que répondre aux désirs des négocians du Canada, lesquels ont l'année dernière présenté à cet effet une requête au gouverneur et lieutenant-général et au commissaire-ordonnateur en la Nouvelle-France, et aussi aux demandes des habitans en général qui ont fait les mêmes représentations, et que cette monnaie sera d'une grande utilité au commerce intérieur et extérieur par la facilité qu'il y aura dans les

achats et dans les ventes qui se feront dans la colonie dont elle augmentera les établissements, et Sa Majesté voulant expliquer sur ce ses intentions, elle a ordonné et ordonne ce qui suit :

“ARTICLE I.—Il sera fabriqué pour la somme de quatre cent mille livres de monnaies de carte de vingt-quatre livres, de douze livres, de six livres, de trois livres, d’une livre dix sols; de quinze sols et de sept sols six deniers, lesquelles cartes seront empreintes des armes de Sa Majesté, et écrites et signées par le contrôleur de la marine à Québec.

“II. Les cartes de vingt-quatre livres, de douze livres, de six livres et de trois livres seront aussi signées par le gouverneur, lieutenant-général, et par l’intendant ou commissaire-ordonnateur.

“III. Celles d’une livre dix sols, de quinze et de sept sols six deniers, seront seulement paraphées par le gouverneur, lieutenant général et l’intendant ou commissaire-ordonnateur.

“IV. La fabrication des dites quatre cent mille livres de monnaie de carte pourra être faite en plusieurs fois différentes, et il sera dressé pour chaque fabrication quatre procès-verbaux dont un sera remis au gouverneur, lieutenant-général, un autre à l’intendant ou commissaire ordonnateur, le troisième sera déposé et enregistré au bureau du contrôle, et le quatrième envoyé au secrétaire d’état ayant le département de la marine.

“V. Défend Sa Majesté au dit gouverneur, lieutenant-général, intendant ou commissaire-ordonnateur et au contrôleur d’en écrire, signer et parapher pour une somme plus forte que celle de quatre cent mille livres, et à toutes personnes de la contrefaire, à peine d’être poursuivies comme faux monnoyeurs et punies comme tels.

“VI. Veut sa Majesté que la monnaie de carte faite en exécution de la présente ordonnance ait cours dans la colonie pour la valeur écrite sur icelle et qu’elle soit reçue par les

gardes-magasins établis dans la colonie en payement de la poudre, munitions et marchandises qui seront vendues des magasins de Sa Majesté, par le trésorier pour le payement des lettres de change qu'il tirera sur les trésoriers-généraux de la marine, chacun dans l'année de son exercice, et dans tous les payemens généralement quelconques qui se feront dans la colonie de quelque espèce et de quelque nature qu'ils puissent être.

“Mande et ordonne Sa Majesté au sieur marquis de Beauharnois, gouverneur et lieutenant-général de la Nouvelle-France, et au sieur Hocquart, commissaire-ordonnateur, faisant les fonctions d'intendant au dit pays, de tenir la main à l'exécution de la présente ordonnance, laquelle sera enregistrée au contrôle de la marine à Québec.

“Fait à Marly, le deuxième mars, mil sept cent vingt-neuf.

“Signé : LOUIS.

“Et plus bas,

“Signé : PHELYPEAUX.

“Et scellée du petit sceau.”

I have copied the ordinance *verbatim*, because an attentive perusal will give a far better idea of the then state of commercial and financial affairs in the colony, than I could possibly hope to convey, by any remarks of my own. In the absence of specie, some such measure as the foregoing seemed necessary. The people could not return to a currency of Beaver and Moose skins, because they were wanted for exportation; and the wheat, which was legal tender at 4 francs per minot, was required to maintain human life in the colony. Considerable exchangeable power was, however, conferred upon the cards:—first, by the limitation of their issue; and then by the provisions in the measure for their convertibility into goods, and also into Bills of Exchange on the Imperial Treasury. The colonists were temporarily released from a dead lock, caused by the paucity, or absence, of currency, so indispensable to a trading community.

The new issue of card money did not vary much in appearance from the cards called in, and settled for by compromise. Several specimens are in the possession of my friend Mr. Cyrille Tessier, Notary, a proficient numismatist, of Quebec. They are square pieces of card, having the corners clipped off, about half the size of a common playing card, and of the same thickness. The fractional card money is of the same material, but smaller in size. The accompanying illustrations, copied from originals in the possession of Mr. Tessier, will show better than any description could do, the character of this card money. As shown on plate I, the large card-money bears at the top the arms of France and Navarre, stamped between the signature of the clerk of the Treasury *Varin*, and the year of issue 1742, followed by the statement of its value : *Pour la somme de douze livres*. After which follows the signature of the Governor *Beauharnois*, and that of the Intendant *Hocquart*.

The small card-money has the same impress of the arms of France and Navarre, with the attesting signature "*Varin*," and year of issue, which in the example here produced is 1752. The initial at foot "*B*" is that of the Intendant *Bigot*.

Four hundred thousand livres (or francs), issued under authority of the Ordinance of 2nd March, was a small amount for a population of thirty or forty thousand. All things considered, four times four hundred thousand would have floated on that population ; and this amount might have issued without any violation of the principles of currency ; but four hundred thousand livres was not enough for the ordinary purposes of exchange, and, consequently, a second issue was authorized on the 12th May, 1733, viz. :

*" Autre Ordonnance du Roi au sujet de la Monnoie de Carte,  
du 12e. mai, mil sept cent trente-trois.*

" DE PAR LE ROI.

" Sa Majesté ayant, par son ordonnance du deux du mois de mars, mil sept cent vingt-neuf, et pour les raisons y

1742  
Pour la somme de Douze livres.  
Beaubarnon  
Wequerey

1752  
Centefol  
B. N.





contenues, ordonné qu'il seroit fabriqué en Canada pour la somme de quatre cent mille livres de monnoie de carte de vingt-quatre livres, de douze livres, de six livres, de trois livres, de trente sols, de quinze sols, et de sept sols six deniers, elle auroit eu la satisfaction d'apprendre que l'établissement de cette monnoie qui avoit été désiré de tous les états de la colonie y avoit en effet produit d'abord les avantages qu'on en avoit attendu ; mais Sa Majesté s'étant fait rendre compte des représentations qui ont été faites l'année dernière tant par les gouverneurs et lieutenant-général et l'intendant que par les négocians du pays, sur l'état actuel de la colonie, elle auroit reconnu que la dite somme de quatre cent mille livres n'est point suffisante pour les différentes opérations du commerce intérieur et extérieur, soit par le défaut de circulation de partie de cette monnoie que gardent les gens aisés du pays sur le juste crédit qu'elle a, soit parce que la colonie devient de jour en jour susceptible d'un commerce plus considérable, elle auroit jugé nécessaire pour le bien du pays en général et pour l'avantage du commerce en particulier d'ordonner une nouvelle fabrication de monnoie de carte, et elle s'y seroit d'autant plus volontiers déterminé qu'elle répondra encore par-là aux désirs de tous les états de la colonie, à quoi voulant pourvoir, Sa Majesté a ordonné et ordonne ce qui suit :

“ ARTICLE I.—Outre les quatre cent mille livres de monnoie de carte fabriquées en exécution de l'ordonnance de Sa Majesté du deux de mars, mil sept cent vingt-neuf, lesquelles continueront d'avoir cours en Canada conformément à la dite ordonnance, il sera fabriqué pour la somme de deux cent mille livres de cette monnoie en cartes de vingt-quatre livres, de douze livres, de six livres, de trois livres, de trente sols, de quinze sols et de sept sols six deniers, lesquelles cartes seront empreintes des armes de Sa Majesté, et écrites et signées par le contrôleur de la marine à Québec.”

ART. II, III, IV. and V. are a mere repetition of II, III, IV., V. and VI. of the former ordinance.

It is interesting to read the preceding preamble. Light is breaking in on the subject. We see signs of caution, and an honest intention on the part of Government, to give and maintain a safe serviceable, though not immediately convertible currency. The experiment broke down, however, as we shall see presently, owing to the unprincipled proceedings of the Intendant; and government drifted into a system of reckless and unrestricted over-issue, resulting in dishonor and disaster to all concerned. With a sound system of currency and finance—very different from the present, might have been the fate of Canada. There was no lack of military ardour and soldierly qualities on the part of the French; but the woful mismanagement of financial affairs and maladministration of the colony, had a telling effect upon the spirits of the people, and contributed probably not a little to the loss of Canada to France.

An unfortunate concession had been made by Government to their ill-paid officials. All were permitted to engage in trade—from the lowest to the highest functionary. The grossest abuses were the result. Officials appear to have been in league with leading merchants to extort exorbitant prices from Government and from the settlers to whom they sold goods.(1) The privilege of trading, in connection with the issue of paper money, sometimes by the same hands, opened wide the door to every kind of abuse; and the highest functionaries were accused of enriching themselves by unworthy means.

The new issues being insufficient for the wants of the community, more might have been authorized under proper restrictions, with perfect safety. But the Intendant took the matter into his own hands, and of his own mere motion put out a separate issue of paper money which he called "ordonnances" to which no limit was assigned. The

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(1) Garneau, p. 290, vol. II., referring to official despatches on the subject.



9<sup>te</sup> COLONIES 1759 =

Dépenses générales.

N.º 116816

*IL sera tenu compte par le Roi,  
au mois d'octobre prochain, de la  
somme de Quatre Vingt Six  
Livres*

*valeur en la soumission du Trésorier,  
restée au bureau du contrôle.*

*A Québec, le 17. 10. 1759*

*[Signature]*

“ordonnances” were simply Promissory Notes. The lowest denomination was 20 sols, the highest 100 livres. They were printed on common paper about half the size of a sheet of ordinary note paper, as shown in the accompanying fac-simile, plate II, of a note for ninety-six livres, issued at Montreal (for Quebec) in 1759. At the top, the year, then the words “*Dépenses Générales,*” the number, followed by the obligation : “*Il sera tenu compte par le Roi au mois d’Octobre prochain de la somme de quatre-vingt seize livres, valeur en la soumission du Trésorier restée au bureau de contrôle.*” Under this, the date, and signature of Intendant *Bigot*.

Both cards and ordonnances were in use as currency and circulated simultaneously in the colony. The cards were, however, preferred, being considered a privileged or prior claim on the Treasury. Before the close of navigation, each year, in the month of October, those who required Bills on France for remittance, obtained them at the local Treasury, in exchange for cards and ordonnances; but cards were settled for first, because the redemption of the ordonnances was contingent upon the state of the credit of the colony. If the annual expenditure exceeded the sum authorized to be drawn for, the ordonnances, instead of being redeemed by Bills of Exchange, were exchanged for bonds, payable twelve months after date, in card money—an arrangement which was termed “*faisant la réduction.*” In 1754 both cards and ordonnances were settled for on equal terms, viz. : by Bills of Exchange payable partly in 1754, partly in 1755, and partly in 1756. In that year 1,300,000 livres of specie arrived from France, and the people thought that Government intended to discontinue the issue of paper money. Specie was then current at the proportionate value of 6 livres silver to 8 livres paper, and Government endeavored to establish that premium on silver, as a permanent par. Increased issues of paper money were made nevertheless; and as a matter of course the experiment failed, and paper fell, in spite of the

Government, to 60 and 70 per cent. discount. The paper money now afloat, chiefly ordonnances, became completely discredited. "Le papier qui nous reste," writes M. de Levis to the Minister, "est entièrement décrédité, et tous les habitans sont dans le désespoir. Ils ont tout sacrifié pour la conservation du Canada. Ils se trouvent actuellement ruinés, sans ressources."(1)

In 1758-9, the death blow was given to the system in Canada, by the dishonor of the Treasury bills, and the refusal of the Imperial Government to allow of any more drafts on the Treasury, until an enquiry had been made into the cause and extent of the excessive issues of paper money. Prior to the peace, but after all hope of keeping Canada had fled, the Governor Vaudreuil and Intendant Bigot, issued a circular to the people, stating that, they were instructed by His Majesty the King, to say that, circumstances compelled him to refuse payment of the Bills drawn on the Treasury; but that those drawn in 1757 and '58, now overdue, would be liquidated three months after the conclusion of peace; and that interest would be allowed from the date of maturity—that those of 1759 would be liquidated eighteen months after peace. The Governor and Intendant were further charged to assure the people of Canada that, the state of the Imperial Treasury, alone, compelled the King to act in this manner towards those who had given such signal proofs of their fidelity and attachment. They would wait patiently, he hoped, for a settlement of their claims. Those fair promises were never fulfilled.

Mr. Garneau, quoting from Raynal, says: "Under this monetary system Canada was deprived of all real security. Coined money has intrinsic value, paper money has none. It is only a sign and depending upon the contingency of redemption. The expenses rose rapidly. From 1,700,000 livres in 1749 they

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(1) Garneau, page 355, vol. II.

rose successively from year to year to 2,100,000, 2,700,000, 4,900,000, 5,900,000, 5,300,000, 4,450,000, 6,100,000, 11,300,000, 19,250,000, 27,900,000, 26,000,000 fr.; and for the eight first months of 1760 to 13,500,000, in all exceeding 123 million. Of this sum," says M. Garneau, "the state owed 80 million—41 of which, to Canadian creditors, consisting of 34 million in Ordonnances, and 7 million in Bills of Exchange. This large amount of State obligations held by Canadians—large for such a country, proved almost valueless to the holders. Merchants and officers of the British army," says M. Garneau, "bought up, at 'vil prix,' a portion of these claims, and resold them, through French factors or brokers on London Exchange for cash. Through personal influences, a stipulation was secured in the treaty of 1763 for compensation of 3,600,000 francs in settlement of a moiety of the Bills, and three-fourths of the ordonnances; but while the Canadians suffered by the reduction an immediate loss of 29 million on their holding, the merchants and officers, alone, derived whatever profit was to be reaped from the indemnification."

With respect to the alleged gains by British officers: the statement is simply incredible. We can believe that :

" Grim visaged war has smoothed his wrinkled front ;  
 And now, instead of mounting barbed steeds,  
 To fright the souls of fearful adversaries ;  
 He capers nimbly in a lady's chamber,  
 To the lascivious pleasing of a lute."

But M. Garneau makes large demands upon our credulity when he asks us to believe that Mars took to stock-jobbing and trafficking in repudiated paper money. He must surely have penned that passage in an exceptional mood of mind ; or, perhaps, under the influence of Anglophobia.

After the capitulation of Quebec, the British authorities paid for all labour, and every commodity, in specie—chiefly in Mexican Dollars. Perhaps the new subjects, as the

Canadians were then called, became reconciled to a change of allegiance which, thenceforth, secured to them the full satisfaction of every just pecuniary claim.

In preparing the foregoing story of the card money of Canada, I am indebted to Sir N. F. Belleau, Knt., Mr. S. E. Dawson of Montreal, the Prothonotary Mr. Fiset, Mr. C. Tessier and Mr. M. LeMoine of Quebee, for pointing out to me various sources of information, from which I have drawn. And to Dr. H. H. Miles; author of the "History of Canada," for enabling me to conclude this paper with the copy of an important historical document, which provides for the final settlement of all outstanding paper—whether cards, ordonnances, or bills of exchange.

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29TH MARCH, 1766.

CONVENTION, FOR THE LIQUIDATION OF THE CANADA PAPER MONEY BELONGING TO THE SUBJECTS OF GREAT BRITAIN, BETWEEN THE KING OF GREAT BRITAIN AND THE MOST CHRISTIAN KING.

In order to terminate the discussions, which have too long subsisted in regard to the liquidation of this paper, belonging to the subjects of Great Britain, the two courts have named and appointed their respective Ministers Plenipotentiary; viz :

His Brittanic Majesty, the Sieur Henry Seymour Conway, Lieutenant-General of his armies, and one of his principal secretaries of state, likewise authorized to the same effect by the proprietors of the said Canada paper; and His Most Christian Majesty, the Sieur Count de Guerchy, Knight of his orders, Lieutenant-General of his armies, Colonel Commandant of his regiment of foot, and his Ambassador to His Brittanic Majesty; who after having communicated their full powers



and authorizations in due form, to each other, copies whereof are transcribed at the end of the present Convention, have agreed to the following articles :

ARTICLE 1ST.

His Excellency General Conway, invested with the above mentioned full powers and authorizations, accepts, for the British proprietors or holders of the Canada paper, and in their names, the reduction of the said paper, on the footing of fifty per centum for the Bills of Exchange, and such part of the certificates as are entitled to the said payments and of seventy-five per centum, for ordonnances cards and the remaining part of the certificates, and to receive for the fifty and twenty-five per centum of the reduced principal, reconnoissances or rent-contracts, which shall bear an annual interest from the 1st day of January, 1765, of four and one-half per centum, to be subjected to the Dixième from the said 1st day of January, 1765, in as many reconnoissances as it shall suit the holders to divide their liquidated principals into: provided that each reconnoissance shall not be for more than one Thousand Livres, Tournois; which reconnoissances shall share the same fate for their reimbursement, as the other debts of the state, and shall not be subjected to any reduction whatsoever: the whole conformably to the arrêts of the Council issued in France the 29th of June, 2nd July, 1764; 29th and 31st December, 1765.

ARTICLE 2ND.

In order to ascertain the British property of this paper, at the period, and according to the meaning of the Declaration annexed to the last treaty of peace with France, each proprietor or holder shall be obliged to make a declaration thereof upon oath, in the form and terms which shall be hereafter prescribed in consequence of a further delay, which his Most Christian Majesty grants them, to the 1st of October, 1766: after the expiration of which, such of the said papers, as shall not have been declared and tendered to be liquidated, shall remain excluded, null, and of no value.

## ARTICLE 3RD.

These declarations on the part of the proprietors and holders of this paper shall be accompanied by an oath to be taken before the Lord Mayor of the City of London, or such other magistrate in person as shall be named for that purpose, in such place and at such times as shall be specified in the presence of the commissaries or deputies appointed as well on the part of the Court of France as on the part of the proprietors of this paper ; which commissaries or deputies shall be allowed to ask through the magistrate who administers the oath, such questions of the deponent, as they shall judge necessary relative to the object of the oath.

## 4TH ARTICLE.

Each declaration shall contain only what belongs to one holder, whether they are his own property, or held by him for account of others, mentioning therein his name, quality, and place of abode ; and this declaration shall be made conformable to the model annexed to the present convention.

## 5TH ARTICLE.

Duplicates shall be made of these declarations, certified to be true, signed by the holders of the said papers, and previously delivered to the English and French commissaries or deputies, who shall be obliged, three days after receiving these declarations, to assist at the taking of the oath before the magistrate appointed for that purpose.

## 6TH ARTICLE.

As this paper may, since the last treaty of peace, have passed into the hands of three different classes of proprietors ; namely, the actual proprietors, the intermediate, and the original ; the form of an oath suitable to each class of proprietors shall be prescribed in the three following articles.

## 7TH ARTICLE.

The actual proprietors, who are not original proprietors, having been intermediate purchasers, with a guarantee of the British property, shall take the following oath underneath the declaration of their paper.

“ I . . . . . affirm and solemnly swear on  
 “ the Holy Evangelists, that the papers mentioned in the  
 “ foregoing declaration are the same (or part of the same) that  
 “ I purchased of B . . . . . the . . . . . with a  
 “ guarantee of their being British property ; and that I hold  
 “ them on my own account (or on account of . . . . . )  
 “ so help me God.”

## 8TH ARTICLE.

The intermediate proprietors, who have been purchasers and sellers, with a guarantee of their property being British, shall take, by endorsement on their declaration an oath in the following form :

“ I . . . . . affirm and solemnly swear on  
 “ the Holy Evangelists, that I did purchase of C . . . . .  
 “ on the . . . . . day of . . . . . sundry  
 “ Canada papers, amounting to . . . . . : and  
 “ that I did sell the same, or . . . . . of the  
 “ same, to D . . . . . which was guaranteed to, and by  
 “ me, to be British property, so help me God.”

This oath to be repeated by each intermediate purchaser, back to the person, who brought them, or received them, from Canada.

## 9TH ARTICLE.

The Canada proprietors, or those who represent them in London, being the actual possessors, or no longer so, shall take the following oath, with the modifications expressed, suitable to the different circumstances, under which they may find themselves :

“ I . . . . . affirm and solemnly swear on  
 “ the Holy Evangelists, that the papers mentioned in the  
 “ foregoing declaration :

(If the property of a Canadian) “ are my own property,  
 “ having had them in my possession at the date of the last  
 “ treaty of peace (or having bought them in Canada, from  
 “ whence I brought them.”)

(If in possession of a British Representative of a Canadian subject) "are my own property, having bought them (or " received them) from Canadian subjects."

(If not in his possession) "were my own property, " having bought them (or received them) from Canadian " subjects; and that I sold the same (or part of the same) " to . . . . . the . . . . . ."

(If these papers came from France or elsewhere, being the property of Canadian or British subjects) "were sent to " me from France, or elsewhere, on account of . . . . " as British property."

(If sold) "and that I sold the same (or part of the same) " to . . . . . the . . . . . ."

(Foreigners, who shall have sent them to England, shall take the same oath as the intermediate proprietors, as expressed in the 8th Article, preceding.)

(Foreigners who shall have received them from Canada or Great Britain )

" I . . . . . affirm and solemnly swear on " the Holy Evangelists, that at the date of the last treaty of " peace, I held in trust, or that since that date I have received " from . . . . . in Canada (or in Great " Britain) sundry Canada papers, amounting to . . . . . " on the proper account of . . . . . " an actual British Canadian Subject; and that I have sold " (delivered) (or sent) the same (or part of the same) to " . . . . . as British property."

On these different oaths being judicially and legally made the respective commissaries shall be obliged to grant to the holders of the papers, that shall have come from France (or elsewhere) a certificate of their being British property as well as to the holders, who shall have received them directly from Canada.

(If the papers have been brought from Canada, on account of any other than the person who sent them) "have been sent

“ to me directly by . . . . . of . . . . . in  
 “ Canada, who purchased them from British Canadian  
 “ Subjects, upon commission for account of . . . . .  
 of . . . . . ”

(Lastly, if the papers are for account of Canadians and transmitted by them.) “ That I received from . . . . .  
 “ of . . . . . in Canada and for his account.”

(All indifferently are to add.)

“ I further swear that the said papers were neither  
 “ purchased, nor have been negotiated in France, as French  
 “ property, nor acquired directly or indirectly from natives of  
 “ France, who were the proprietors of them at the date of the  
 “ last treaty of peace, and that no part of these papers were  
 “ carried from Europe to Canada, in order to give French  
 “ property the sanction of British property, which I affirm and  
 “ solemnly swear, so help me God.”

#### 10TH ARTICLE.

Nevertheless, in case the actual proprietors or holders produce *Borderaux* in good form, registered heretofore in Canada in consequence of the orders of the English Governors or declared in France as British property, and not liquidated within the time (for those declared in France) that the Registers for the Declaration, were opened for the French, it shall be sufficient, that the proprietors or holders, so circumstanced, take the following oath :—

“ I . . . . . affirm and solemnly swear on the  
 “ Holy Evangelists, that the papers, mentioned in my  
 “ foregoing declaration, have been registered in Canada (or  
 “ in France) conformably to the annexed *Borderaux*, which  
 “ I certify to be true, so help me God.”

#### 11TH ARTICLE.

After the administration of the oaths, there shall within the space of three days, be delivered, to each actual proprietor or Holder, a certificate of its being British property, by the magistrate who administers the oaths ; which certificate shall be revised and signed by the respective commissaries or

deputies and shall contain an account of each sort of paper, which shall have been therein proved British property; in order, that by means of this voucher, the possessor may present his paper to the office of the Commission at Paris, there to be examined, revised, liquidated, and converted into reconnoissances or rent-contracts, according to the reduction fixed and agreed upon: Every thing shall meet with all possible despatch, and the holders of this paper shall be at no expense whatsoever.

#### 12TH ARTICLE.

In case any unforeseen accident shall have deprived any actual proprietor of this paper of an intermediate proof between him and the first proprietor who received it from Canada, so as that the proofs which precede and follow that which ought to join them, and which is missing, seem to have report, and belong to each other; in that case only the respective commissaries or deputies shall be empowered to admit the paper, it relates to, as British property, if they think proper, notwithstanding the deficiency, which shall have broken the link of the proof: and if the respective commissaries or deputies should chance to differ in opinion, the decision of the object in question shall be referred to his Britannic Majesty's Secretary of state, and the Ambassador of His Most Christian Majesty.

#### 13TH ARTICLE.

In virtue of the foregoing arrangement, the Court of France grants to the British proprietors of this paper an indemnification or *premium* of three millions of Livres Tournois, payable in the following manner, viz.:—The sum of five hundred thousand Livres Tournois, which shall be paid in specie to his Britannic Majesty's Ambassador at Paris, in the course of the month of April next, and the sum of two millions five hundred thousand Livres Tournois in reconnoissances or rent-contracts, of the same nature of those which shall be given for the fifty and twenty-five per centum on the certificates of the Bills of Exchange, Cards,

Ordonnances, &c. ; but the interest of which shall only run from the 1st of January, 1766. Which sum of two millions and a half of Livres Tournois shall be delivered to the aforesaid Ambassador immediately after the ratification and exchange of the present convention in reconnoissances of one thousand Livres Tournois each, on the express condition, that all the Canada paper belonging to British subjects, not liquidated, shall share the same fate, for its reimbursement, as French paper, and shall come in course of payment with the debts of the state, the reconnoissances or rent-contracts whereof shall be paid as the other debts, without being subjected to any reduction whatsoever ; and on the further condition that all the English proprietors of the said paper shall give up every particular indemnification from any cause or pretext whatsoever.

## 14TH ARTICLE.

The solemn ratifications of the present Convention shall be exchanged in good and due form, in this city of London, between the two courts, within the space of one month, or sooner, if it be possible to be reckoned from the day of signing the present convention. In witness whereof, we, the underwritten Ministers Plenipotentiary of the said two courts have signed, in their names, and by virtue of our full powers, the present convention, and caused it to be sealed with our arms.

Done at London, this twenty-ninth day of March, 1766.

⋮ L. S. ⋮

H. S. CONWAY.

⋮ L. S. ⋮

GUERCHY.

*Canada Paper.*

Declaration made in consequence of the *arrêt* of Council the of 24th December, 1762.

“ I, the underwritten . . . . . do declare,  
 “ that I have in my possession the Canada papers  
 “ here undermentioned, which belong to me, or belong to  
 “ . . . . . ”

## BILLS OF EXCHANGE.

Exercises.	Stamp of the Bills of Exchange.	Dates.	Numbers.	Names of the Drawers.	Upon Whom Drawn.	To the Order of.....	When Due.	Sums.	Total per Exercises.

Total of the Bills of Exchange,

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## BILLETS DE MONNOYE OR ORDONNANCES.

No. Receipt of the Treasurer of Canada for *Billets de Monnoye*.

<i>Billets de Monnoye</i> of.....	1000
of.....	96
of.....	50
of.....	48
of.....	24
of.....	12
of.....	6
of.....	3
of.....	1 10 s.
of.....	1

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Total of the Billets de Monnoye and Ordonnances included.  
 Receipts of the Treasurer of Canada.....

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THE  
CURRENCY OF CANADA

AFTER THE CAPITULATION,

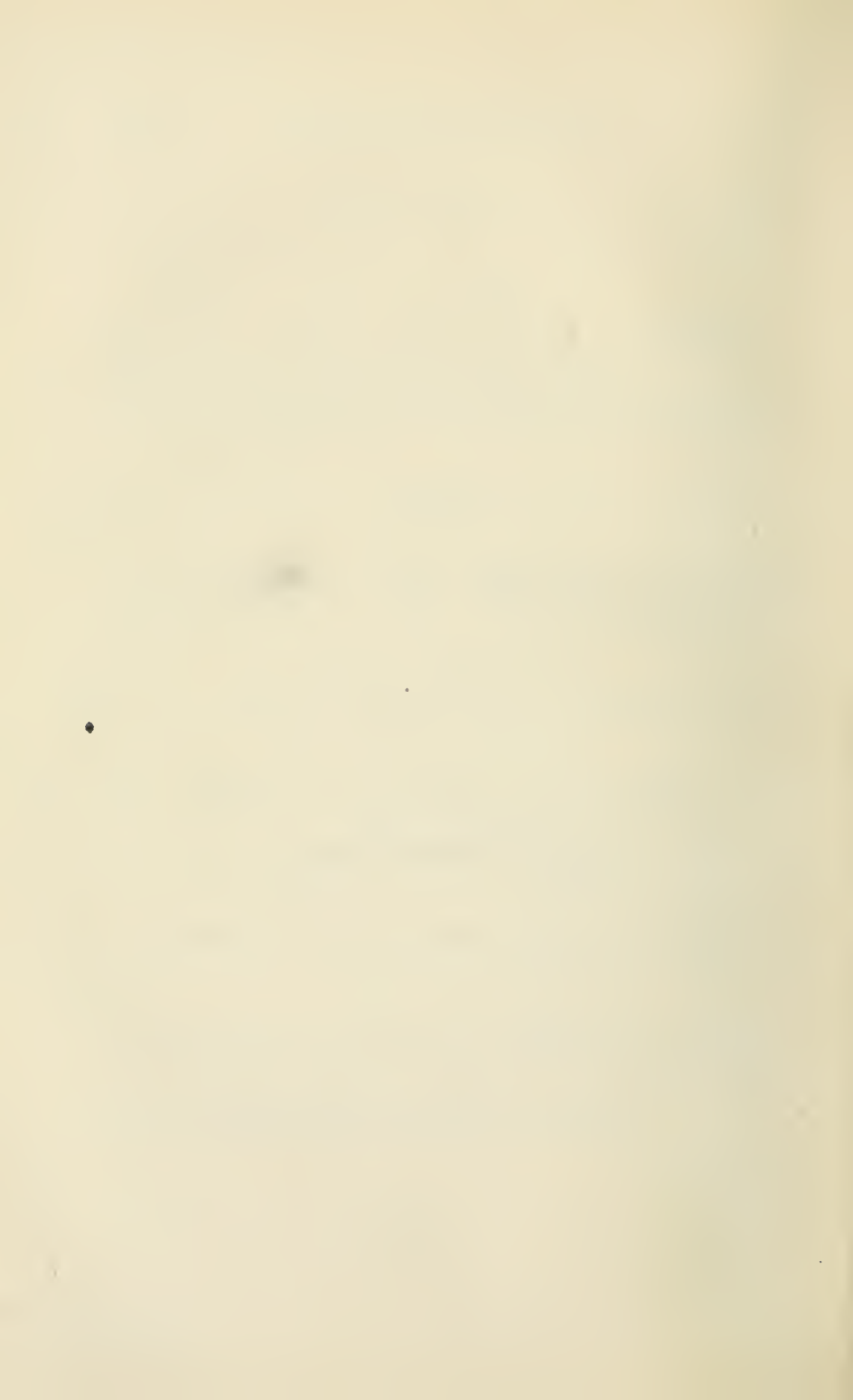
BY

JAMES STEVENSON, President,

LITERARY AND HISTORICAL SOCIETY OF QUEBEC.

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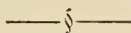


# THE CURRENCY OF CANADA.

AFTER THE CAPITULATION,

BY

JAMES STEVENSON, PRESIDENT.



You may probably recollect what I stated on a former occasion, when I had the pleasure of addressing the Society, that the currency of Canada could be divided into three sections; the currency during the French Régime; the currency from the capitulation to the year 1818, when Banks were first established in the colony; and the currency from that time to the present day. I have already discussed the first section, I propose now to deal with the second.

At the conclusion of my last lecture I alluded to a copy, which I presented to the Society, of an important State paper providing for the final settlement of all outstanding card money, ordonnances, and protested Bills of Exchange, as agreed upon “between the King of Great Britain and the most Christian King.” At the Treasury in Paris the settlements appear to have been partly made, for in the *Gazette* of the 23rd May, 1766, we find the following information: “Yesterday, at Garraway’s Coffee House, London, a large sum of Canada stock, the produce of Canada paper money, was sold by auction, by Mr. James Demettes, and sold on an average at seventy-four per cent—which carries four and a half per cent.” That is, the Bonds given on the footing

of fifty per centum for Bills of Exchange, and seventy four per centum for cards and ordonances were sold at seventy four per cent, or twenty six per cent discount. Reduction in price succeeded reduction till, as we shall see presently, the Bonds became quite worthless.

There was much delay and difficulty at the Treasury in France, in obtaining the settlement of the Canada Bills, in accordance with the terms of the "Convention;" consequently we read—June 3rd, 1766: "It is reported that Canada Bills lately had a considerable fall in Paris; and further on—June 23rd, 1766: "The Earl of Rochford will be furnished with a spirited memorial to the Court of France, with regard to the payment of the Canada Bills, before his departure for his embassy to that Kingdom." Then, in consequence, I presume, of this spirited memorial—July 31st, 1766: "Last night's London *Gazette* contains the following intelligence addressed to the British proprietors of Canada paper:" "By a convention signed on the 29th March last, by the respective Courts of France and Great Britain, which fixes the 1st of October next to be the last day of receiving declarations, and taking proofs on them, at which period the French Commissioner is obliged to close his Register, he therefore thinks it incumbent on him to give this notice to the said proprietors, that they may not delay too long to make their declarations and provide the several proofs before the expiration of the above 1st of October, that they may not plead ignorance and complain when it is too late, of not having had sufficient notice" But later on, viz: June 3rd, 1771, we find it announced: "France has at length effected the great stroke of politics she has long been aiming at: the Government is become bankrupt, and the whole score of State debts is rubbed out." In fact the financial affairs of the nation were in a state of chaos; and the "Monarchy was rapidly drifting towards the thunders of the revolutionary Cataract."

In discussing the questions of currency of any particular period it may not be uninteresting to glance at the state of trade. I have been fortunate in finding an authentic statement showing the value of the Imports and Exports of several of the latter years of French rule in Canada.\* I shall not burden your patience by entering into details: suffice to state that, the average annual Imports of 1749, 1750, 1751, 1752, 1753, 1754 and 1755, amounted to the equivalent of £210,000 Sterling; and the average annual Exports of those years to £60,000 Sterling. With the balance of trade so heavily against Canada, we are called upon to enquire how it was settled?

* IMPORTS			
	Livres Tournois.		Livres Tournois.
1749 .....	£227,282 — 5,682,090	1,414,900	EXPORTS.
		4,267,190	difference.
		<u>5,682,090</u>	Livres Tournois.
1750.....	£206,194 — 5,151,861	1,337,000	EXPORTS.
		3,817,861	difference.
		<u>5,151,861</u>	Livres Tournois.
1751.....	£177,580 — 4,439,490	1,515,932	EXPORTS.
		2,923,558	difference.
		<u>4,439,490</u>	Livres Tournois.
1752.....	£241,913 — 6,047,820	1,554,400	EXPORTS.
		4,493,420	difference.
		<u>6,047,820</u>	Livres Tournois.
1753.....	£207,829 — 5,195,733	1,706,130	EXPORTS.
		3,489,603	difference.
		<u>5,195,733</u>	Livres Tournois.
1754.....	£205,905 — 5,147,621	1,576,616	EXPORTS.
		3,571,005	difference.
		<u>5,147,621</u>	Livres Tournois.
1755.....	£208,131 — 5,203,272	1,515,730	EXPORTS.
		3,687,542	difference.
		<u>5,203,272</u>	Livres Tournois.

A manuscript copy of a contemporary State paper, in the Department of Marine in Paris, contains the following passage in relation to the balance of trade: "En même tems que le prix des articles de l'importation augmente, celui des pelleteries et des autres objets de l'exportation diminue, et par conséquent il n'y a plus de poids dans un des côtés de la balance. Les dépenses extraordinaires que le Roy fait alors, et dont une partie est indispensable, viennent encore au secours de ce défaut de l'exportation; d'où il suit qu'en paix, comme en guerre, les dépenses que le Roy fait en Canada sont nécessaires au commerce de ce pays, de la façon dont il est aujourd'hui gouverné." And further on: "On sait aujourd'hui le tarif des dépenses que le Roy fait annuellement dans cette Colonie, en tems de paix. Supposons-le de cinq millions, et que le Roy veuille le continuer sur ce pied." We may therefore fairly infer that Treasury Bills constituted, as they really did, a considerable portion of the remittances required for Europe. I have not found a list of the various goods imported; but, after the inglorious victory which the Civil Government obtained over the church in her struggle to prevent the importation of Rum, we may safely assign one-tenth of the whole value to that article.

By the year 1761, French domination existed no longer in any part of Canada. A warrant dated 7th April, 1762 issued from "Whitehall Treasury Chambers," appointing Custom House Officers for "Canada, lately reduced by His Majesty's arms," viz:

" Thomas Knox, to be Collector at Quebec, at a yearly salary of.....	£300 Sterling.
Thomas Ainslie, to be comptroller, at a yearly salary of.....	£200     "
Edward Manwaring and William Lee, to be Waiters and Searchers at Quebec, at a yearly salary each of .....	£100     "

Thomas Lambé, to be Surveyor at Montréal,  
 at a yearly salary of.....£200 Sterling;  
 Richard Oakes, to be Waiter and Searcher  
 there, at a yearly salary of.....£100 “ ”

The warrant bears the signature of :

HOLLES NEWCASTLE,  
 BARRINGTON,  
 JAMES OSWALD.

The preliminaries of peace were signed at Fontainebleau, November 3rd, 1762 ; and a definite treaty was concluded in Paris, on the 10th February following—by which France ceded to Great Britain, along with other territories, Canada and all the Laurentian Isles, except St. Pierre and Miquelon, reserved on behalf of the French fisheries.

By the kindness of my friend, Mr. John Stewart, of this city, I am enabled to give the value of the exports of Furs alone, as estimated by the Revenue Officers, for the following years, viz. : 1764—£57,613 ; 1765—£61,921 ; 1766—£69,560 ; 1767—£68,586 ; 1768—£80,357 sterling. And the exports of Furs and other goods for the following years :

1769—Furs alone.....	£107,746	
No Wheat.		
Staves, Potash, Fish.....	29,352	
	<hr/>	£137,098 Sterling.
1770—Furs.....	£92,156	
Wheat.....	9,930	
Other articles.....	19,139	
	<hr/>	121,225 “
1771—Furs.....	£84,801	
Wheat.....	34,761	
Other articles.....	22,297	
	<hr/>	141,859 “
1772—Furs.....	£104,832	
Wheat.....	32,168	
Other articles.....	21,427	
	<hr/>	158,427 “
1773—Furs.....	£79,078	
Wheat.....	72,983	
Other Articles.....	26,255	
	<hr/>	178,316 “

On the other hand, the Imports for the same years were as follows :

1769—Rum.....	£23,895		
Pork .....	8,640		
Flour.....	27,339		
Groceries, &c.....	16,387		
European Dry Goods.....	80,000		
		£156,261	Sterling.
1770—Rum.....	£21,421		
Red Wines.....	10,200		
Flour .....	8,394		
Groceries, &c.....	11,772		
European Dry Goods, not given, but estimated at the value of.....	90,000		
		141,787	“
1771—Rum.....	£20,199		
Wines.....	5,740		
No Provisions.			
Groceries, Salt, &c.....	19,352		
European Dry Goods, not given, but estimated at.....	100,000		
		145,291	“
1772—Rum.....	£26,151		
Wines.....	3,500		
No Provisions.			
Molasses, Salt, Groceries.....	13,956		
European Dry Goods given.....	125,000		
		168,607	“
1773—Rum.....	£33,828		
Wine.....	15,110		
Pork.....	5,000		
Groceries, &c.....	13,468		
European Dry Goods, estimated.....	130,000		
		197,406	“

It may appear remarkable that there should have been such a falling off in the imports, as compared with those under the French Régime; but we know that the colony in Canada, consisting of about 70,000 souls, could not have existed without large contributions of the necessaries of life from France; that the French colonial policy was such as to debar all hope of success in rendering the colony self-sustaining. The effects of a change of Government are manifest in the facts of trade which I have just cited.



¶ At first the French Canadians complained that the goods imported from England were dearer than those they formerly had from France; and the inhabitants of towns grumbled at a change of policy which left the country people at liberty to dispose of their produce in the market place, at the highest price it would fetch; whereas, under the old Régime, the price of all farm produce was limited by a decree of the Intendant. But the new subjects, as the French Canadians were then called, became reconciled to many changes of a salutary nature, which were introduced after the conquest. Of simple tastes and thrifty habits, they were fairly prosperous under British rule. They admired the enterprising spirit of our Merchants which, although actuated and stimulated, perhaps, by the desire for gain, plays nevertheless an important part in the general history of civilization and of human progress.

I shall not pause to look on the reverse side of the shield—to consider the consequences which followed the annual exchange of over three thousand pancheons of Rum for the precious products of field and forest. The baleful effects of this traffic are all of record in the published transactions and manuscripts of our Society, which may be consulted by those who feel desirous of making themselves further acquainted with the subject.

Contentment appears to have reigned throughout the whole period of the administration of Guy Carleton. He possessed all the qualities which constitute an able military Governor. In the hour of danger he inspired the people with confidence by his own calm courage: at other times, he was ready to redress grievances, and to listen patiently to all that was said to him—testifying by his whole conduct how desirous he was of cultivating friendly relations with all—irrespective of creed, race, or nationality. We are not left without proof of his popularity: in the Poet's corner of the *Gazette* we frequently find such lines as the following:

AU GÉNÉRAL GUY CARLETON.

“ En toi, nous admirons la vertu, la sagesse,  
La sévère équité, la douceur, la noblesse.  
Pour tout dire en un mot, nous admirons en toi  
Et le bonheur du peuple, et le bon choix du Roi.”

The British inhabitants, in like manner, manifested the most friendly feelings towards their fellow subjects of French descent. The following paragraph appears in an address of the Protestant Clergy of Quebec, dated 17th November, 1768: “The mild and equal tenor of your Excellency’s administration whilst Lieutenant Governor, so consonant to that liberal spirit and those principles of moderation which ever distinguish the Briton and the Protestant, gives us the strongest reason to flatter ourselves that the harmony which has hitherto subsisted between His Majesty’s old and new subjects in this Province, notwithstanding the difference of their religious opinions, will not only continue without interruption, but even be improved into a cordial and lasting affection towards each other, to the advancement of true religion, establishment of the civil happiness of the subjects of this Province, and uniting all in the same sentiments of loyalty to His Majesty and attachment to his worthy representative.” An expression in the merchants’ address of the same date is equally pleasing: “The arrangements which it may be proper to make in tenderness and justice to the more antient inhabitants of Canada, as we cordially unite with them in interest and affection.”

In looking back on the past it is pleasant to come across instances of kindly feeling, and practical good sense prevailing over national antipathies and dissensions which frequently arise from diversity of opinion in matters of faith and ceremony.

Every effort was made by the Imperial authorities, as well as by all good citizens of British descent, to render

the change of allegiance as little painful to the feelings of the first settlers on the soil as possible. Serious difficulties had of course to be overcome, in consequence of the difference of laws, language and religion; but there were minor difficulties too which had to be dealt with, not the least of which was the heterogeneous circulation of the Colony. In the absence of a colonial coinage, the coins of several nations, Spanish, Portuguese, French and German, circulated simultaneously with the Gold and Silver currency of England, of which considerable sums were imported in ships of war. Importations of Mexican dollars were also made, for we read under "Maritime News, November 1st, 1764, Monday last, arrived here the sloop "Lovey," Captain Skevenink, from New York, with 20,000 dollars for the use of the army." With such a variety of coins in circulation, the authorities felt called upon to take immediate steps to regulate their price, and constitute them legal tender at certain fixed rates. It was therefore enacted, under the administration of General Murray, that from and after the 1st of January, 1765, the following Coins shall pass current at the several rates named:

NAMES OF COINS.	WEIGHING.	CANADA CURRENCY.		
		£	s.	d.
<b>GOLD COINS.</b>				
The Johannes of Portugal.....	18 Dwts. 6 Grs.	4	16	0
Moydore.....	6 " 18 "	1	16	0
Caroline of Germany.....	5 " 17 "	1	10	0
Guinea.....	5 " 4 "	1	8	0
Louis d'or.....	5 " 3 "	1	8	0
Spanish and French Pistole.....	4 " 4 "	1	1	0
<b>SILVER COINS.</b>				
Seville Mexican Pillar Dollar.....	17 " 12 "	0	6	0
French Crown or 6 Liv. piece.....	19 " 4 "	0	6	8
French piece passing at present at 4s. 6d. Halifax.....	15 " 16 "	0	5	6
British shilling.....	.....	0	1	4
Pistereen.....	.....	0	1	2
French nine-penny piece.....	.....	0	1	0
<b>COPPER.</b>				
20 British Coppers, (half-pence I presume).....	.....	0	1	0

And all the higher or lower denominations of the said Gold and Silver coins, to pass current likewise in their due proportions; and from and after the first day of January, 1765, the above species of coins, or any of them, according to the above rates, shall be deemed a legal tender in payment of all debts and contracts that have or shall be made within the Province where there is no special agreement to the contrary, and that in all agreements, prior to, or since the conquest, which have been made in livres, according to the method of computation in use, the livre shall be estimated equal to one shilling of the currency hereby established, the dollar to be equal to six livres or six shillings, and in the same proportion for every Coin herein specified ”

It was held, and held rightly, that in a British Colony the French monetary nomenclature should be changed, and that one more familiar to English ears should be substituted—if possible without creating any serious difficulties, disturbance of accounts, or change in the commitments of merchants. This was accomplished, as we have seen above, by assimilating the livre to a shilling currency of Canada, and constituting the latter like the former an integer or mere money of account—but with a specie basis: the French Crown weighing 13 Dwts. 4 grs. Troy, being 6s. 8d, it follows, the livre or the shilling represents 2 Dwts. 21 grs. Silver; and inasmuch as the guinea, weighing 5 Dwts. 4 grs. is equal to 28s., each shilling or livre represents 4.43 grs. Gold, of the fineness of 22 carats.

The coins specified in the ordinance were received at the Custom House in payment of duties—but the duties imposed being sterling money, the Gold Coins referred to, were received at the value they bore in England, and for no more; while the Silver Coins were received by weight at the rate of five shillings and sixpence sterling per ounce Troy. This ordinance, made on the 14th September, 1764, was followed by another, under the same administration,

dated 15th May, 1765, which provides : 1st, that all merchants' accounts for goods and merchandise, or other things whatsoever, sold and delivered, Agreements, Bills, Promissory Notes, Bonds, Mortgages, or other securities for money, leases, and all interest and rents thereby respectively reserved and made payable, commencing, made and entered into this Province before the first day of January last, shall respectively be paid, certified and discharged in the species and denominations of money in the said ordinance mentioned as shall be in value and proportion to the species or denomination of money of such respective outstanding debts, dues, and demands aforesaid.

2nd. And further, that all original entries and all accounts whatever for goods and merchandise, or other things sold and delivered, agreements, Bills, Promissory Notes, Bonds, Mortgages and other securities for money, leases, and all interests, and rents thereby reserved, to be kept, made, and entered into after the first day of July next, shall be kept, made, and entered into for and in the different rates and value of the currency of this Province, established by the said ordinance, and in no other currency whatsoever : and all and every original entries, accounts, agreements, Bills, Promissory Notes, Bonds, Mortgages and other securities for money, leases, and all interests and rents thereby reserved, kept, made and entered into after the said first day of July next, in any other currency than the said currency by the said ordinance established, contrary to the true meaning hereof, and of the said ordinance, shall not be admitted as evidence in any court of law or equity, but shall be deemed, adjudged and taken, and are hereby declared to be null and void."

The first clause of this ordinance does not appear to have been objectionable ; but the practical working of the second was beset with difficulties, and was consequently repealed under another ordinance made during the administration of Governor Carleton, dated 5th April, 1768, which

is as follows: “Whereas it has been found by experience that a certain clause, in a certain “ordinance” made by the Governor and Council, on the 15th day of May, 1765, does not answer the purpose for which it was intended, but hath occasioned divers difficulties and inconveniences in the recovery of just debts in the Courts of Justice in this Province, and is thereby likely to become the means of much fraud and injustice if it be suffered to continue in force—it is therefore ordained and declared that the second clause above cited of the aforesaid ordinance shall be, from the date of the publication hereof, totally void and of no effect. Provided, nevertheless, that nothing herein contained shall invalidate or in any degree affect any other part of the aforesaid ordinance, excepting the clause above cited.”

During the eighteenth century, and well into the nineteenth, silver was principally used in the settlement of balances in all the Colonies of European States. The mines of South America yielded large returns of this precious metal, and a comparatively small proportion of Gold \*

\* The following is a registered export of Bullion to Spain from the 1st of January, 1754, to 31st December, 1764 :

	GOLD.	SILVER.
From Vera Cruz .....	\$ 3,151,354.....	\$85,899,307
Lima .....	10,942,846.....	24,868,745
Buenos Ayres .....	2,142,626.....	10,326,090
Carthagena .....	10,045,188.....	1,702,174
Honduras.....	37,251.....	677,444
Caraccas.....	50,034.....	267,002
Havannah .....	656,064.....	2,639,408
St. Domingo } .....	526.....	317,521
Porto Rico }		
	<u>\$27,025,892</u>	
Maraciabo .....		91,564
To other Countries.....		8,652,720
		<u>\$135,441,975</u>
Gold .....		27,025,892
		<u>\$162,467,867</u>
Showing an annual export of.....		<u>\$14,769,806</u>

The Spanish dollar, based on careful assays, was found to be equivalent to 4s. 6d. Sterling, so that the above Total would represent £36,103,948 Sterling.

On the 19th of April, 1775, the first blow was struck in Massachusetts in the cause of American independence. The prospects of civil life in Canada were darkened by the shadow of war. In that same year the Province was invaded, and American troops occupied nearly every important place in the Province. The most distinguished Generals of the Continental army were ordered to complete the conquest of Canada by the capture of Quebec. The thrilling and all absorbing subject of interest was the coming conflict under our walls. But it is not my intention to repeat the story of the siege, and to tell how the brave defenders beat back their assailants, and decided the fate of the colony. I have only to state, what is perhaps sufficiently obvious, that, while the wave of war rolled over the country, trade, agriculture, and all the arts of peace were abandoned, and the whole energy of the loyal population was concentrated on their own defence.

It was not till the spring of 1777, when Canada was comparatively free from all apprehension of invasion, that Commercial matters received renewed attention. Importations from England, and Exportions from Canada, were both on the increase. Engagements were entered into with Merchants in Europe, the West Indies, the Upper and Lower parts of the Province—engagements which were frequently broken—therefore in the interest of trade and in furtherance of the ends of justice, it became necessary to establish a basis for a settlement of claims arising out of the non-fulfilment of contracts or engagements: hence we have an ordinance for ascertaining damages on protested Bills of Exchange. This ordinance bears date the 4th March, 1777, and provides that Bills drawn on Europe or the West Indies, are, in case of protest and return, made subject to ten per cent Damages, and Interest at the rate of six per cent. upon the principal sums furnished in the Province, from the day of the date of the Protest to the

time of repayment, which shall be reimbursed to the holder of the Bill, at the par of Exchange—that is to say, one hundred and eleven pounds, and one ninth of a pound currency for every one hundred pounds sterling.

Bills drawn on any colony in the Continent, returned protested, are to be subject to four per cent. damages, and interest at the rate of six per cent per annum to the time of repayment. Bills, orders or notes protested within the Province to bear interest, at the rate of six per cent. per annum till paid. And if drawn on places beyond the Longue Sault on the Ottawa, or beyond Oswegatchie, or below Cape Cat, or the Seven Islands, four per cent damages and interest as provided.

The ordinance concludes with a stringent prohibition against any excess of the legal rate of interest, viz: six per cent. being taken directly or indirectly; and every person who shall—shall forfeit and lose for every such offence treble the value of the money, wares or merchandise—to be recovered by an action in the Common Pleas—a moiety of which forfeiture shall be to His Majesty, and the other moiety to him, her or them, who will sue for the same. We have likewise an ordinance, dated the 29th day of March, 1777, which provides that the following species of Coins shall pass current, throughout this Province, at and after the rates hereinafter mentioned:



NAMES OF COINS.	TROY.		CANADA CURRENCY.		
	Dwts.	Grs.	£	s.	d.
<b>GOLD.</b>					
The Johannes of Portugal.....	18	6	4	0	0
Moidore .....	6	20	1	10	0
Dubloon or four Pistole piece.....	17	0	3	12	0
The Guinea.....	5	8	1	3	4
Louis d'or .....	5	3	1	2	6
Paying 2½d. for every grain of Gold short weight.					
<b>SILVER.</b>					
The Spanish dollar.....			0	5	0
British Crown.....			0	5	6
French Crown or piece of 6 livres Tournois.....			0	5	6
French piece of 4 livres 10 sols.....			0	4	2
British Shilling.....			0	1	1
French piece of 24 sols Tournois.....			0	1	1
Pistereen.....			0	1	0
French piece of 36 sols Tournois.....			0	1	8

And all the higher or lower denominations of silver coins shall pass current in their due proportions. And the said species of coins, or any of them at the same rates, shall be deemed a legal tender in payment of all debts whatever. Then follows the clause fixing the penalty for clipping or diminishing the coins, viz : £100 for every offence. This is the Statute of 1777, which is generally supposed to have been the first relating to currency in Canada.

It has to be borne in mind that silver ceased to be a legal tender in England in 1774—that is in sums over twenty-five pounds, excepting at the rate of 5s. 2d. per ounce; although it was not until 1816 that gold was adopted as the sole standard, and silver coins were made tokens only, by

coining the same weight into 66s., which had ever since the year 1666 been coined into 62s \*

We have therefore a new money or integer of account, still however with a specie basis, but the shilling which formerly represented, under the ordinance of 1765, 2 dwts. 21 grs. Silver, or 4.43 grs. Gold of the fineness of 22 carats, represents 3 dwts. 12 grs. of Silver, or 5.48 grs. Gold of the above fineness. The term *livre* now ceases, that of *shilling* is perpetuated; and the Dollar is established as a fixed standard to which all commercial values are referred.

Judging from contemporary accounts, business in the colony was prosperous at this period of our history; still the notices of Bankruptcy and declarations of dividends, which we meet with in the pages of old *Gazettes*, testify to occasional misfortune among those who were exposed to the vicissitudes of trade in these primitive times—as an illustration: “Mr. Alsopp, begs the favor of the Creditors of Claude Hugnet, dit la Tour, to meet at his house, at 10 o’clock on Saturday morning, the 5th November, (1777,) to bring with them their accompts, proved before a magistrate, in order to receive their dividend, which he believes will be 16s. in the pound. And he adds, rather quaintly, with reference to another, though a minor debtor: “The Gentleman who borrowed of Mr. Alsopp the second volume of Smollet’s History of England, last winter, and has forgotten to return it, must be aware that, without it, the rest of the set is of very little value.”

Although the city of Quebec possessed all the honors and advantages to which it was entitled as the capital of Canada, Montreal became, commercially, the most prosperous of the two Cities. Situated at the head of navigation,

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\* Old Colonial Currency, by S. E. Dawson.

and at the foot of all the channels of communication with the upper country, the lion's share of the growing trade with the West fell to the merchants of Montreal. As their commerce increased, greater financial facilities, than existing arrangements afforded, were called for: in short, they wanted a Bank to enable them to carry on the operations of trade conveniently and successfully. It is not therefore surprising to find that merchants in Montreal took the initiative in proposing to establish the business of Banking in the Colony. On the 18th of October, 1792, a circular on the subject appeared in the columns of the *Official Gazette*. As it refers to the currency of the country, I take leave to quote from it. No other document that I have come across in the annals of the times, conveys a more correct account of the state of the circulation.

“The undersigned, having experienced great inconvenience in Canada from the deficiency of specie or some other medium to represent the increasing circulation of the Country, as well as from the variety of the money now current, and knowing the frequent loss and general difficulty attending receipts and payments, have formed the resolution of establishing a Bank at Montreal, under the name of the “Canada Banking Company.”

“The business proposed by the Company, and usually done by similar establishments, is :

To receive deposits in cash.

To issue notes in exchange for such deposits.

To discount Bills and notes of hand.

To facilitate business by keeping Cash accounts with those who choose to employ the medium of the Bank in their receipts and payments.”

“It is proposed to extend the operations of the Bank to every part of the two Provinces where an agent may be

judged necessary ; and it is presumed that the Institution will be particularly beneficial to the commerce of and intercourse with the Upper Province.”

The circular was signed by : Phyn, Ellice & Inglis ; Todd, McGill & Co. ; and Forsyth, Richardson & Co. The population of all Canada numbered then about 200,000 souls ; and doubtless, not only Merchants engaged in extensive trade, but the people generally were suffering inconvenience from an insufficiency of currency to carry on the daily transactions of common life. If the firms referred to had succeeded in realizing their intentions, much benefit would unquestionably have accrued to the Province from a monetary institution, under the control of men of such a high standard of personal honor ; but they succeeded in forming a private Bank only—chiefly of Deposit, not of Issue. The unsettled state of Europe, political apprehensions, combined with the actual obstructions of war, no doubt prevented the establishment of a regular Bank of Issue and Deposit. The scheme in its integrity appears to have been abandoned, and the field for circulation was left open to future enterprise, fortunately perhaps—for at a critical period in our history, later on, Government found themselves in a position to supply a trustworthy substitute for a metallic Currency, by the aid of which, our forces were kept in the field, and our gun-boats on the Lakes, to repel invasion, and save the colony a second time from the fangs of the neighboring Republic.

In the thirty-first year of the reign of King George the Third (1791,) all Canada, (then called the Province of Quebec,) was divided into two Provinces, with the designations of Upper and Lower Canada—thenceforth, with a short interruption, to enjoy the privileges and advantages of constitutional Government. Each Province had a Legislative Council, that of Upper Canada consisting of seven mem<sup>l</sup>

bers, that of Lower Canada of fifteen. These members were not elective, but were summoned to the Council, as our Dominion Senators are now, by the Chief Magistrate, to serve for life. The popular Branch, the elective Assembly for the Upper Province, consisted of sixteen members, that of the Lower of fifty. The King's Honourable Executive Council for the Lower Province was composed of nine members—the Executive Council of Upper Canada consisting of seven.

We now leave the smooth waters of Government by a Governor and Council of State, to steer our course as best we may among the broken seas of party politics.

In December, 1791, there are signs of an approaching election in Lower Canada. Committees meet to confer and arrange for the return of rival candidates; addresses appear in the *Gazette* of May, 1792; writs of election issue on the 24th, returnable on the 10th of July; and Parliament is called together for the actual transaction of public affairs, or as it is termed, in official parlance, "for the despatch of business," on the 17th December, 1792.

"But the first Parliament in Canada was held in Upper Canada—at the capital Newark, now Niagara. It assembled on the 17th September, 1792, in a marquee tent—one remove in the scale of ascending civilization from the aboriginal Council lodge. Parliament was opened by General Simcoe, the first Lieutenant-Governor under the constitution. His residence at the capital was a log building, of some pretensions among log dwellings. There he entertained, in 1793, His Royal Highness the Duke of Kent, father of our beloved Queen. It is recorded that if the lodging was indifferent, the fare was good, consisting of game and all the dainties the wilderness, rivers and lakes could produce."

“His Royal Highness had been conveyed to Niagara in the King’s schooner “Mohawk,” commanded by Commodore Bouchette,”—the grandfather of our esteemed Vice-President, Mr. R. S. M. Bouchette. “On landing, as soon as horses with saddles and bridles could be mustered, the Royal party wended their way by the river road, recently opened by the troops. The road to the cataract was an Indian path through the woods; and an Indian ladder, which consists of a succession of pine trees with the branches lopped short as a foot hold, led down for 160 feet, to the foot of the Fall. Down this hazardous descent, in despite of all expostulation, His Royal Highness resolved to venture, and, with the nerve and physical strength of his race, accomplished it successfully—returned with a capital appetite, and in a log hut, on the quivering brink of the abyss, with the flush of exhilarating exercise on his cheek, and the perfume of the pine branches on his hands and garments, partook of the rude cheer of the forest, in full front of the Falls, within sight and sound of the grandest spectacle that ever greeted Royal eye.”\*

Parliament assembled in Lower Canada, three months later, in the Bishop’s Chapel, which stood upon the site of the central part of the present Parliament House. No doubt His Royal Highness, who was then in Quebec, attended the opening of the House; for he took a warm interest in the fate of our nascent Constitution. He was present at a rather animated election at Charleborough. In his speech on the occasion he says: “Is there a man among you who does not look upon the new Constitution as the best possible one, both for the subject and the Government.”

In the absence of Lord Dorchester, General Clark opened the Parliament of the Lower Province on the appointed

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\* Colonel Coffin—“The war of 1812 and its moral.”

day; and on the 20th December he approved of the choice the Assembly had made of a Speaker.

The proceedings of the first session were unimportant as regards commerce. An Act was passed to allow of the importation of wampum from the neighbouring States—the only Act relating to trade. More important business however was despatched during the second session of Parliament, which commenced on the 11th November, 1793. An Act was then passed to facilitate the negotiation of Promissory Notes, the provisions of which are yet in force. They refer to the transfer by endorsement; to the liability of the maker, without protest, in the event of non-payment at maturity; to due diligence, and the needful notice and service of protest, in case of non-payment, in order to hold an Endorser—a measure which was called for in the interest of trade and commerce.

The prosperity of the Colony during the last years of the century was chequered by several indifferent harvests. In 1795 there was a general failure of the crops throughout the Provinces. Lord Dorchester was then induced to wholly prohibit the exportation of all kinds of grain, flour, &c. a measure which although it received the subsequent sanction of the Legislature, was as little based on principles of justice, as the decree of the Intendant, under the old Régime, limiting the price of produce on the market place. In the case of the late famine in India, many advocated a similar policy in regard to the exportion of rice; but that policy was successfully opposed as unsound in principle, and an unjustifiable interference with the liberty of trade, and the liberty of the subject.

Meanwhile there had been little change, little improvement, and scarcely any augmentation to the circulating medium of the Colony—the scarcity of which gave rise to a system of barter, styled store-pay, prejudicial alike to the

interests of the labouring classes and the agriculturists. The currency question continued to be discussed, but with little practical advantage to the public. The silver coins of all nations, and some gold, continued to circulate as formerly; but the gold coins, whenever they could be procured, were secured for shipment abroad in the settlement of debts. The efflux of gold did not proceed from any variation in the volume or value, as between the precious metals Gold and Silver; for the relation of the two had not been disturbed by any extraordinary production of either for at least a century past, but had remained stationary since the year 1717.\* It was the defaced, diminished condition of the Silver coins in circulation which rendered them useless as a remittance abroad—excepting as bullion at the rate of 5s. 2d. per ounce of Standard fineness: still in the ordinary transactions of daily life, they passed current at a nominal value far an excess of their intrinsic worth. “The general law that, inferior coins will, if allowed to pass concurrently with the superior, entirely usurp their places,” was practically verified in Canada ‘at this period of her history.

During the session of 1795, there were serious debates in both Houses of Parliament on the unsatisfactory state of the Currency, and after protracted discussion, the ordinance of 1777, fixing the value of certain coins, was repealed, and the following statute was passed, viz: “An Act to prevent the diminution of the specie circulating in this Province, that the same may be regulated according to a standard that shall not present an advantage by carrying it to neighbour-

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* In 1344 1 lb. weight of Gold was equal to .....	12.475	Silver.
1509 do .....	11.400	do
1600 do .....	11.100	do
1717 do .....	15.209	do
1816 do .....	15.209	do
1863 do .....	15.069	do



ing countries ; and whereas, by the ordinance now in force for regulating the currency of this Province, an advantage does arise by carrying Gold coin out of the same, be it therefore enacted that the Gold and Silver coins hereafter mentioned shall pass current and be deemed a legal tender in payment of all debts and demands whatsoever in this Province at the weights and rates following, that is to say :

The British guinea .....	5	Dwts. 6	grs.....	£1	3s.	4d.
The Johannes of Portugal.....	18	“	.....	4	0	0
The Moidore of Portugal.....	6	“	18 “	.....	1	10 0
The Four Pistole Piece of Spain, weighing.....	17	“	“	.....	3	14 0
The French Louis d'or coined before 1793, Weighing	5	“	4 “	.....	0	18 0
The American Eagle. ....	11	“	6 “	.....	2	10 0

and so in proportion for each denomination higher or lower of those moneys. Every grain above and every grain below the weight shall be allowed for at the rate of 2½d. currency. After the 1st of June, 1797, payments above £50 shall be made in Gold coins ; the gold may be weighed in bulk—that is to say, the Gold coins of Great Britain, Portugal and America together, which shall be current at the rate of 89s. currency per ounce Troy : those of Spain and of France shall be weighed together, and shall pass current at the rate of 87s. per ounce Troy ; and there shall be a reduction of two-thirds of a grain on every piece so weighed in bulk, as compensation for the loss which would result from payments in tale.”

“ With regard to silver, the American dollar shall pass current at five shillings currency, and every other coin current in the Province as already provided for.” A similar Act was passed by the Parliament of Upper Canada, on the 3rd June, 1796.

According to the foregoing statute, the guinea mentioned in the ordinance of 1777, weighing 5 Dwts. 8 grains, and worth £1. 3s. 4d., is now, in consequence of a guinea weighing 5 Dwts. 6 grs. being worth the same sum, raised in price

to the extent of  $4\frac{1}{2}$ d. cy. on each, an increase of 1.60 per cent, for the pieces in detail ; but when received in bulk, the statute provides that in every payment exceeding £50 cy. made after the 1st of June, 1797, when one of the contracting parties making or receiving the same shall require it, such gold shall be by weight in bulk, and not in single pieces ; that is to say, the gold coin of Great Britain, Portugal and America shall be weighed together, and that of Spain and France together, from the weight of which a deduction shall be made of  $\frac{2}{3}$ rds. of a grain Troy for each piece of Gold coin so weighed, as compensation that may accrue by paying away the same in detail. And in all payments so made, the Gold coin of Great Britain, Portugal and America shall be computed at 89s. per ounce Troy, and that of Spain and France at 87s. cy. per ounce Troy therein contained after such deduction made, and so on in proportion for a greater or lesser quantity : so that in receiving, say 89 guineas, weighed as per standard 2 $\frac{1}{2}$  Troy, or 11,520 grs. Troy, there would fall to be deducted 89 two-thirds of a grain, or  $59\frac{1}{3}$  grs., say 60 grs., leaving 11,460 grains to be paid for, at the rate of 89s. cy. per ounce Troy, which would give net proceeds 177 shillings and 1 penny for two ounces of Gold, reducing it by the tare to 88s.  $6\frac{1}{2}$ d. an ounce. Now the price of Standard Gold was then and still is £3. 17s.  $10\frac{1}{2}$ d. stg., and that amount at the par of Queen Anne, viz. : by the addition of one-ninth for conversion into currency would give only 86s. 6d., being a difference of 2s.  $0\frac{1}{2}$ d. or  $2\frac{1}{3}$ d. per cent premium—disturbing the old par of Queen Anne, and establishing a new par, viz. : the ninth and  $2\frac{1}{3}$  per cent premium or addition.

The case may also be stated thus :

89 guineas represent 2 $\frac{1}{2}$  Troy of Gold, or 11,520 grs. Troy, which, at 89s. per ounce, would give £106 16s. currency, making a difference of £2 19s. 4d. cy., equal to  $2\frac{1}{3}$  premium, or that addition to the ninth ; but the statutory

deduction of  $\frac{3}{8}$ ds. of a grain on each piece when paid or weighed in bulk, would entail a deduction of  $59\frac{1}{4}$  grains, or say 60 grs. leaving 11,460 grs., or 11 oz. 18 Dwts. and 12 grs. at 89s. per ounce, which gives £106 4s. 10d. cy., or £2. 8s. 2d. cy., above the old par of Queen Anne, equal to  $2\frac{1}{3}$ d. p. c.; consequently the currency, or which is the same in effect, the integer of account of Canada has been debased to that extent; and to arrive at true par we must add, not only the ninth, but  $2\frac{1}{3}$ d. per cent. besides. The eagle weighing 11 Dwts. 6 grs. Troy, full weight, which it seldom is, is to be taken in detail at 50.06. shillings currency, and in bulk at 49.92—a scarcely appreciable difference, yet enough to effect, large transactions. It has to be borne in mind that the eagle of 1837, weighs only 10 Dwts. 18 grs., and contains 232 grs. fine Gold, while the eagle we are discussing weighs 11 Dwts. 6 grs. and contains  $247\frac{1}{2}$  grs. of fine Gold. The par of the ~~first~~ being  $2\frac{1}{3}$  besides the ninth, the old *last* par of Queen Anne, or \$4.57 to the £ stg.; the par of the *first* ~~last~~  $9\frac{5}{8}$ th in addition to the old par of Queen Anne, or \$4.87. to the £ stg.

Then the Gold doubloon or 4 pistole piece of Spain is by this Statute increased nominally to the extent of 2.80 per cent., and the price per ounce fixed at 87s. being the relative rate; but the French Louis d'or, which by the ordinance of 1777, was fixed at £1. 2s. 6d. for 5 Dwts. 3 grs., is now required to contain 5 Dwts. 4 grs., or suffer a deduction or discount of  $\frac{4}{5}$  per cent; so that in this single instance a little less silver is required to exchange for a Louis d'or. The French pistole piece 4 Dwts. 4 grs. is correc'ly rated at 18s. currency.

In 1808, another currency act was passed, slightly differing from the one I have cited. The doubloon is fixed at £3. 14s. 6d. instead of £3. 14s. and the French pistole piece at 18s. 3d. instead of 18s. There is also a change in

the price to be paid or received in case of over or short weight, and also in respect of the amount to be weighed in bulk; and the price of the Spanish and French Gold is increased by the addition of  $8\frac{1}{2}$ d. an ounce. French or Spanish Gold was only 21 carats fine—hence the lower value as compared with British and Portugese Gold. The clauses I allude to are as follows :

“ (1.) British, Portugal or American Gold coins weighing more than the standard aforesaid, when weighed by single piece, there shall be allowed and added in all payments  $2\frac{1}{4}$ d. currency for every grain; and for every grain which any piece of the same shall respectively weigh less than the standard aforesaid, there shall be allowed and deducted in all payments  $2\frac{1}{4}$ d. currency—and for every grain which any piece of the aforesaid Spanish or French Gold coins shall respectively weigh more than the standard aforesaid, when weighed by the single piece, there shall be allowed and added in all payments  $2\frac{1}{3}$ th of a penny currency; and for every grain which weighs less than the standard there shall be allowed and deducted in all payments  $2\frac{1}{3}$ th of a penny currency.”

“ (2.) Gold coins above £20 may be weighed in bulk—the Gold coin of Great Britain, Portugal and America together; and that of Spain and France together, and the Gold coin of Great Britain, Portugal and America shall be computed at the rate of 89s. currency per ounce Troy, and that of Spain and France at the rate of 87s.  $8\frac{1}{2}$ d. per ounce—a deduction shall be made of one half of a grain Troy for each piece of Gold coin so weighed as a compensation to receiver or receivers for the loss that may accrue in afterwards paying away the same by single pieces, which shall be computed respectively at the rates aforesaid—repealing the Act of 1777 and that of 1796 ”

Tedious details all these may seem to some—details relating to events which should be relegated to the catacombs of history; for no sensible man should care either how they happened, or whether indeed they happened at all or not. Yet they are important cogs in the machinery of human life, and we claim for them a place, however humble, in the page of history. The influence exerted on the prosperity of nations by the character of their currency is perhaps a branch of study which has received less attention than it deserves. The minds of historians have been too much engrossed by the stirring drama of war and diplomacy, of politics and court intrigues, to give themselves to the dry and obscure study of such subjects as those which we are now discussing. “In the whole of the international policy of a State,” writes our late President, Mr. Stuart, “there is none which calls for more vigilant, unremitting attention on the part of the first executive magistrate and the Council of State, &c.”

Closely related to the subject of Currency, is the business of Banking. All hope of success in establishing a Bank in the Colony had not been abandoned. On the 4th of March, 1807, an advertisement appeared in the *Gazette*, requesting the attendance of the inhabitants of Quebec, at the Union Hotel, on Friday, the 6th, at one o'clock, P.M., to consult on the proper measures to be taken for the establishment of a Bank of issue in the Province. Nothing practical however resulted from the meeting.

In February, 1808, a petition of divers inhabitants of the Cities of Quebec and Montreal, praying to be erected into a body corporate, under the title of the “Canada Bank,” was presented to Parliament—received and referred to a special committee; and on March 4th, the Bill was introduced. Objections, however, were urged against the measure by many members—objections which, estimated by

the standard of to-day, appear rather strange. It was held that the people were illiterate and liable to be imposed upon; that if the Bill passed it would encourage a spirit of gambling and speculation founded on false capital; and that, as soon as the Bank should be established, all the specie in the Province would disappear. On the other hand, it was argued that the inconvenience apprehended from the illiteracy of the people would be guarded against by suitable devices on the Bank Notes, by which the relative value of each note might be known; that forgeries would be prevented by due precaution being exercised in stamping the Note paper, and by the skilful engraving of the plates. It was further argued, oddly enough too, that the crime of forgery had become common in the United States, because in that Country it was punishable by imprisonment only; whereas, under the Criminal Code of Canada, it was death to counterfeit any note or coin. Then, as to the creation of false capital, it was maintained that all credit may be considered fictitious capital; but though some may abuse the advantages derived therefrom, it should not for that reason be held as sound that no credit whatever should be given.

The Bill provided that the stock of the Bank should be limited to £250,000 cy.—the shares to be of £25 each. And with regard to the administration of its affairs—twenty-four Directors are to be elected from among the shareholders, who again are to choose from among themselves a President and Vice-President—half of the number of the Directors to attend to the affairs of the Bank, at Quebec, and half for the same duty in Montreal, at which cities the two principal offices are to be established. But the Bill was thrown out; and although, in the figurative language of the day, “the spirit of Banking was hovering over them,” it was not till ten years later that the Merchants of Montreal and Quebec took up the subject again, and formed them

selves into separate associations for carrying on the business of Banking, under the respective styles of “The Montreal Bank” and “The Quebec Bank”—both of which Institutions are still in existence.

Meanwhile, there was scarcely any improvement in the character of the circulation. Importations of specie were made from time to time from England, by the Military authorities, for the use of the army; and some British coins were brought in by immigrants: these were of course regarded, and preferred, as the most desirable currency the country could have.

At the North-East corner of this building, there is deposited in the foundation stone, a casket containing the following pieces of Gold, Silver and Copper Coins of Great Britain :

One Guinea .....	of the year	1798
One half Guinea .....	“	1804
One third Guinea .....	“	1806
One quarter Guinea .....	“	1762
One silver piece of five shillings.....	“	1804
“ one shilling ....	“	1787
“ one sixpence.....	“	1787
“ one penny.....	“	1800
“ an Irish fivepence....	“	1805
One copper, British half-penny.....	“	1800
One “ Irish “ .....	“	1805

Where I presume they still remain—to beguile the future Historian or Antiquary, centuries hence, into the belief that such were the coins current in Canada at the time the stone was laid—the 17th of June, 1809.

And now I think I cannot ask you to listen any longer. On some future day, with your leave, I will proceed with my subject. We have now reached the most interesting part of our financial history—that which is related to the war

of 1812, when our Militia and our Monetary resources were taxed to the utmost. I shall leave it to others to deal with the incidents of war. It will be my endeavour to show how the exigencies of the army were provided for, under circumstances peculiarly trying, by the establishment of a temporary Government Bank of Issue—which all our historians have referred to, but which few, if any, have fully described or traced in its operations from its commencement to its close on the return of peace.



THE  
CAUSE AND COMMENCEMENT OF THE WAR  
BETWEEN  
GREAT BRITAIN AND AMERICA IN 1812.

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READ BEFORE THE LITERARY AND HISTORICAL SOCIETY OF  
QUEBEC ON THE 23RD DECEMBER, 1879,

BY  
JAMES STEVENSON,

ASSOCIATE MEMBER.

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It would not be easy for me to say a few words on "The cause and commencement of the war between Great Britain and America in 1812," which would be interesting to you, without first glancing at the contemporary history of the United States. I shall therefore refer to the history of the rise of the Republic as it has been told by American and other authors; to its position as an independent neutral power during the Napoleonic wars; to the steps that were taken by the Government of Great Britain to protect themselves from interference by preventing commercial intercourse between the States and the enemies of England; to the right of search which they insisted upon for British seamen on American ships; to the complications which grew out of the exercise of that right—which led to hostilities, and to the war of 1812, in which Canada took a prominent part as a belligerent power. It will readily occur to you that I cannot give the whole of this programme in one lecture; but I shall go as far as time will permit, without, I trust, taxing your patience too severely.

The treaty of peace between Great Britain and the United States at the conclusion of the war for independence was signed at Versailles on the 3rd of September, 1783. That treaty declared the confederate colonies to be free, sovereign and independent States, and that the King of Great Britain would treat them as such, and relinquish all claims to the Government, propriety, and territorial rights of the States. The King, in his speech from the throne, said: "I have sacrificed every consideration of my own to the wishes and opinion of my people. I make it my humble prayer to Almighty God that Great Britain may not feel the evils which might result from so great a dismemberment of the Empire, and that America may be free from those calamities which have formerly proved, in the mother country, how essential monarchy is to the enjoyment of constitutional liberty. Religion, language, interest, affection, may, and I hope will yet prove a bond of permanent union between the two nations, to this end neither attention nor disposition shall be wanting on my part."

In February, 1785, John Adams was appointed Minister Plenipotentiary of the United States at the Court of St. James. Adams was an accomplished man of business, his services were of great importance to his country. Having studied law at Cambridge, he joined the Bar in 1759. His first open advocacy of Colonial independence was in the support of the application of the Boston citizens to have the courts of law re-opened, when they had been closed, on the ground that their proceedings were informal without stamps. He was engaged in the construction of Congress. He was one of the committee for preparing the celebrated declaration. He organized the system which gave its war service to the United States, and was instrumental in putting the army in the hands of Washington. Adams was in every way a worthy representative of the young

Republic. He was graciously received by King George, and was affected almost to tears by the honest words of the good King. "I was the last man in the Kingdom, he said, to consent to the independence of America; but now it is granted, I shall be the last man in the world, sir, to sanction a violation of it." Pitt, then Chancellor of the Exchequer, who perceived the advantages which would accrue to Great Britain by the establishment of friendly relations with the United States, introduced a Bill for the regulation of commerce between the two countries, but it was defeated by the Tories, and the Government, of which he was a member, shortly after resigned office.

It was held by leading economists of the day that the one point to be ascertained by each community is what it can produce the largest amount of at the cheapest rate, and having discovered that, it has nothing to do in the future than to produce it, that every country should be engaged in growing or manufacturing the special articles which nature intended to be its contribution to the common stock. Adams endeavored to negotiate a treaty of commerce, founded on this formula, with the new Cabinet—a treaty which would give cheap bread to the people of England and create a market for their manufactures in the United States of America; but as no regard was paid to his representations, and finding that he could accomplish nothing in England, he asked and obtained leave to return home. The Tory Ministry subsequently adopted a restrictive or protective policy, hostile to the interests of the United States. All the ports of the West Indies were closed against their shipping by the enactment of laws prohibiting the importation of United States produce, consisting of fish, flour, beef, butter, pork, lard, &c., unless in British bottom, and American grain was shut out entirely from the remunerative markets of Great Britain by the operation of the corn laws.

The prospects of the young Republic at the close of the war for independence were by no means bright. Although the Americans were emancipated from British rule, although a system which forbade the manufactures of iron, the erection of forges, the making of hats, and generally, imposed restrictions upon colonial trade of every kind which was supposed to affect British interests, ceased to exist, they had not attained to a state of real independence, their manufactures and arts, their literature and laws, science and religion, were largely tributary to the mother country. They had not yet formed themselves into a nation, and it was not until the convention of States which met at Philadelphia in 1787, that their present Constitution was framed. The work occupied four months, and after a thorough discussion of the instrument in the several States, it was finally adopted by them all. The Constitution went into operation after two-thirds of the States had voted in the affirmative, and then only did the history of the United States properly begin.\*

The thirteen States were:—Delaware, Pennsylvania, New Jersey, Georgia, Connecticut, Massachusetts, Maryland, South Carolina, New Hampshire, Virginia, New York, North Carolina and Rhode Island. George Washington, of Virginia, was elected President, and John Adams, of Massachusetts, (the same who had been Ambassador to England) Vice-President. Washington and Adams entered upon office on the 30th of April, 1789; their administration witnessed a rapid consolidation of the nation, and the inauguration of a sound system of finance. It was distinguished by some impressions and effects of the French revolution; and the rise of two great political parties: the Federalists led by Washington, Adams, Hamilton and Jay, who were satisfied with the organization of the Government, and the turn which affairs were beginning to take; and the

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\* Lossing—Field book of the war of 1812.

Republicans, or Democrats, as they were afterwards called, who to a hearty sympathy with the French Revolutionists, joined a strong feeling of state rights.

Among the leaders of the latter were Jefferson, Madison, and Samuel Adams. The Federalists were the Conservatives who looked with little favor on the movement in France against the monarchical principle. The Democrats were the Radicals who wished to help France on to success. On all those issues party strife ran high; but there was one line of policy in which both parties agreed—viz: in carrying on war against the Indians of the great West—a policy which had prospective consequences of serious import in regard to the war of 1812, as we shall see hereafter.

John Adams was elected President in 1797, and Thomas Jefferson, a Democrat, Vice-President. This administration was distinguished by the existence of very critical relations with France, the adjustment of their differences was barely accomplished without war. C. C. Pinckney, Ellridge Gerry, and John Marshall were named Commissioners and sent to Paris to negotiate an amicable settlement of differences between the two countries. Instead, however, of obtaining a courteous hearing, they were met by an intimation that unless a considerable sum of money were forthcoming war might be the result. “War be it then, not one cent of tribute,” was the spirited reply; and hostilities actually began with a naval combat in the West Indies; but on the accession of Napoleon to power in France, peace was restored.

In 1799, George Washington died at Mount Vernon, in the 67th year of his age; and in 1800 the seat of Government was removed from New York to Washington. A census then showed a national population of something over five million.

The election of Thomas Jefferson as President, Aaron Burr and George Clinton as Vice-Presidents in 1801, indicated a radical change in political opinion. Jefferson was a statesman of considerable power, which he exercised with administrative skill. He had bitter enemies to contend with in carrying on the Government, but warm and devoted friends to support his policy. Four new States had been admitted to the Union: Vermont, Kentucky, Tennessee and Ohio, making now in all a confederation of seventeen States. Louisiana, comprising then the whole of that immense territory enclosed by the Mississippi river, the Pacific Ocean, the Gulf of Mexico, and the British Provinces in the North, belonged to the French by right of discovery. Under the administration of Jefferson that entire tract, consisting of more than 900,000 square miles, was obtained from France for the paltry sum of \$15,000,000—an acquisition which doubled the national area, and added 85,000 whites and 40,000 slaves to the federal population.

The Jefferson administration had many difficulties to contend with. The relations between the United States and Great Britain were becoming daily more critical. The right of search for British sailors on American ships which England insisted upon exercising, was considered an insufferable assumption. The Berlin Decree issued by Napoleon in November, 1806, forbidding all correspondence or trade with England, defining all articles of English manufacture as contraband, and the property of all British subjects as lawful prize of war, induced England to issue, in retaliation, Orders in Council prohibiting all neutral trade with France or her allies, unless through Great Britain; and to give efficacy to those orders she kept a naval force at sea and cruizers along the coast of America. The Americans, who till then had had a glorious time of it in carrying and trading as neutrals, complained that they suffered from the acts of the cruizers, that the conduct of

Great Britain was an unprovoked attack upon their commerce; that the right of search which she claimed and practised was an encroachment upon their national independence. The whole trouble grew out of the mighty feud between France and England; and France was quite as much at fault for any injustice suffered by the young Republic as England; but it was towards England chiefly, if not solely, that a bitter feeling of resentment existed in the United States. England had no desire to break with America; and although the British Government refused to repeal the obnoxious Orders in Council or relinquish the right of search, they determined by every reasonable means to avoid a quarrel with the offspring of England across the ocean. That prudent policy, however, was frustrated by the proceedings of the Admiral in command of the British North American squadron, who, in the exercise of the alleged right of search, authorized an attack on the U. S. frigate "Chesapeake," for the purpose of seizing on board of that vessel some deserters from the British navy. As this act of aggression may be considered the indirect, if not the direct cause of the war of 1812, it will be necessary for me to give a sketch of the event before going any further.

While some British men-of-war were at anchor in Chesapeake Bay, in the spring of 1807, several seamen deserted and entered the service of the United States on board the frigate "Chesapeake," and afterwards openly paraded the streets of Norfolk, Virginia, in sight of their officers, under the American flag, protected by the Magistrates of the town and the recruiting officer, who refused to give them up, although they were demanded by the British Consul as well as the Captains of the ships from which the men had deserted. Admiral Berkley, in command of the British squadron, thereupon directed the Captains of the ships under his command, in case of meeting with the American frigate "Chesapeake" at sea, and without the

limits of the United States, to search her for the seamen, as he alleged, according to the customs and usage of civilized nations on terms of peace and amity with each other—conceding the same right to Americans if they should make a similar demand. On the morning of the 22nd of June, His Majesty's ship "Leopard," Captain Humphreys, proceeded to sea, and meeting the American frigate "Chesapeake," Commodore Barron, about fourteen miles from land, hailed her, and said, "he had despatches from the British Commander-in-chief." The "Chesapeake" hove to, and an officer from the "Leopard" was sent on board with the Admiral's orders and a letter from Captain Humphreys, saying that he hoped to be able to execute the Admiral's order in the most amicable manner. Upon reading the order and the letter, Commodore Barron stated that his orders from his Government were most peremptory, to prevent any foreigner from mustering his ship's company, that he had no deserters, and that his instructions prevented his allowing the "Chesapeake" to be searched. On receiving this answer, the "Leopard" edged down to the "Chesapeake," and Captain Humphreys hailing, said "that Commodore Barron must be aware that the order of the British Commander-in-chief must be obeyed," the only answer made to this was "I do not understand what you say," which was evidently evasive, for the "Leopard" was to windward and the hail must have been heard. Orders were then given to fire a shot across the "Chesapeake's" bow from the lower deck; after a minute another; and in two more, no satisfactory answer having been given, a broadside was poured into her. The "Chesapeake" did not return the fire, but Commodore Barron hailed, when orders were given to cease firing; but as he only said he was going to send a boat on board, and as they were preparing to return the fire, it was supposed to be an artifice to gain time, and orders were again given to fire—two more broadsides were the result—when she



struck. Two Lieutenants, with several midshipmen, then went on board the "Chesapeake" to search for deserters, and after being there three hours, returned with four—two others identified were found killed, and one jumped overboard. Of the "Chesapeake's" crew six were killed and twenty-four wounded. Of her officers, Commodore Barron, who behaved in the coolest manner during the attack, was slightly wounded in the leg by a splinter. The Commodore wrote to Captain Humphreys, saying that he considered the "Chesapeake" his prize and that he was ready to deliver her up. Captain Humphreys replied that as he had executed the orders of the Commander-in-chief, he had nothing more to do with her, that he must forthwith join the rest of the squadron, and that he not only lamented most sincerely the necessity that compelled him to violent measures, but that if he could render any service he would cheerfully do it.

The attack of the "Leopard" on the "Chesapeake" was felt by the Government and people of the United States as an outrage upon the honour and independence of the nation, as an insult beyond the possibility of forbearance, calling for immediate attention and claiming resentment. A Proclamation was consequently issued by President Jefferson, requiring all armed vessels bearing Commissions under the Government of Great Britain then within the harbours or waters of the United States immediately and without delay to depart therefrom, and interdicting the entrance of all the said harbours and waters to the armed vessels and to all others bearing Commissions under the authority of the British Government.

This Proclamation was followed by the dispatch of an armed schooner, the "Revenge," to England, with instructions to the American Ministers to demand reparation for insults and injuries in the case of the "Chesapeake," and

to suspend all other negotiations until it should be granted. Unfortunately for the success of special negotiations, these instructions also directed them, in addition to a demand for an apology and indemnity to the families of the killed, to insist, by way of security for the future, that the visitation of American vessels in search of British subjects should be relinquished. This was inadmissible. The British Government refused to treat upon any other subject than that of reparation. The act of aggression was disowned, Captain Humphreys was recalled, Admiral Berkley was superseded, and every reparation offered, but there was a decided aversion to treating at all on the subject of impressments, and the views of the Government on that topic were plainly manifested by Royal proclamation requiring all British mariners in whatever service engaged to leave it forthwith and hasten to the help of their native country then menaced and imperilled.

England, anxious to avoid war with the States, sent Mr. George Henry Rose, M.P., on a special mission of peace to Washington. On his arrival he had several interviews with the Secretary of State, his powers were extensive, he offered reparation for the attack and to make provision for the families of American sailors slain on the "Chesapeake," but required the abrogation of the President's proclamation, shortly after that affair, excluding all British ships of war from the harbours and waters of the United States. To this it was answered that it would not be annulled till other causes of complaint were removed—notably, that relating to seamen. Mr. Rose refused to connect the right of search for seamen with the attack, for it was considered inconsistent with the maritime rights of Great Britain to surrender that power: consequently no progress was made in the negotiations.

Meantime the President communicated to Congress the effect of the Berlin decree and the British Orders in

Council upon the maritime interests and trade of the United States. He secured the passage of the Embargo act prohibiting all vessels in the ports of the United States from sailing for any foreign Port, except foreign ships in ballast, or with cargoes taken on board before notification of the act, and requiring coast-wise vessels to give heavy bonds to load their cargoes in the United States. The little life that was left in American commerce under the pressure of the Orders in Council of England and the Decrees of France, was utterly crushed out by this act. Its professed objects were to induce France and England to relax their practical hostility to neutral commerce; and to preserve and develop the resources of the United States; but it accomplished neither: opposition in the Eastern States to the measure was violent and incessant. Among the political pamphlets of the day, we find one in verse by William Cullen Bryant, then a lad of thirteen years of age:

Curse of our Nation, source of countless woe,  
From whose dark womb, unreckoned misery flows,  
The Embargo rages, like a sweeping wind,  
Fear lowers before and famine stalks behind.

Many dreading the horrors of war with England, which they believed the Embargo Act would bring about, preferred giving freedom to the commerce of the country—letting it provide itself against the risks that threatened it, and run the gauntlet of British cruizers, rather than kill it outright.\*

Such was the feeling of merchants, but patriotic statesmen holding the dignity and independence of the State as of far more consequence than the temporary interests of trade, advocated the most stringent execution of the Embargo Act. The obnoxious act is supposed to have had

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\* Lossing—Field book of the war of 1812.

one good effect in the United States, the encouragement and establishment of various manufactures which have been important elements in their national independence and prosperity. \*

Although the Eastern and Western States were divided on the subject of the Embargo Act, all parties Federalists and Democrats were united, for a time at least, in a firm resolve that Great Britain should make reparation for the attack on the "Chesapeake," or be made to feel the indignation of the insulted Republic in the power of war. Commodore Barron was accused of neglect of duty tried by Court marshal on specific charges of that nature, found guilty and sentenced to five years suspension from the service without pay or emoluments. The wounded national pride needed a palliative and found it in the supposed delinquency of the unfortunate Commodore †

The critical condition of foreign relations induced the President to call the tenth Congress together in October. The administration party had an overwhelming majority in that body, and was daily increasing in strength throughout the country. The confidence of the Democratic party in Jefferson's wisdom, sagacity, and patriotism was unbounded. In his annual message he gave a narrative of unsuccessful efforts to settle with Great Britain all difficulties concerning search and impressment; considered the affair of the "Chesapeake," the refusal of the British Commanders to obey the orders of his proclamation to leave American waters, the Orders in Council and Decrees, the subject of national defences, contention with the Indians on the frontiers, and the relation with foreign Governments. Efforts were made to increase the efficiency of the navy by adding to the few seamen already in the service, 1272

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\* Lossing—Field book.

† Lossing—Field book of the war of 1812.

additional men to put upon gun boats their completed or in process of construction. The country, however, was agitated by an approaching election for President and Vice-President, and for a time the vexed questions of search, impressment, Orders in Council, and Decrees were in the shade and had temporarily become of secondary importance. Meanwhile, events were transpiring on both sides of the Atlantic pointing to the abandonment of the policy of Orders, Decrees and Embargo acts. The able enquiry of Mr. Baring, in London, concerning the Orders in Council made a powerful impression upon the mercantile classes in England. The President of the United States had already taken some steps in the direction of repeal. As early as the close of April, 1808, he had sent instructions to Mr. Pinkney, in London, and Mr. Armstrong, in Paris, authorizing them to offer a repeal of the Embargo act on certain conditions; but the Government of Great Britain was not disposed to listen to any proposals while the proclamation concerning the interdiction of British ships of war in American waters remained in force; and the Emperor made no response to Armstrong's proposition, but maintained an ominous silence. In America the Embargo act continued to meet with violent opposition in various forms, especially by the leaders of the Federalists in the Eastern States, who characterized the act as a Southern measure, a subserviency to French dictation. Eminent lawyers in Massachusetts maintained that it was unconstitutional, the exasperation in New England was so great that action among the people and State Legislatures assumed the aspect of incipient rebellion.\* Finally, external pressure upon the administration became too great for resistance, and on the 1st March, 1809, the act was repealed. As a pacific countervailing measure to induce European belligerents to respect the rights of neutrals, a non-inter-

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\* Lossing—Field book of the war of 1812.

course act was passed opening the commerce of America to all the world, except England and France. While British and French ships of war were equally excluded from American ports. This measure was denounced by the opposition in the bitterest terms. Nevertheless the prospect of being allowed to follow unmolested the peaceable pursuits of active life, was brightening; and when John Madison succeeded Jefferson on the 4th March, 1809, it was determined to issue a Proclamation declaring that commercial intercourse with Great Britain shall be free upon the recall of the Orders in Council, but leaving all restrictive laws against France in force. The British Minister at Washington, Mr. Erskine, offered reparation for the insult and injury in the case of the "Chesapeake," and intimated that certain Orders in Council affecting the commerce of neutrals would be withdrawn, as respects the United States. Upon which, President Madison issued a Proclamation that the trade with Great Britain might be renewed. In France, the Emperor professed to be indignant at what seemed to be partiality shown to England by the Americans; but the American Minister succeeded in effecting a settlement of differences with him, in so far, that an Order was issued by the French Government to the Director-General of Customs, not to apply the Berlin decrees to American vessels entering French Ports. The Proclamation in favour of renewed intercourse with England, caused the greatest joy throughout the United States, and was regarded as an omen of brighter days. The voice of partisanship was hushed, and President Madison was lauded as the representative of the whole American people and not of a party only. The joy, however, was short-lived, for Mr. Erskine had to communicate the mortifying fact that his Government refused to affirm his arrangements." In the hope of effecting a settlement of differences, negotiations were continued, but without any favorable result. France and England were still playing their

desperate game, and both doubted the sincerity of the United States.

Mr. Erskine was recalled, and the Right Honorable Francis James Jackson, succeeded him as Minister Plenipotentiary of Great Britain at Washington. The appointment of Mr. Jackson did not give satisfaction to the American Government, because, it is alleged, of his complicity in the attack by British land and naval forces upon Copenhagen, early in September, 1807. However this may be, he was received with cool courtesy at Washington, and, no doubt the effect of his appointment was to widen the breach between the two countries. Of Mr. Jackson, it is said in Lossing's History of the War of 1812—an American author—that he was insolent, irritable and quarrelsome. He had an unbounded admiration of the greatness of the people he represented, and a corresponding contempt for the people he had been sent to. He regarded the Americans as an inferior people, and treated the officers of their Government with hauteur. His manners were so offensive that after the second verbal conference with him, Secretary Smith refused any correspondence, except in writing. The insolent Diplomat was offended, and wrote a letter to the Secretary, which was considered insulting. The American Government requested his recall, and early in 1810, he was summoned back to England. But his Government manifested the greatest indifference as to its relations with the United States. The request for his recall was received with the most perfect coolness, and no other Minister was sent to Washington until early in 1811. Such is the statement concerning Mr. Jackson, which we find in Lossing's History of the War of 1812—a work to which I am indebted for much valuable information. In the volume of Historical Documents, published under the auspices of the Society, I find a despatch from the Marquis of Wellesley, foreign Secretary, to Mr. Pinckney, Minister of the United States

at London, on the subject of the recall of Mr. Jackson, in which it states that His Majesty has been pleased to direct his return to England ; but has not marked, with any expression of displeasure, the conduct of Mr. Jackson; whose integrity, zeal and ability, have long been distinguished in His Majesty's service ; and who does not appear, on the present occasion, to have committed any intentional offence against the Government of the United States. Meantime, Mr. Jackson having been grossly insulted by the inhabitants of the town of Hampton in unprovoked language of abuse, held by them to several officers bearing the King's uniform, demanded Passports for himself, the gentlemen attached to his mission, and his own family. Mr. Jackson left Washington at once and made New York his place of residence, till arrangements could be made for his return to England. Before leaving, he visited Canada, and in the old copies of the "Quebec Gazette" I find a detailed account of his reception. I have read nothing which gives a better idea of the state of public feeling in Canada at the time ; and as no notice is taken of his reception in history, allow me to read what is said on the subject, and also what Mr. Jackson said about British relations with the United States to the people of Canada.

Montreal, August 13, 1810. Yesterday arrived here from Upper Canada, His Excellency the Right Honorable Francis James Jackson, His Majesty's Minister Plenipotentiary to the United States of America, his lady, and one of their children, a beautiful boy of 4 years old. They put up at Holmes' Hotel, which was no sooner known, than the gentlemen of the City determined upon inviting him to honour them with his company at a Public dinner. The day of Thursday, the 16th, was accordingly fixed upon, and notwithstanding so short a notice, such was the eagerness and anxiety of the public to pay every possible mark of respect to so distinguished a character, that a very numerous



list of English and Canadian gentlemen was rapidly filled up.

Invitations were sent to the Commandant, Major-General Drummond, the field Officers of the 41st regiment, the Officers commanding the Artillery and Royal Engineers, and the heads of Departments of the Garrison. About six o'clock the company, in all 130, sat down to an elegant repast. But what gave double zest to the entertainment was the harmony and good humor that prevailed. Every heart seemed to be actuated by the same feeling of superlative respect for their distinguished guest. The Hon. Mr. McGill was in the chair, and Mr. Justice Panet and the Hon. Mr. Richardson, Vice-Presidents. The toasts given by the President in English, were well translated and repeated in French by Mr. Panet—then follow the customary toasts—the King, the Queen, &c., till two remarkable toasts, or rather sentiments, are reached, viz. : (1) “May the United States, in appreciating their true interests, ever remain in peace and friendship with the country of their forefathers.” (2) “May the Democratic party of the United States feel that brutal abuse of a public Minister for fidelity to his trust marks a ferocity that even savages would blush at.” On the health of Mr. Jackson being given, the room resounded with applause, which having subsided, he addressed the company. He stated that he must attribute the favorable manner in which he was received to those principles of national policy by which he had been actuated. Those principles which he had the good fortune to imbibe from some of the most illustrious statesmen that have adorned our country, which consist in this, that with every disposition to promote harmony with other powers, the honor and dignity of our Sovereign must be at all risks vindicated—the commercial interests and the naval supremacy of Great Britain must be as strenuously asserted in the Cabinet, as they are gloriously maintained

upon the ocean by those heroes in whom our interests upon that element are deservedly entrusted. After some complimentary remarks to the company, and to the people of the Province generally, whose loyalty to the King had ever been conspicuous, he asked permission to embody his feelings in a toast or sentiment:

“Union to the Councils and prosperity to the commerce and agriculture of the two Canadas.”

After the toast of “the Army,” Mr. Jackson requested permission to give one more sentiment, which being readily granted, he spoke as follows:

GENTLEMEN,—You will have observed that in the sentiment I before expressed, there was nothing exclusive, nothing that could give umbrage out of this room. The principles which I then stated are to be asserted, not for the glorification of any selfish object of profit or ambition, still less for the vexation of any less formidable power, but as affording the only safeguard which remains to the freedom and independence which is yet to be found in the civilized world against the system of rapine and usurpation that has so nearly overwhelmed continental Europe, and the only bulwark that can shield this western hemisphere from similar disasters. In those principles, therefore, there is nothing inconsistent with that good will that should exist between us and the neighboring States, where there are men who duly appreciate the value of a good understanding between the two countries. There are those who, able and well informed, would be an ornament to any society, and are capable of unravelling the intrigues and exposing the artifices of their and our enemies; and who, knowing that the world affords sufficient scope for the spirit of enterprise which in all countries so eminently distinguishes the present age, are convinced that the interests of Great Britain and America not only do not

clash, but are likely most to prosper where they are most united. It is to such men that we must look for the arrival of that period so much desired by the true friends of both countries, when discarding jealousies and banishing every impropitious recollection, remember only that our friends in the United States are blood of our blood and bone of our bone. As for me, I shall carry home with me no other regret than that of not having been the instrument of reconciling differences which have been too actively fomented and suffered to exist too long. I propose as a toast "Prosperity to the United States of America." After which an American gentleman present desired permission to give a toast, which being granted, he gave—"Old England who, with Roman pride and Roman power, hath, during a war of 18 years, resisted and repelled the enormous and overgrown power of Napoleon, and who, with extended arms, hath successfully lashed and buffeted the waves of despotism which have overwhelmed and mercilessly destroyed all continental Europe." The whole went off in the utmost good humor, and we may safely aver that in no country, and upon no occasion, was ever hilarity and decorum more perfectly united.

About nine o'clock on Saturday morning Mr. Jackson and his family embarked for Quebec in a large bark canoe, manned by twelve Canadians, being attended to the water side by a number of the citizens, who repeatedly cheered them as the canoe pushed off from the beach. On Monday Mr. Jackson arrived in Quebec from Montreal with his lady and young son. They appear to have taken two days and a half to reach Quebec by canoe. On Tuesday the principal gentlemen of the place were introduced to Mr. Jackson at Colonel Thornton's, when he accepted an invitation on the part of the merchants to dine with them at the Union Hotel on Friday. Mr. Jackson, his wife and child were the guests of Mr. Matthew Bell, who resided in the country.

There were present at the dinner, His Excellency Sir James Henry Craig, Governor-General, Monseigneur the Catholic Bishop, (the Lord Bishop of Quebec being in Upper Canada) His Majesty's Judges, the Legislative and Executive Councillors, all the staff Officers in Garrison, the Commandant and other field Officers of Regiments in Garrison, and all the different heads of departments, with several of the Catholic and Protestant clergy. The orchestra was filled with the fine band of the King's Regiment, by permission of Colonel Young. At three quarters past five, His Excellency the Governor-General's carriage arrived at the door with His Excellency and Mr. Jackson. They were received and conducted into the House by the principal merchants. At six o'clock, dinner was announced, and His Excellency the Governor-General took his seat on the right of the President, the Hon. James Irvine. Mr. Jackson sat on the left. The rest of the company were placed according to their rank, and the whole, amounting to 120, were commodiously seated. The Vice-Presidents and Managing Committee were John Caldwell, Wm. Burns, D. Monro, J. Mure, J. Stuart, George Hamilton, B. P. Wagner, J. D. Hamilton and J. H. Joliffe, Esquires, each of whom had his assigned seat and duty to attend to. These names of our late esteemed citizens are doubtless familiar to many in this room. On entering the dinner room the band struck up "God save the King," and continued to play different select pieces of music during the dinner. After the cloth was removed, the following toasts were given and drank by every one present with great glee :

1. The King—band playing "God save the King."
2. The Queen—band playing "God save the King."
3. The Prince of Wales and Royal family—band playing "God save the King."
4. His Excellency the Governor-General, and may we long remain under his paternal Government.

5. Mr. Jackson, His Majesty's Minister Plenipotentiary, whose urbanity, dignity and firmness, united with superior abilities, have enabled him to maintain the honor of our King and country in peculiarly important situations, and under trying circumstances, as affecting his personal feelings—band playing, perhaps appropriately, “We'll gang nae mair to yon town.”

When the plaudits ceased, Mr. Jackson returned thanks in the graceful language that distinguishes the expressions of a highly cultivated gentleman; and alluding to his diplomatic mission to the United States, he said: If, gentlemen, I have been enabled, in situations of considerable difficulty and importance, to maintain against the most violent persecution by which a public Minister was ever assailed, a persecution unexampled in the history of the civilized world, the honor and dignity of our Sovereign, and those principles of maritime policy which, if we lose, we lose our all; if under these circumstances, where no means were unemployed to harrow up my feelings in their nearest affections, I have been able to preserve the even tenor of my way, I owe it to the recollection of the responsible situation in which I was placed by my Sovereign, and of the spirit and high feelings of the nation, which, by his favor, I was sent to represent. It is, however, but justice to the most liberal and most enlightened part of the citizens of the United States, to say that their sentiments, as to my personal situation, were in unison with friendly feeling, abhorrent of injustice, and double dealing. Mr. Jackson then makes graceful allusion to the Governor-General whose services, at home and in distant quarters of the world, added lustre to his own name and glory to his country's cause. He then expresses the lively feelings of interest and attachment to the city of Quebec, his thanks for the cordial reception he has met with, and concludes thus: That activity, that intelligence, that spirit of enter-

prise which have at all times so eminently distinguished the British merchant, have accompanied you to these shores. This noble river which, half a century ago, witnessed the energies of British valor, is now the peaceful and fertile scene of British industry. The channel of conveying to Great Britain those supplies for which she has been heretofore tributary to other nations. That this happy state of things may long continue is my sincere wish. I therefore, with the President's permission, propose: "Prosperity to the city of Quebec." Monseigneur the Catholic Bishop proposed "The British nation, may it long enjoy the blessings of Heaven for the kind and liberal hospitality, relief and support it afforded to the Catholic clergy after the revolutions of France and Spain."

Mr. Jackson, his lady and son, left Woodfield, the country seat of Mr. Matthew Bell, next day for Montreal, in one of the Governor's carriages, intending to sleep at Hon. Mr. deLanaudière's at St. Anne's. After remaining one day at Montreal they proceeded to New York, where the "Venus," frigate, arrived to convey them to Great Britain.

In the early part of 1811, Augustus J. Foster, who had been Secretary to the British legation at Washington, was appointed envoy extraordinary to the United States, charged with the settlement of the affairs of the "Chesapeake," and other matters in dispute between the two Governments. He had hardly entered upon the duties of his office, when an event occurred, which dashed the hopes of all those who not unreasonably, had looked for beneficial results from his peaceful mission.

As we have seen, the American Minister succeeded in effecting a settlement of differences between France and the United States, and an order was issued by the Emperor to the Director-General of Customs, not to apply the Berlin decrees to American vessels bound for French Ports. Ever

since that friendly arrangement was entered into, British cruizers, hovering upon the coasts of America, were extremely vigilant, and kept a sharp look-out for outward-bound ships, determined to give efficacy to the British Orders-in-Council, prohibiting all neutral trade with France or her allies, unless through Great Britain. A richly laden American vessel, bound for France, had been captured within thirty miles of New York, and the British frigate "Guerrière" exercising the right of search, stopped an American Brig, only eighteen miles from New York, took off a young man, said to be a native of Maine, and impressed him into the British service. As similar instances had lately occurred, the American Government resolved to send out one or two of their new frigates, ostensibly for the protection of their coasting trade; but really to resent the impressment of their citizens by British cruizers.

The U. S. frigate "President," Captain Ludlow, was then anchored off Fort Severn, at Annapolis, bearing the broad pennant of Commodore Rodgers, the senior officer of the American Navy. The Commodore was with his family at Havre de Grâce, seventy miles distant; the "President's" sailing master was at Baltimore, forty miles distant; her purser and chaplain were at Washington, an equal distance from their posts, and all was listlessness on board the frigate, for no sounds of war were in the air. Suddenly at three o'clock in the afternoon of the 7th of May, while Captain Ludlow was dining on board the sloop-of-war "Argus," lying near the "President," the gig was seen, about five miles distant, sailing at the rate of ten miles an hour, with the Commodore's broad pennant flying, denoting that he was on board. Rodgers was soon on the "President's" quarter deck. He had received orders from his Government to put to sea at once in search of the offending British vessel, and on the 10th he weighed anchor, and proceeded down the Chesapeake with the

intention of cruising off New York as an inquirer concerning the impressment. He stopped on his way down the Bay for munitions, and on the 14th passed the Virginia Capes out upon the broad ocean. He lingered here as an observer for a day or two, and about noon on the 16th, distant about forty miles, he discovered a strange sail on the eastern horizon.\* The squareness of her yards and symmetry of her sails proclaimed her a war vessel, which proved to be Her Majesty's sloop-of-war "Little Belt," Capt. Bingham, cruising off the American coast. Bingham also, about the same hour, saw a strange sail, and immediately gave chase. At one, P.M., says he, I discovered her to be a man-of-war, apparently a frigate, standing to the Eastward, who, when he made us out, edged away for us, and set his royals. Made the signal 275, and finding it not answered, concluded that she was an American frigate, as she had a Commodore's blue pendant flying at the main. Hoisted the colors and made all sail south, the course I intended steering, round Cape Hatteras; the stranger edging away, but not making any more sail. At 3.30 he made sail in chase, when I made the private signal which was not answered. At 6.30, finding he gained so considerably on us as not to be able to elude him during the night, being within gun-shot, and clearly discerning the stars in his broad pendant, I imagined the most prudent method was to bring to and hoist the colors, that no mistake might arise, and, that he might see what we were. The ship was therefore brought to, her colors hoisted, her guns double shotted, and every preparation made in case of surprise. By his manner of steering down, he evidently wished to lay his ship in a position for raking which I frustrated by wearing three times. About 8.15, he came within hail—I hailed, and asked what ship it was? He repeated my question. I again hailed, and asked what

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\* Lossing—Field book of the war of 1812.



ship it was? He again repeated my words, and fired a broadside, which I instantly returned. The action then became general, and continued so for three-quarters of an hour, when he ceased firing, and appeared to be on fire about the main hatchway. He then filled. I was obliged to desist from firing, as, the ship falling off, no gun would bear, and had no after to keep her to. All the rigging and sails cut to pieces, and not a brace nor a bowline left. He hailed and asked what ship this was? I told him. He then asked me if I had struck my colors? My answer was No, and asked what ship it was? As plainly as I could understand (he having shot some distance at this time) he answered the United States frigate. He fired no more guns, but stood from us, giving no reason for his most extraordinary conduct.

At daylight in the morning, saw a ship to windward, when having made out well what we were, bore up and passed within hail fully prepared for action. About 8 o'clock he hailed and said if I pleased, he would send a boat on board; I replied in the affirmative, and a boat accordingly came with an officer, and a message from Commodore Rodgers, of the U. S. frigate "President," to say that he lamented much the unfortunate affair (as he termed it) that had happened, and that had he known our force was so inferior he should not have fired at me. I asked his motive for having fired at all? His reply was that "we fired the first gun at him;" which was positively not the case. I cautioned both the officers and men to be particularly careful, and not suffer any more than one man to be at the gun. Nor is it probable that a sloop-of-war, within pistol shot of a large 44 gun frigate, should commence hostilities. He offered me every assistance I stood in need of, and submitted to me that I had better put into one of the ports of the United States; which I immediately declined. By the manner in which he apologized it appeared

to me evident that had he fallen in with a British frigate, or any ship of war equal in power to his own, he would certainly have brought her to action. And what further confirms me in that opinion is, that his guns were not only loaded with round and grape shot, but with every scrap of iron that could be possibly collected. I have to lament the loss of 32 men killed and wounded, among whom is the master. His Majesty's ship is much damaged in her masts, sails rigging and hull, and as there are many shots through between wind and water, and many shots still remaining inside, and upper works all shot away, starboard pump also, I have judged it proper to proceed to Halifax, &c.

There could be no excuse for the hostile action of Commodore Rodgers. No demand was made for any Americans impressed by the British, no complaint was urged; the frigate commenced hostilities at once, as if the American Government had resolved to cut short all intermission and negotiate only at the cannon's mouth. The "Little Belt" was brought into Halifax harbour on the 26th May in a sinking state—almost shot to pieces. When the news of the attack reached England it created intense excitement, and an opinion generally prevailed that unless reparations were immediately made, or a satisfactory explanation given by the Government of the United States—war would be the consequence; and as a preparatory step for whatever might result, a squadron of four sail of the line, one frigate and a sloop of war, under Sir Joseph York, sailed from Portsmouth for the American coast. Conflicting statements respecting the attack were made on both sides. Commodore Rodgers stated positively that he hailed twice, and his words were repeated by the stranger; that she fired one shot which struck the vessel, then three shots, and immediately afterward the remainder of her broadside, before he opened his guns upon her, except the single shot, which one of the deserters declared was

discharged by accident. The American Government disavowed hostile instructions. Commodore Rodgers was tried by Court martial but acquitted; finally the Government of Great Britain had the courage to refrain from unnecessary retaliation, acquiesced in the *amende* and the matter was buried in official oblivion. The people, however, of the two countries would not let it drop. When the twelfth Congress assembled the administration party was found to be a war party. The Embargo act, which prohibited the sailing of vessels to foreign ports, was supplemented by another act prohibiting exportations by land, whether of goods or specie. Belligerent measures were hailed with joy throughout the country by the war party, who were dominant and determined, but they alarmed the Federalists who were in favor of a policy of peace.

In his message to Congress on the 1st of June, 1812, the President recapitulated the wrongs which the people of the United States were supposed to have suffered at the hands of Great Britain. "We behold, in fine, he said, on the side of Great Britain, a state of war against the United States, and on the side of the United States a state of peace towards Great Britain." The message was referred to the Committee on foreign retaliations, and on the 3rd of June Mr. Colhoun, the Chairman, presented a report in which the causes and reasons for war were stated in historical order. On the presentation of the report, the doors were closed, and a motion to re-open them was lost. Mr. Colhoun then presented a Bill, as part of the report, declaring war between Great Britain and her dependencies, and the United States and its territories. Amendments were offered but rejected, and the Bill, as Colhoun presented it, was passed on the 4th day of June, by a vote of 79 for it, and 49 against it.

When the Bill reached the Senate it was referred to a Committee. It remained under discussion twelve days. Meanwhile the people throughout the country were excited by conflicting emotions. The opponents of the Government, the Federalists, were decidedly against war. A memorial against it went from the Legislature of Massachusetts, and another from the merchants of New York, led by John Jacob Astor, recommending restrictive measures rather than war. War meetings were held in various places, and finally, on the 17th of June—the anniversary of the battle of Bunker Hill—the Bill, with some amendments, was passed by a vote of 19 against 13; and on the afternoon of that day, the signature of the President was attached, and it became law. By a remarkable coincidence the revocation of the obnoxious Order in Council, so bitterly resented by the States, was announced by His Majesty's Ministers to the House of Commons on the very day the Senate passed the Bill declaring war against Great Britain and her dependencies. When this news reached this side the Atlantic, hopes of peace revived; but they were doomed to be extinguished; for political expediency appeared to the American Government to point to war with Great Britain as a necessity: and accordingly war was declared, ostensibly to establish the principle that the flag covers the merchandise, and that the right of search for seamen on neutrals is inadmissible; but really to wrest from Great Britain the Canadas, and, in conjunction with Napoleon, to extinguish her Colonial Empire. It is alleged that the Americans counted upon the sympathy, if not the support, of the French population in the coming struggle; but in this they were mistaken, Republican sentiments were repugnant to the Canadians. An extract from a sermon preached a short time previous to the war of 1812, by the *curé* of Quebec, Messire Plessis (afterwards Bishop) on receiving the news of one of Nelson's naval victories over the French, abundantly testifies to the prevailing feeling in Canada on

the subject of British connection:—" Hélas !" says he, " où en serions nous, mes frères, si de tels esprits prenaient le dessus, si ce pays, par un fâcheux revers, retournait à ses anciens maîtres ? maison de Dieu, temple auguste, vous seriez bientôt converti en une caverne de voleurs ! ministres d'une religion sainte, vous seriez déplacés, proscrits et peut-être décapités ! Chrétiens fervens, vous seriez privés des consolations ineffables que vous goûtez dans l'accomplissement de vos devoirs religieux ! Terre consacrée par les larmes et les sueurs de tant de vertueux missionnaires qui y ont planté la foi, vous n'offririez plus aux regards de la religion qu'une triste et vaste solitude. Pères et mères catholiques, vous verriez sous vos yeux des enfans chéris sucer, malgré vous, le lait empoisonné de la barbarie, de l'impiété et du libertinage ! tendres enfans, dont les cœurs innocens ne respirent encore que la vertu, votre piété deviendrait la proie de ces vautours, et une éducation féroce effacerait bientôt ces heureux sentimens que l'humanité et la religion ont déjà gravés dans vos âmes. Mais que fais-je, et pourquoi insister sur des réflexions douloureuses dans un jour où tout doit respirer la joie ? Non, non mes frères. Ne craignons pas que Dieu nous abandonne si nous lui sommes fidèles. Ce qu'il vient de faire pour nous, ne doit inspirer que des idées consolantes pour l'avenir. Il a terrassé nos ennemis perfides. Réjouissons-nous de ce glorieux événement. Tout ce qui les affaiblit, assure nos vies, notre liberté, notre repos, nos propriétés, notre culte, notre bonheur. Actions de grâces ! Prions-le de conserver longtemps le bienfaisant, l'auguste Souverain qui nous gouverne, et de continuer de répandre sur le Canada ses plus abondantes bénédictions."

The déclaration of war was received in Quebec on Monday, the 20th June, 1812, and created a perfect tumult of excitement. Orders were read on the Esplanade for the whole Militia of the Province to hold themselves in readi-

ness to be embodied. The regular forces consisted only of the ordinary peace establishment of British troops, and some Colonial Regiments, war with America had not been contemplated by the rulers of England—not another soldier had been sent across the Atlantic—nay, so decidedly Pacific were the intentions of the British Government towards America, that two regiments were actually under orders to leave the country. All was bustle and activity among the military authorities of Quebec in getting ready the means of defence at their immediate disposal. The Militia of the City voluntarily did garrison duty with the regulars; the students of the Seminary had the honour of mounting guard at the Castle of St. Louis; and public prayers were offered up in all the Catholic and Protestant Churches in the City, for a blessing on His Majesty's arms. There was ample evidence that the aptitude of the people of this country for the profession of arms had not been destroyed by the repose of half a century.

In preparing the foregoing paper I have to acknowledge my indebtedness to American authors for information relating to the war, particularly to Mr. Benson J. Lossing, from whose work "Pictorial Field book of the War of 1812," to which I have duly referred and from which I have in many cases transcribed interesting statements verbatim. The archives of the Literary and Historical Society have furnished me with some facts relating to the war, which are, perhaps, now noticed for the first time. If the subject proves interesting, and if my engagements admit of my pursuing it, I shall probably continue the narration of the war on a future occasion, when I intend to dwell more particularly upon the financial arrangements which were made to meet the exigencies of the service—thereby connecting this lecture with the papers on the currency of Canada, which I had the honour of reading before this Society in former years.







THE  
WAR OF 1812

IN CONNECTION WITH

THE ARMY BILL ACT

BY  
JAMES STEVENSON  
GENERAL MANAGER OF THE QUEBEC BANK



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## PREFACE.

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In the winter of the year 1874 Mr. James Stevenson delivered a lecture on the *Card Money of Canada during the French domination*, and in the winter of 1876 another lecture on the *Currency of Canada after the capitulation*, both of which were published in the Transactions of the Literary and Historical Society. In the concluding paragraph of the last lecture he stated: "On some future occasion I will proceed with my subject. We have now reached the most interesting part of our financial history—that which is related to the war of 1812, when our Militia and our monetary resources were taxed to the utmost. I shall leave others to deal with the incidents of the war: it will be my endeavour to show how the exigencies of the Army were provided for under circumstances particularly trying, by the creation of a Government Bank of Issue, which all writers on Canadian history have alluded to; but which few, if any, have described in its operations, from its inception to its close on the return of peace." Mr. Stevenson redeemed his pledge last winter by delivering a lecture before the Society on *The War of 1812 in connection with the Army-bill Act*, which lecture, with some additions, divided into three chapters, we now publish. This lecture completes the history of the currency of Canada, as given by Mr. Stevenson up to the time that Banks were established, viz.:—

The Montreal Bank in 1817.

The Quebec Bank in 1818.

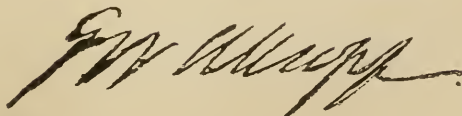
Quebec, 10th August, 1892.



Thirty Days Sight.

Entered,

By Order of the Commander of the Forces,



Dix\*\*\*\*\*Piesires.

Fifty Shillings. (f) L N<sup>o</sup>.

1878





\*\*\*X\*\*\* Bon pour **DIX** Piastres. X (f)

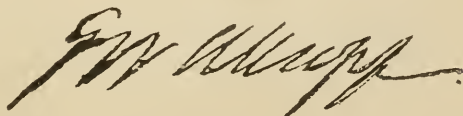
L. N<sup>o</sup> 1878

Army Bill Office, Quebec,  
March, 1814.

**TEN DOLLARS**, redeemable at this Office,  
by Government Bills of Exchange on LONDON, at  
Thirty Days Sight.

Entered,

*By Order of the Commander of the Forces,*



Dix\*\*\*\*\*Piastres.

Fifty Shillings. (f) L N<sup>o</sup> 1878



THE  
CIRCULATION OF THE ARMY BILLS

WITH SOME

REMARKS UPON THE WAR OF 1812.

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CHAPTER I.

Declaration of War—Embargo on Goods—Meeting of Provincial Parliament—Introduction of the Act—Legal tender coins—Capture of Detroit—Death of General Brock.

The American declaration of war was received in Quebec on Monday, the 29th June, 1812. On the 30th, a proclamation was issued by His Excellency Sir George Prevost, requiring all American citizens to depart from the Province within fourteen days; and, by order of police, within seven days from the city and district of Quebec. Great activity prevailed in the city in putting into operation the means of defence at the immediate disposal of the government, which consisted of the ordinary peace establishment of the British troops in the Province and the colonial forces.

A militia general order was issued by the Adjutant-General, F. Vassal de Monviel, from the headquarters in Montreal on the 6th July, ordering the battalions of militia throughout the Province to hold themselves in readiness to be embodied, and to march on the shortest notice to such points as the safety of the Province might require. In Quebec the militia of the city mounted guard in company with the regular troops, and each battalion continued to furnish a proportion of its number daily for garrison duty. The flank companies belonging to the militia battalions of Montreal, were formed into a battalion under Lieut.-Col. Auldjo and Lieut.-Col. Guy. A proclamation was issued by General Isaac Brock, Governor of Upper Canada, from his headquarters, Fort George, on the 22nd July, announcing the invasion of the Province by the Americans, with the intention, he said, of conquering Canada and restoring it to the Empire of France. "Are you prepared," he said, "inhabitants of Canada, to become willing subjects, or rather slaves to the despot who rules the nations of Europe with a rod of iron,—if not, arise," etc.

On the 16th July, a temporary embargo was laid upon all goods, wares, moneys, merchandise and commodities in and within the Province of Lower Canada; upon all arms and ammunition; upon scalping knives, daggers and Indian lances, bullion and specie of every description, none of which were allowed to be exported from any port within the Province of Lower Canada. All vessels were prohibited from sailing,

save such as were actually loaded or loading, and which were bound for any port in the United Kingdom, or any of the colonies in America or the West Indies. The Provincial Parliament met on the same day, and His Excellency Sir George Prevost alluded in his speech to the fruitless endeavours of His Majesty for the preservation of peace ; to his implicit confidence in the loyalty of his subjects ; to their attachment to his person ; and to their ardent love for the true interests of their country. He observed with concern that the necessary establishments of the militia forces and the operations of the approaching campaign, would be attended with considerable expense ; but he relied implicitly upon their wisdom and public spirit for such supplies as the circumstances and exigencies of the affairs of the Province would be found to require.

Loyal responses were made by the Legislative Council and House of Assembly on the 18th, the latter expressing itself prepared to grant such supplies as the exigencies of affairs might require.

The people and authorities of Canada had for a long time been alive to the imminence of war ; but at the time of the declaration of war, Canada was in a comparatively defenceless state. To man the fortresses of Quebec and Kingston, and to cover a frontier of 1,700 miles in length, the whole available force consisted of 4,450 regulars of all arms. In the Upper Province, which presents a war frontier of 1,300 miles, there were about 1,450 soldiers. The militia consisted

of about 2,000 men in the Lower, and 1,800 in the Upper Province. The total population of Upper Canada at this time was under 100,000, while that of the Lower Province did not exceed 300,000.

On Sunday, the 19th July, orders for the whole of the militia of the Province to hold themselves in readiness to be embodied, was read on the Esplanade of the city of Quebec to the militiamen under arms. His Excellency was present on the occasion, and expressed his approbation of the zeal shown by the men in voluntarily doing duty with His Majesty's regular forces.

To meet the pecuniary exigencies of the war the Provincial Parliament of Lower Canada, which assembled on the 16th July, 1812, and remained in session till the 1st of August, being the third session of the seventh Parliament holden in Quebec, passed the Act to facilitate the circulation of army bills, which provided as follows :

First. That His Excellency the Governor, as Commander of His Majesty's forces, from time to time should cause to be prepared and made any number of bills, to be denominated army bills, containing one common sum, or different sums, in the principal moneys, not to exceed two hundred and fifty thousand pounds currency. Second. That such bills should be issued from an office to be called the "army bill office." Third. That the said army bills of twenty-five dollars each and upwards should bear interest at the rate of fourpence per centum per diem, upon or

in respect of the several amounts of each. Fourth. That the principal sums of the said army bills of twenty-five dollars each and upwards should, at the option of the Commander of the forces, be payable on demand to the holders of such army bills, in cash or in Government bills of exchange on London, at thirty days' sight at the current rate of exchange. Fifth. That the interest of all such army bills of twenty-five dollars each and upwards, upon the payment thereof in cash or in bills of exchange as aforesaid, should be paid in army bills or in cash at the army bill office, at the option of the holders of such army bills. Sixth. That the principal sums of all such army bills of twenty-five dollars each and upwards, if paid in cash, should be paid at the army bill office; but if paid in government bills of exchange, should be paid at the office of the Commissary-General, upon a deposit in army bills of the amount of the bills of exchange to be so paid, and a certificate of such deposit under the hand and seal of the superintendent of the army bill office to the Commissary-General. Seventh. That it will be advisable for His Excellency the Commander of the forces, from time to time to cause to be prepared and made, such number of army bills of the value of four dollars each as he shall see fit, provided the said army bills of four dollars each and the said army bills of twenty-five dollars each and upwards do not together exceed the aforesaid sum of two hundred and fifty thousand pounds currency. Eighth. That the said army bills

of four dollars each should be payable at the Army bill office in cash, to the bearer on demand. Ninth. That all army bills whatever should be issued as cash, upon the warrants of His Excellency as Commander of the Forces, to such person or persons, as he by such warrants shall see fit to direct such payments to be made. Tenth. That the current rate of exchange should be established on oath once in every fortnight by five persons, to be named by His Excellency, and publicly notified before any army bills whatever shall be issued. Eleventh. Makes provision for the cancellation of defaced army bills, and the re-issue of new army bills of same number, tenor and date as those cancelled. Twelfth. That no army bills should be re-issued, those of four dollars each excepted, and that all army bills whatever should at all times be redeemable by being called in and paid, both principal and interest in cash. And whereas His Excellency hath been pleased to prepare and cause to be prepared such army bills to the value of two hundred and fifty thousand pounds currency, which from time to time, as required, will be issued. And whereas it is the bounden duty of the Legislature to furnish every possible aid and assistance towards the defence of the Province, and to this end it is necessary to facilitate and support the circulation of all such army bills, be it enacted that the Governor, Lieut.-Governor or person administering, the Government be authorized and empowered to pay and allow or cause to be paid out of all moneys,



customs, taxes and revenues of the Province, and in preference to all other claims and demands whatsoever, all such interest at the rate of four pence per hundred pounds per diem as shall have arisen and grown due upon all every and any such army bill which shall be so issued as aforesaid, not exceeding in the whole, the sum of fifteen thousand pounds currency per annum, which said interest shall run from the day of the date of such bill or bills, and such other charges as shall be necessarily incurred in, to or for the issuing, circulating or cancelling of the said army bills, not exceeding in the whole, two thousand five hundred pounds currency per annum.

SECTION II. Provides that whatever moneys shall be issued out of the aforesaid moneys, customs, &c., shall be replaced out of the first supplies granted in the Provincial Parliament.

III. Provides that the army bills shall be current in the revenue, and taken by all collectors, and receivers in the province, and that the same in the hands of such collectors and receivers, and in the hands of the Receiver-General shall be deemed as cash.

IV. Provides that in payments to the revenue, interest shall be allowed to the day of payment, i.e., that the interest which from time to time shall be due upon any such army bill, shall be allowed to all persons, &c., paying the same to the Receiver-General or any collector or receiver up to the respective days whereupon such bill or bills shall be so paid; Provided always that every such Receiver-

General, collectors and receivers as aforesaid, shall be accountable for the interest on every such bill, so by them or either of them received for and during which such bill shall remain in their hands.

V. Provides that all interest upon such army bills shall cease from and after the fourteenth day next after the day on which the same by any proclamation shall be called in to be redeemed in cash, and that money shall be reserved in hand for discharging the same.

VI. Sets forth the penalty on forging army bills.

VII. Enacts that all contracts shall be void in which any distinction shall be made between army bills and cash.

VIII. No arrest if a tender in army bills be made.

IX. No attachment shall issue if a deposit in Army Bills be made within the time limited by order of court.

X. On *capias ad satisfaciendum* a deposit of the debt and costs in Army Bills shall stay proceedings.

XI. On *feri facias*, &c., a deposit of the debt and costs in army bills shall stay proceedings.

XII. Provides relief for bills destroyed or lost in case of satisfactory proof of such destruction or loss being given, together with security for payment if the bill or bills certified to be lost, burnt or destroyed, shall be thereafter produced.

XIII. Provides Provincial security for ultimate payment of army bills and loans in the following terms: And whereas there may be many persons

desirous of coming forward in aid of His Majesty's Government, with the loan of monies, who, having no commercial concern whereby to dispose of bills of exchange, and who, on that account may be deterred therefrom, for remedy thereof; be it enacted that from and after the expiration of five years after the passing of this Act, each and every the holder of any and every such army bill as may remain unpaid and unsatisfied shall be entitled to receive out of and from the monies that then may be in the hands of the Receiver-General of the Province, or from the first monies that may thereafter come into his hands arising out of any taxes or duties heretofore imposed or that may hereafter be imposed, levied or raised by virtue of any Act or Acts of the Provincial legislature, or from the rents and revenues of His Majesty's territorial domains in this Province, the full amount of all such army bills in money, with the interest remaining due thereon.

XIV. Refers to the duty of the Receiver-General on the receipt and payment of army bills, viz., that he shall pay over the same to the Commissary-General for the time being and get from him the amount thereof in Government bills of exchange, at the current rate of exchange, or in cash at the option of the said Commissary-General, and the Receiver-General shall immediately thereafter render a true and exact account of all such payments and receipts to the Governor, in order that the same may be laid before the House of Assembly at the next session thereafter.

XV. And be it further enacted by the authority aforesaid, that for and during the period of five years from the passing of this Act, no person whatever shall export or otherwise carry out of this province, any gold, silver, or copper coin of any description whatsoever, or any molten gold or silver in any shape or shapes whatever, and if any person whatever shall export or otherwise carry out of this province, or procure to be exported or otherwise carry out of this province, or shall in any manner or way whatsoever, attempt or endeavour to export or otherwise carry out of this province, or attempt or endeavour to procure to be exported or otherwise carried out of this province, any gold, silver or copper coin of any description whatever, or any molten gold or silver in any shape or shapes whatever, then, in each and every such case, such gold, silver and copper coin, and such molten gold and silver shall be forfeited, one half to His Majesty, his heirs and successors, and one half to the person who shall sue for the same, and the same shall and may be seized, sued for, prosecuted, condemned and recovered in such courts, and by such and the like ways, means and methods, and the produce thereof disposed of and applied in such and the like manner, and to such and the like uses and purposes as any forfeiture incurred by any law respecting the revenue of the Customs may now be seized, sued for, prosecuted, condemned or recovered, disposed of or applied.

XVI. Refers to action against the exporter of

specie or bullion as follows: And be it further enacted that every person whatever, who, during the period of five years from the passing of this Act shall export or otherwise carry out of this province, or procure to be exported or otherwise carried out of this province, or shall put on board of any ship, or vessel, or boat, or into any land carriage to be exported or otherwise carried out of this province, or shall in any manner or way whatsoever attempt or endeavour to export or otherwise carry out of this province, or attempt or endeavour to procure to be exported any gold, silver, or copper coin of any description whatever, or any molten gold or silver, in any shape or shapes whatever, for every such offence over and above the forfeiture of such gold, silver and copper coin, and of such molten gold or silver, if the same shall be seized, shall forfeit the sum of two hundred pounds, and double the value of such gold, silver and copper coin, and of such molten gold and silver, one half to His Majesty, and one half to the person who shall sue for the same by bill, suit, action or information, in any of His Majesty's courts in this Province.

XVII. Provides that nothing in the Act shall prevent persons taking out of the Province the sum of £10, or such further sum with license from the Governor.

XVIII. Penalty on persons convicted of perjury.

XIX. Refers to fines, &c., to be paid into the hands

of the Receiver-General and to be accounted for to the Crown.

XX. Refers to limitations of action.

At the close of the session, on the 1st of August, 1812, the Provincial Parliament of Lower Canada presented to His Excellency Sir George Prevost, Baronet, the foregoing "Act to facilitate the circulation of army bills" for the royal assent, which was duly given. The Honorable Speaker of the Assembly said: "They, the representatives of the Province of Lower Canada, are under the greatest obligation to your Excellency for having communicated to them the means to ameliorate and insure for several years the punctual payment of the army, by the circulation of bills, the reimbursement of which is guaranteed in England. To give them greater credit, this bill limits the sum necessary, and moreover provides for the interest, the advantages accruing therefrom, and for the entire payment of the principal in specie in this Province, which has become expressly bound for the same at a fixed period."

In connection with the establishment of the army bill office, a notification was made to the public by His Excellency, that James Green, Esquire, had been appointed Director, and Louis Montizambert, Esquire, Cashier, and that they had given the required security for the faithful performance of the trust reposed in them. The office was opened at the Court House, and from thence by order of His Excellency, an issue of army bills was made, consisting of the denomina-

tions, twenty-five dollars, fifty dollars, one hundred dollars and four hundred dollars ; signed by His Excellency the Commander of the Forces, by the Director, by the Military Secretary and made payable to the bearer, on demand, at the army bill office, in Government bills of exchange at the current rate of exchange or in cash, at the option of the Commander of the Forces, with interest.

Prior to the passing of the "Act to facilitate the circulation of army bills" the currency of Canada consisted of a variety of coins. In the absence of a colonial coinage, the gold and silver coins of several nations were in circulation. Spanish, Portuguese, French and German, circulated simultaneously with the gold and silver coins of Great Britain. During the session of 1795, the following statute was passed, viz. : "An Act to prevent the diminution of specie circulating in this Province, that the same may be regulated according to a standard that shall not present an advantage by carrying it to neighbouring countries ; and whereas, by an ordinance now in force for regulating the currency of this Province, an advantage does arise by carrying gold coin out of the same, be it therefore enacted that the gold and silver coins hereafter mentioned, shall pass current and be deemed a legal tender in payment of all debts, and demands whatsoever in this Province, at the weights and rates following, that is to say :

NAMES OF COINS	Weighing.		Canada Currency.	
	Dwts.	Grains.	£	s. d.
The British guinea.....	5	6	1	3 4
The Johannes of Portugal.....	18		4	0 0
The Moidore of Portugal ..	6	18	1	10 0
The Four Pistole piece of Spain.....	17		3	14 0
The French Louis d'or coined before 1793....	5	4	0	18 0
The American Eagle.....	11	6	2	10 0

With regard to silver, the American dollar shall pass current at five shillings currency, and every other coin current in the Province as already provided for, viz. :

The Spanish dollar at ..	Canada Currency.	£0 5 0
The British Crown. ....		0 5 6
The French Crown or piece of 6 livres Tournois.....		0 5 6
The French piece of 4 livres, 10 sols.....		0 4 2
	Canada Currency.	
The British shilling.....		£0 1 1
The French piece of 24 sols Tournois.....		0 1 1
Pistareen.....		0 1 0
The French piece of 36 sols Tournois .....		0 1 8

A similar Act was passed by the Parliament of Upper Canada on the 3rd of June, 1796.

Great inconvenience was experienced in consequence of the scarcity of specie, which gave rise to a kind of barter, or store pay, prejudicial to the interests of the farmers and labouring classes. Farm produce, furs, and labour were paid for in goods which had to be taken at unreasonably high prices at the shops or stores, because specie was hardly to be had.

Under the Army Bill Act, however, a paper currency was introduced, which proved of essential



service, not only in meeting the exigencies of the public service, but in facilitating commercial transactions. The measure proved, in practice, a complete success. Bills of the denominations \$25, \$50, \$100 and \$400 were not re-issued. They bore interest, as provided for in the Act, \$400, fourpence per diem, \$100, one penny per diem, \$50, one halfpenny per diem, and \$25, one farthing per diem, being substantially interest at the rate of six per cent. per annum.

Four dollar bills bore no interest, and they were re-issued. They were payable at the army bill office in cash on demand.

Many years ago I ascertained from merchants who were engaged in the retail business in Quebec in 1812, and during the war, that the army bills circulated freely, the larger denominations with interest from the date of issue added. The calculation of interest which had accrued was an easy one: \$400 for 30 days was just 120 pence, equal to 10 shillings currency; \$100, 30 pence; 50, 15 pence, and so on; consequently the increased value of each bill was easily ascertained; and it passed, with its increment, from one to another in the purchase of goods or settlement of account.

The Act provided for the redemption of bills of \$25 and upwards, in cash or exchange on London, at 30 days sight, at the option of the Commander of the Forces, at the current rate of exchange; but the interest which had accrued on all such bills was paid in cash or exchange at the option of the holder.

The current rate of exchange for bills on London at 30 days sight was established once in every fortnight, by a committee of five persons named by His Excellency.

The rate of exchange for bills on London, in consequence of the suspension of specie payments by the Bank of England, which took place in 1797, and which lasted till 1823, was very low. This subject, however, has to be considered in connection with the price of gold in England.

The mint price of an ounce of Standard gold is £3 17s. 10½d., being one-twelfth part of £46 14s. 6d. the value set upon a pound weight of gold.

During the Napoleonic wars, the price of gold in England per ounce rose, in 1800 to £4. 5s. currency ; in 1809 to £4. 11s. ; in 1810 to £4. 19s. ; and in 1812, when Napoleon was in the zenith of his power, to £5. 10s. British currency. In order therefore to effect a settlement in Canada on a specie basis, bills drawn at 30 days sight on the Treasury in London, were subject to a large discount, frequently as much as 22%, as determined by the committee appointed by His Excellency to regulate the rate of exchange. Consequently, a bill at 30 days sight for £100, at that rate, yielded only £78 sterling, equal to \$356.46 in specie. In 1812 £100 sterling in gold in England was worth £120 4s. 9d. ; in 1813, £100 sterling in gold was worth £122. 18s. currency of Great Britain.

It has to be borne in mind that the dollar in gold of 1812, was of greater value than the dollar in gold

of the present day, on account of its greater weight and fineness. It required only \$4.57 to constitute the par of the pound sterling in 1812; whereas it requires  $\$4.86\frac{2}{3}$  to constitute the par now, being  $9\frac{1}{2}\%$  over the ninth or old par of Queen Anne. In other words, the American eagle of 1792 contained  $247\frac{1}{2}$  grains of fine gold—the American eagle of 1837 contains only 232.2 grains of fine gold. There has been no change since that year in the quality or weight of the American eagle.

In the early part of August 1812, the war, both by land and sea, began to assume its proper character. The American General, Hull, with a strong force, crossed from Detroit to the Canadian shore on the 12th of July. Hull, however, had calculated upon a friendly reception in Canada, but found the people hostile; and, being warned of the advance of General Brock with a force of over 300 regulars, 400 militia, and several hundred Indians, lead by Tecumseh, made a hasty retreat, recrossed the river and occupied his old quarters in Detroit. General Brock, however, with characteristic daring, crossed in pursuit, attacked and captured the town with 33 pieces of cannon, and the military chest; and took General Hull and 2,500 troops prisoners of war.

During the autumn, several raids were made along the frontier of the Upper St. Lawrence, and at other points; but none of them of any importance, and none of them very creditable to either party. The Americans were repulsed at Presqu'île on September

the 16th ; Gananoque was raided by Americans on the 21st ; the British were repulsed at Ogdensburg on October the 4th ; and several British craft were captured off Black Rock, Lake Erie, on October the 9th.

In the early part of October, however, viz., on the 12th, General Van Renselaer, in command of a considerable force of American regulars and militia on the Niagara frontier, prepared to attack the British at Queenston, opposite Lewiston. He considered his forces ample to secure success. They numbered more than six thousand. The British force on the Western bank of the Niagara river, regular, militia, and Indians, numbered fifteen hundred. The Indian allies, under John Brant, numbered about two hundred and fifty strong. In addition, there was a detachment of the 41st regiment, 380 strong, under Captain Bullock, and the flank companies of the 49th regiment.

The Americans effected a landing, notwithstanding a desperate resistance made by the British, and occupied the heights after a hot engagement, in which the gallant Brock lost his life ; but they were finally defeated and driven over the precipitous banks of the Niagara river at the point of the bayonet. About 1,100 Americans, officers and privates, surrendered unconditionally as prisoners of war.

## CHAPTER II.

Meeting of Parliament—Speech of the Governor—Enlargement of the Act—Steamboat service between Quebec and Montreal—Capture of York—Further enlargement of the Act.

The Provincial Parliament of Lower Canada was summoned for the despatch of business on the 29th December, 1812. In the Speech from the Throne, His Excellency Sir George Prevost said :—

“The complete discomfiture of the plans of the enemy for the conquest of Upper Canada, by the capture of Detroit, and by the surrender of the whole invading army with its general ; the brilliant achievement at Queenston, tho’ clouded by death in the hour of victory, of the gallant and much lamented Major-General Brock, together with other recent advantages gained over the enemy, both in Lower and Upper Canada, are subjects of sincere congratulations, and demand our fervent acknowledgments to the Great Ruler of the Universe for these undeserved mercies.

“I take also pleasure in acquainting you that the measure of the issue of army bills, for the circulation of which you so promptly and liberally provided during the last session, has been attended with the

happiest effects, both by powerfully aiding His Majesty's Government to meet the extraordinary demands of the present crisis, and by materially facilitating commercial transactions. The experience of four months having fully shown the utility of the measure, I recommend to your consideration the adoption of such further regulations and provisions respecting it, as, upon a review of the Act passed upon this head, and of the present circumstances of the country, may appear to be necessary."

It is manifest, I have said, that the Act to facilitate the circulation of army bills, proved a complete success ; but a much larger amount of notes than that authorized by the Act had been issued during the recess ; and the exigencies of the public service rendered it necessary to resort to a further increase of issue.

At the fourth session of the seventh Parliament holden in Quebec the 29th December, 1812, "An Act to extend the provisions of an Act passed in the fifty-second year of His Majesty's reign, intituled, An Act to facilitate the circulation of army bills, and to make further regulations respecting the same," was passed, and received the royal assent on the 15th February, 1813. The Act reads as follows :

I. Whereas an Act was made and passed in the fifty-second year of His Majesty's reign, intituled, "An Act to facilitate the circulation of army bills ;" And whereas it appears by a message of the Governor-in-Chief to the House of Assembly of the 8th

January, 1813, that the exigencies of the public service have rendered it indispensably necessary for him as Commander-in-Chief to direct an issue of the army bills to be made to a greater amount than two hundred and fifty thousand pounds provided for by the said Act, and that the further exigencies of the public service may render a further issue indispensably necessary; and whereas it is expedient to subject such army bills as have been so issued, as well as such as may be hereafter issued, to the provisions, regulations, and enactments of the afore-recited Act, and to make further provisions and regulations respecting the same; Be it therefore enacted by the king's most Excellent Majesty, by and with the advice and consent of the Legislative Council and Assembly of the Province of Lower Canada, constituted and assembled, by virtue of and under the authority of an Act of the Parliament of Great Britain, passed in the 31st year of His Majesty's reign, intituled "An Act to repeal certain parts of an Act passed in the 14th year of His Majesty's reign, intituled, "An Act for making more effectual provision for the government of the Province of Quebec; in North America;" "and to make further provision for the government of the said Province, and it is hereby enacted by the authority of the same, that all army bills which have been so issued after the time at which the army bills then issued, amounted to the sum of two hundred and fifty thousand pounds, and each and every of them and all such army bills as

shall be issued during the next twelve months, from and after the passing of this Act, shall be deemed and taken to be within the purview of the Act made and passed in the 52nd year of His Majesty's reign, intituled, "An Act to facilitate the circulation of army bills;" and that all the provisions, regulations and enactments in the said last-mentioned Act contained, and each and every of them, shall be applied and put in force in respect to all and every such army bills so issued, or that may hereafter be issued, as fully and effectually to all intents and purposes as if the same were severally and separately repeated, and herein recited, and made part of this Act under the restrictions hereinafter mentioned.

II. Provides for the payment out of all and every and any the moneys, customs, taxes and revenues of this province, and in preference to all other claims and demands whatsoever, all such interest at the rate of fourpence per one hundred pounds per diem, as shall arise and grow due upon all and every and any army bill or bills, which have been issued, or shall hereafter be issued.

III. Provided always that the sum so to be paid out of and from the customs &c. aforesaid, with interest as aforesaid, shall not on the whole and together exceed the sum of fifteen thousand pounds currency per annum.

IV. Provided also, and be it further enacted by the authority aforesaid, that the amount of army bills in circulation as well as those already issued or such as



may be hereafter issued, shall not at any one period exceed the sum of five hundred thousand pounds currency.

V. And be it further enacted by the authority aforesaid, that interest upon such army bills as have been, or shall hereafter be issued, shall run from the day of the date of such bill or bills, until the same shall be paid, and that the holder or holders of every such bill or bills shall be entitled to demand and receive payment of all such interest at stated periods, once in every six months, at the army bill office in the city of Quebec, and further, that public notification shall be given in the Quebec Gazette immediately after the passing of this Act, by order of the Governor, Lieutenant-Governor, or the person administering the government for the time being, of the periods at which such payments shall be made.

VI. And whereas it is expedient in order that the public confidence in such army bills may remain undiminished, that the holders thereof may be assured of the punctual payment of all interest that may become due and payable on army bills; and whereas the sum of fifteen thousand pounds per annum herein before provided, may not suffice for the full payment thereof on the whole amount of bills so issued or to be issued, Be it therefore enacted, by the authority aforesaid, that the provisions, regulations and enactments of the Act herein before cited, intituled, "An Act to facilitate the circulation of army-bills," shall not extend or be construed to extend to a greater

amount of army bills in circulation at any one time, during the next twelve months after the passing of this Act, than two hundred and fifty thousand pounds currency, unless public notification shall be given in the Quebec Gazette within one month after the passing of this Act, by the Commander of His Majesty's forces in this province for the time being, that all such interest as aforesaid shall be paid at the army bill office at the like stated periods.

VII. And be it further enacted, that the five Commissioners heretofore appointed for the purpose of certifying the current rate of exchange, at which bills of exchange on London were and are to be given in payment of army bills, and their successors, or any three of them, shall continue to meet and certify under Oath the rate of exchange in like manner, and that in due execution of their office, as aforesaid, they shall be guided by the fair current rate of bills of exchange at thirty days' sight, and by all such other information as they may be able to procure, so as to enable them to do substantial justice to the holders of such bills, and to the government.

VIII. And be it further enacted, that it shall be the duty of the officer or officers to whom it may appertain as having the direction of the army bill office, to lay before the Commissioners immediately after the passing of this Act, a correct account of the amount of all such army bills as shall then be in circulation, and at each second subsequent meeting of the said Commissioners, a true and correct account

of all such bills as shall have been issued and put into circulation from the date of the last account rendered, in order that the same may be laid before the Legislature, at its next ensuing meeting.

IX. And be it further enacted, that all sheriffs and bailiffs who shall or may receive army bills upon execution, shall be accountable for the interest on all such bills which by them or any of them shall be so received for, and during the time that such bills remain in their hands, to the persons interested therein, and to this end the said sheriffs and bailiffs shall mention in their respective returns, whether they received the amount or any part of the amount of such executions in money or in such bills, and also the day on which they received it.

X. And be it further enacted, that no public officer whatsoever shall profit by the interest on the army bills which may be placed in his hands as such public officer, to be given in payment, and shall render an account of the said interest, annually, on the first day of November, to the Receiver-General to be employed according to the dispositions of the fourth section of the aforesaid Act, passed in the fifty-second year of His Majesty's reign.

XI. And be it further enacted, that the interest for which the Receiver-General and collector and all public officers are accountable to the province, shall be employed and applied in the payment of the interest wherewith the Province is by this Act charged.

XII. Provided always, and be it further enacted, that nothing in this Act contained shall extend or be construed to extend or entitle any holder or holders of any such army bills as aforesaid, as may at any time hereafter remain unpaid or unsatisfied (save and except the holder or holders of such army bills as were heretofore issued, subsequent to the passing of the Act to facilitate the circulation of army bills and until the same exceeded in the whole the sum of two hundred and fifty thousand pounds, and which now remain unpaid and unsatisfied) to receive out of or from any monies that may then be in the hands of the Receiver-General of this Province, or from any monies that may hereafter come into his hands arising out of any taxes or duties heretofore imposed or that may hereafter be imposed, levied, or raised by virtue of any Act of the Provincial Legislature, or from the rents and revenues of His Majesty's territorial domains in this province, or from any other monies in the hands of the Receiver-General, payment of any such army bill or bills, as aforesaid.

XIII. And be it further enacted, that should the Governor-in-Chief deem it expedient, to cause the whole or any part of the army bills to be hereafter issued to be signed by any other person or persons, by and under his authority; public notice shall be given during one month in the Quebec Gazette, of the name or names of such person or persons so authorized, and that all army bills signed by such person or persons, shall be considered as forming

part of the sum of five hundred thousand pounds, at which the whole amount of army bills to be circulated at the same period is hereinbefore limited.

XIV. And be it further enacted, that the sum of five hundred thousand pounds, at which the amount of army bills to be in circulation at one period is limited, such amount may be issued in army bills of one, two, eight, ten, twelve, sixteen and twenty dollars each, as the Commander of the forces may deem expedient and necessary, such bills bearing no interest and payable in cash on demand at the army bill office. Provided always that the amount of such bills, and of bills of four dollars each, shall not in the whole and together exceed the sum of fifty thousand pounds.

XV. And be it further enacted, that it shall and may be lawful for the Governor, as Commander of the forces, to establish such other office or offices at Montreal or elsewhere in the Province as to him may seem expedient and necessary for the payment of all such bills as have, or may hereafter be issued, payable in cash on demand. Provided that the whole expense thereby incurred, together with the expense of the office already established, do not in the whole exceed the sum of two thousand five hundred pounds per annum, appropriated by the Act herein before mentioned.

The following is a copy of advertisement respecting the adjustment of the rate of exchange :

“Quebec, 15th March, 1813.

“The Commissioners appointed by His Excellency Sir George Prevost, Governor-in-chief and Commander of the Forces, in virtue of the Provincial Act of the 52nd year of His Majesty’s reign, intituled, ‘An Act to facilitate the circulation of army bills,’ (the provisions thereof being extended, and further regulated by an Act of the 53rd year of His Majesty’s reign) have fixed on the rate of exchange for government bills, at 30 days sight, at twenty per cent for the next fortnight from this date.”

N.B.—“The said Commissioners meet every Monday fortnight at 10 o’clock, at the house of Mr. Blackwood, St. Louis Street, where written communications on the subject of exchange will be received and duly attended to.”

The army bills of the denominations \$400, \$100, \$50 and \$25, were signed, as I have already stated, by His Excellency as Commander of the forces, by the Director, and by the Military Secretary, and made payable as provided for in the Act. The four dollar bills were signed by the director of the Army bill office, the Cashier and the military secretary only.

The whole of the bills were deposited in the military chest, from whence they were issued in payment of whatever demands were required to be made on the Commissary-General or Paymaster-General, on account of the public service.

The signing of these bills by His Excellency was apparently found inconvenient, for, under date of 23rd March, 1813, I find the following notice :

“His Excellency has directed that public notice be given, and the same is hereby given, that all such army bills, will, from and after the 24th day of April, instead of bearing the signature of His Excellency the Commander of the forces, be signed under the authority of His Excellency, by James Green, Esquire, director of the said army bill

office, or by the director of the said office for the time being, by the command of His Excellency, and by Louis Montizambert, Esquire, cashier of the said office for the time being, and by those persons only."

And on the 22nd of April, further notice is given as follows :

"And whereas certain army bills now bearing my signature still remain to be issued, and will be issued, notwithstanding the said notification, after the said 24th instant. I have therefore thought fit, by this proclamation, to make known the same, and the same is hereby made known accordingly."

Given &c.,

Signed. GEORGE PREVOST.

In 1813 the passenger traffic or intercourse between Quebec and Montreal was carried on by a line of stages, which set out every morning at four o'clock during the summer season, Mondays excepted ; but in the early part of May a steamer, named the "Swiftsure," was put on the river line. She started from Montreal at five o'clock on Saturday morning, anchored at eight o'clock the same evening near Three Rivers, which she left on Sunday morning at five o'clock, and arrived at the King's Wharf, Quebec, at half-past two ; being only about twenty-four hours and a half under way between the two cities, with a strong head wind all the way. The advertisement sets forth that she is superbly fitted up : "twenty-two berths in the great cabin, each sufficient for two passengers, besides four for ladies in the state room, and a separate room for families. In the steerage, a great number of passengers can be accommodated. America cannot boast a more useful and expensive undertaking by one individual than this of Mr. Molson."

“His Excellency the Governor-in-Chief set out for Montreal on Tuesday afternoon in the Steam Boat.”

On March the 20th, 1813, it was announced by the Foreign Office in London that the necessary measures had been taken for the blockade of the ports and harbours of New York, Charleston, Port Royal, Savannah, and of the river Mississippi. There was no lack of energy on either side in the prosecution of the war. Great activity prevailed in the port of Quebec. Between the 5th and 16th of June, sixty-one vessels in all arrived; twenty-six in ballast, sixteen with general cargoes, five with government stores, and thirteen with passengers and troops; the troops consisted of the Wattville regiment, the 89th, the 104th; and one vessel had soldiers belonging to different regiments and some artillery on board. Halifax was also a busy port during the war; there, ships of war held themselves ready for any emergency; thither ships of war and privateers took the prizes taken at sea. In the cargo of one prize, the “Marquis de Somerlos,” a case containing twenty-one paintings and fifty engravings, shipped by a Mr. J. A. Smith, was found, addressed, “*To the Academy of Arts, Philadelphia,*” a gift to that institution. The authorities at Halifax released the works of art and forwarded them to Philadelphia, “with the sincerest wishes for the success of the infant society,”—in striking contrast to the conduct of Napoleon, who plundered the National Galleries of Europe, not even sparing the Vatican, and sent the paintings and



statuary to Paris. But time at last makes all things even. "The Transfiguration and the Last Communion of St. Jerome resumed their place in the Vatican; the Apollo and the Laocoon again adorned the precincts of St. Peter's; the Venus was enshrined anew amid beauty in the tribune of Florence; and the Descent from the Cross, by Rubens, was restored to the devout worship of the Flemings in the Cathedral at Antwerp."

The Americans were nothing daunted by the reverse at Queenston. The authorities, as well as the writers, spoke of the death of Brock as equivalent to a victory. At the end of April, 1813, a joint land and naval expedition was organized to capture York (now Toronto) the capital of Upper Canada. The American fleet appeared before the town on the 26th, conveying a land force of 2,500 men. Toronto had for defence, under Major-General Sheaffe, less than 600 men, consisting of regulars and militia. General Pike, of the American army, at the head of a division of at least 1,000 strong, landed, in spite of a spirited resistance. The Americans swarmed into the old French fort and harbour defences, fiery with fighting, and flushed with success, when suddenly,—with the crash and concussion of an earthquake,—the powder magazine exploded at their feet, spreading havoc through their ranks. Of the assailants, 250 were instantly killed or wounded,—General Pike amongst the killed; of the defenders many perished. The contest itself was stayed by the catastrophe; it had endured eight

hours. The surviving British troops had withdrawn ; all that could be done had been done, and York capitulated through the local officers of militia. Sheaffe left behind him, of regulars sixty-two killed and seventy-two wounded. The Americans kept possession, but evacuated York on the 2nd of May, 1813.\*

The complete victory of the Americans over the British at York atoned in some measure for the reverse they had suffered at Queenston Heights. I might now allude to the success of the Americans at sea, to their victory over the British frigate *Guerrière* ; to the naval duel between the British ship *Shannon* and the American *Chesapeake*, to the defeat and capture of the latter after a sanguinary engagement ; but it is not my intention to refer to the stirring events of the war, further than may seem to me desirable to show the necessity which existed for the Army Bill Act, and for the subsequent enlargement of its provisions to meet the exigencies of the public service.

Several raids or attacks were made from both sides of the lines with alternate successes and defeats. Among the most memorable were the attack on Sackets harbour by the British, without any satisfactory result ; the capture of Fort George by the Americans ; the subsequent night attack by the British upon the American army encamped at Stoney-creek,

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\* Colonel Coffin, "1812, Chronicle of the War."

where deadly work was done with the bayonet, in the lurid light of the watch-fires, as the sleepers aroused, rose stumbling and dazed. Two American Generals, caught napping, and one hundred soldiers were made prisoners of war. The rest of the American Army made a hasty retreat, never halting till safe within the works of Fort George. But the most memorable of all the engagements was the battle of Chateauguay in October 1813, when a powerful invading force of Americans, bent upon the subjugation of Lower Canada, was beaten back and signally defeated by a small force, consisting chiefly of French Canadian militia, led by Colonel de Salaberry. There was also a minor engagement at Cryslers farm, in which the Americans were defeated.

The expenses connected with the war were so great that it is difficult to conceive how it could have been carried on without the operation of the Army Bill Act. We are, I believe, as much indebted to the authors of that measure for the preservation of our connection with the British Empire, as we are to the valour of our soldiers and sailors in repelling a cruel and unwarrantable invasion.

The Provincial Parliament again assembled on the 13th of January, 1814. His Excellency Sir George Prevost, after alluding in his Speech from the throne to His Majesty's victorious arms in Europe, said: "In turning our eyes to our own shores, we have abundant cause for gratitude to the Supreme Giver of all good, for the termination of the late campaign in a manner

so glorious to the British arms, and so disastrous to those of the enemy.

“The defeat sustained by him on the Chateauguay, where a handful of brave Canadians repelled a powerful division of his army; and the brilliant victory obtained by a small corps of observation on the banks of the St. Lawrence, (Crysler's farm) have at the same time upheld the honour of His Majesty's arms, and effectually disconcerted all the plans of the enemy for the invasion of the Province.”

On the 25th of January, 1814, the thanks of the House of Assembly were voted to Lieutenant-Colonel de Salaberry, and to the officers and privates under his command in the engagement at Chateauguay on the 26th October, 1813; and to Lieutenant-Colonel Morrison of the 89th regiment, and the officers and privates under his command at Crysler's farm on the 11th November.

On the 5th of February, the speaker informed the House that he had received from Lieutenant-Colonel de Salaberry a letter, in return to the thanks of the House to him, which he read.

The letter is a remarkably able composition, of which I cannot refrain from inserting one paragraph:

“In preventing the enemy from penetrating into the province, one common sentiment animated the whole of my three hundred brave companions, and in which I participated, that of doing our duty, serving our Sovereign, and saving our country from the evil of an invasion. The satisfaction arising from our success was to us adequate recompense; but we now enjoy another of inestimable value, in the distinguished honour conferred in the thanks voted to us by the House of

Assembly. This generous proceeding leaves in our minds an impression, deep, lively, and indelible. The country, through its representatives, evincing itself thus nobly grateful, requites the service of its children with the highest and most flattering reward."

On the 17th of January, 1814, His Excellency sent a message to the House, stating that the exigencies of the public service rendered it necessary that he should direct a further and more extensive issue of army bills. Accordingly an Act, further to extend the provisions of the two Acts for facilitating the circulation of army bills, was introduced.

The preamble runs as follows :—

"Whereas an Act was made and passed in the fifty-second year of His Majesty's reign, intituled, "An Act to facilitate the circulation of army bills," and whereas, another Act was made and passed in the fifty-third year of His Majesty's reign, intituled, "An Act to extend the provisions of an Act made and passed in the fifty-second year of His Majesty's reign, intituled, "An Act to facilitate the circulation of army bills," and to make further regulations respecting the same," and that by the fourth clause of the last mentioned Act, it is provided and enacted, that no greater sum than five hundred thousand pounds currency in army bills, shall be in circulation at any one time. And whereas it appears by His Excellency the Governor-in-Chief's message to the House of Assembly of the 17th January, that the exigencies of the public service render it indispensably necessary that he, as Commander of the forces, should

direct a further and more extensive issue of army bills to be made. And whereas it also appears by the accounts of the Director of the army bill office laid before the House of Assembly, that a greater sum in army bills has been and now remains in circulation than the aforesaid sum of five hundred thousand pounds, and that it is expedient and necessary to extend the provisions of the said Acts to all such army bills as now are in circulation, and to a further issue to be made, to make further regulations respecting the same, and also to indemnify all persons concerned in the making and issuing of army bills, over and above the said sum of five hundred thousand pounds; be it therefore enacted, by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Assembly of the Province of Lower Canada. It is hereby enacted that from and after the passing of this Act, all army bills issued heretofore and now in circulation, or which shall be made and issued at the army bill office in the City of Quebec, from and after the passing of this Act, until the first day of February, 1815, shall be deemed and taken to be within the purview of the Act made and passed in the fifty-second year of His Majesty's reign, intituled, "An Act to facilitate the circulation of army bills," subject, nevertheless, to the restrictions contained in the Act made and passed in the fifty-third year of His Majesty's reign, intituled, "An Act to extend the provisions of an Act made and passed in the fifty-second year of His Majesty's

reign, intituled, "An Act to facilitate the circulation of army bills," and to make further regulations respecting the same," and that all provisions, regulations and enactments in the said Acts contained, (save and except as aforesaid) and each and every of them shall be applied and put in force in respect to all and every such army bills so issued, or that may hereafter be issued, as fully and effectually to all intents and purposes as if the same were severally and separately repeated, and herein recited and made part of this Act, in so far as the said provisions and enactments are not hereinafter altered or repealed.

II. Provided always, and be it further enacted by the authority aforesaid, that the amount of army bills in circulation, as well those already made and issued as such as may hereafter be made and issued, shall not at any one period exceed the sum of fifteen hundred thousand pounds, current money of this province.

III. And whereas it is essential for the security of the persons who may become possessed of army bills to be issued as aforesaid, and in order to assure to such persons the advantages conferred on the said bills by this Act, and to promote the public confidence in the said bills, that the aforesaid limitation prescribed to the issue of the said bills shall be strictly adhered to, and under no circumstances infringed; Be it therefore enacted, by the authority aforesaid, that the Director of the army bill office, the Cashier of the said office, and any other officer or

officers concerned in the making, signing and issuing of the army bills to be issued as aforesaid, for the time being, shall in no instance and under no circumstances whatever, make, sign or issue any such army bill or army bills, when and so long as the army bills in circulation shall amount in value to, and not be less than fifteen hundred thousand pounds, current money of the Province; and that if the said Director of the army bill office, the Cashier of the said office or any other officer or officers concerned in the making, signing or issuing of army bills so to be issued as aforesaid for the time being, shall make, sign, or issue any army bill or army bills after the said army bills already issued and to be issued and in circulation at the same time, shall amount to fifteen hundred thousand pounds, such Director of the army bill office, Cashier of the said office, and other officer or officers concerned in the making, signing, or issuing of army bills beyond that amount, shall thereby be rendered incapable of serving His Majesty, in any office, civil or military in this Province; and shall moreover severally and respectively forfeit to His Majesty, his heirs and successors, the amount of all such army bills as shall have been made, signed and issued over and beyond the said limitation of fifteen hundred thousand pounds, to be recovered by action of debt, bill, plaint or information in any of His Majesty's courts of Record in this Province; one moiety whereof, when recovered, shall be to and for the use of our Sovereign Lord the King, his heirs and



successors, and the other moiety thereof (with all costs of suits) to and for the use of such person or persons as shall inform or sue for the same ; and that in default of goods, chattels, land and tenements out of and from which the money so forfeited may be levied, such Director of the army bill office, Cashier, officer or officers as aforesaid, against whom judgment may be rendered for the money so forfeited, shall be taken and conveyed into the common gaol of the district in which such judgment shall be rendered, and there detained, until he or they, respectively, do pay the amount of such judgment, any law, usage, or custom to the contrary notwithstanding.

IV. And be it further enacted by the authority aforesaid, that each and every of such army bills, as aforesaid, shall and may be received and taken, and shall pass and be current to all and every the collectors and receivers in this Province of Lower Canada, of the customs or any revenue or tax whatsoever already due or payable, or which shall or may hereafter be granted, due or payable to His Majesty, his heirs and successors, under and by virtue of any Act of the Parliament of Great Britain, or of the Provincial Parliament or otherwise ; and also at the office of the Receiver-General of this Province, from the said collectors and receivers, or from any other person or persons, bodies politic or corporate whatsoever making any payments whatsoever to His Majesty, his heirs and successors, for, upon any account, causes or occasion whatsoever, and that the same in the hands

of such collectors and receivers, and in the hands of the Receiver-General of this Province, shall be deemed and taken as if paid in the gold or silver coin passing current in this Province, and as such, shall be charged against and credited to such collector and receiver, and to such Receiver-General as aforesaid, respectively, in their respective accounts with each other, and with His Majesty, his heirs and successors.

V. And be it further enacted by the authority aforesaid, that the interest which from time to time shall be due upon any such army bill, as aforesaid, shall be allowed to all persons, bodies politic and corporate, paying the same to the Receiver-General of this Province, or to any collector or receiver of any of His Majesty's customs, revenues or taxes up to the respective days whereupon such bill or bills shall be so paid; provided always, that every such Receiver-General, collectors and receivers as aforesaid, shall be accountable for the interest on every such bill by them or either of them received, for and during the time during which such bill shall remain in their hands.

VI. Imposes penalty on forging bills, and provides that such person or persons so forging and offending, being thereof lawfully convicted, shall be adjudged a felon, and shall suffer as in cases of felony, without benefit of clergy.

VII. Sets forth the penalty in persons stealing army bills.

VIII. Enacts that contracts shall be void in which

any distinction shall be made between army bills and cash.

IX. Provides that no arrest shall be made if a tender in army bills be made.

X. No attachment shall issue if there be not an affidavit of no tender in army bills.

XI. On *capias ad satisfaciendum*, a deposit of the debt and costs in army bills shall stay proceedings.

XII. On *fiery facias*, etc., a deposit of the debt and costs in army bills shall stay proceedings.

XIII. And be it further enacted by the authority aforesaid, that of the amount of army bills now in circulation, and hereafter to be issued a sum no less than two hundred thousand pounds, and not exceeding five hundred thousand pounds, shall be in bills of one, two, three, five and ten dollars, such bills payable as those of larger denominations, in bills of exchange on London, and not bearing interest, and that the holders of such bills shall be entitled to demand, and receive at the army bill office on demand, army bills of fifty dollars and upwards, bearing interest for the amount of all such bills.

XIV. And be it further enacted by the authority aforesaid, that during three months, to be computed from the passing of this Act, it shall and may be lawful to and for all and every person in possession of army bills of the value of twenty-five dollars only, bearing interest to have and receive at the army bill office on demand, bills of one, two, three, five and ten dollars, in exchange for such army bills of twenty-

five dollars, together with the interest due and payable thereon, up to the day of making such exchange. Provided always that the Director of the army bill office, or those employed under him, in exchanging the said army bill, shall not, during the said three months next after the passing of this Act, be bound so to exchange such army bills to a greater amount in any one day than that of two hundred and fifty pounds; provided also, that the same person shall not, in any one week, require to be so exchanged, more than one army bill of twenty-five dollars, bearing interest as aforesaid.

XV. And be it further enacted, that it shall be the duty of the officer or officers to whom it may appertain, as having the direction of the army bill office, to lay before the commissioners immediately after the passing of this Act, a correct account of the amount of all such army bills as shall then be in circulation, and at each second subsequent meeting of the said commissioners, a true and correct account of all such bills as shall have been issued and put in circulation from the date of the last account rendered, in order that the same may be laid before the legislature at its next ensuing meeting.

XVI. Provided always, that nothing in this Act contained, shall extend or be construed to extend to entitle any holder or holders of any such army bills as aforesaid, as may, at any time hereafter remain unpaid or unsatisfied save and except the holder or holders of such army bills as were heretofore issued,

subsequent to the passing of the " Act to facilitate the circulation of army bills," and until the same exceeded, on the whole, the sum of two hundred and fifty thousand pounds, and which now remain unpaid and unsatisfied, to receive out of or from any monies that there may be in the hands of the Receiver-General in this province, or from any monies that may hereafter come into his hands, arising out of any taxes or duties heretofore imposed, or that may hereafter be imposed, levied or raised by virtue of any Act of the Provincial Legislature, or from the rents and revenues of His Majesty's territorial domains in this province, or from any other monies in the hands of the Receiver-General, payment of any such army bill or bills as aforesaid.

XVII. And be it further enacted, that the director of the army bill office, and all and every person or persons aiding or assisting him in the issuing of army bills over and above the sum of five hundred thousand pounds, as limited by the Act fifty-third, George III., Ch. III., shall be freed, discharged and indemnified as well against the King's Majesty, his heirs and successors, as against all and every other person or persons, of, for, or concerning the making and issuing of all, any and every such army bills, as shall have been so made and issued beyond the said limitation.

The pacification of Europe did not now appear to be a remote issue. The disastrous defeat of the French army at Leipsic, and subsequent reverses, had weakened the resources of Napoleon. The

alliance between Austria, Russia and Prussia, proved a too formidable combination for him to cope with. Wellington was driving Soult from Spain, and British troops entered France on the 7th October, 1813. Paris surrendered to the allies on the 31st of March, 1814. The abdication of Napoleon was negotiated at Fontainebleau on the 5th of April, 1814. Louis the XVIII. arrived in Paris on the 3rd of May, and on the 4th, Napoleon embarked on board the British frigate *Undaunted*, an exile for Elba.

Great Britain, in prolonged conflict with France and her allies, under so great a leader of armies as Napoleon, had become burthened with a heavy debt. The bank of England had suspended specie payments. Gold in relation to the currency of the realm was at a high premium.

In October, 1813,	the ounce of standard gold stood at	£ 5	9s.	currency.
In March, 1814,	“ “ “	5	8s.	“
In April, “	“ “ “	5	5s.	“
In June, “	“ “ “	4	10s.	“

and the average price for the months of September, October, November and December, was £4.7s. currency.

From February, 1814 to July 1814, the rate of Exchange on London in Quebec for 30 days sight bills, was announced by the commissioners from time to time at 19% discount, but the prospect of peace sent the rate down. The rate of exchange in those days was not governed by the balance of trade, but by the issue of battles.

In August	1st,	1814,	the discount was	16%.
“	15th,	“	“	14%.
“	29th,	“	“	12%.
Sept.	12th,	“	“	10%.
Oct.	11th,	“	“	8%.
“	24th,	“	“	5%.
Decr.	6th,	“	“	2½%.

The escape of Napoleon from Elba, on the first of March, 1815, and the consequent apprehension of a renewal of hostilities, sent the price of gold in England again up to £5.7s. ; and in sympathy with the fall in the value of current money in England, the discount on bills of exchange in Canada rose in July to 15%, but rallied towards the end of the month, when the rate was quoted at 10% discount.

On the 21st of January, 1815, at one o'clock, His Excellency the Governor-in-Chief came down in state to the Legislative Council to open the first session of the eighth Parliament. The Gentleman Usher of the Black Rod was sent down to the Assembly to command the attendance of that House, and the members being present, the Honourable Speaker of the Legislative Council signified His Excellency's pleasure that they should return and choose a fit person to be their Speaker, and present him to His Excellency on Tuesday the 24th, at one o'clock.

On that day, His Excellency being seated on the throne, and the Assembly, with Mr. Papineau, their speaker elect, being in attendance below the Bar, the Honourable the Speaker of the Legislative Council

expressed His Excellency's allowance of the choice of the House of Assembly.

In the Speech from the throne, His Excellency alludes to the reinforcements he had received from His Majesty's Government, which enabled him to diminish the pressure of war on the inhabitants of the Province—and also to the demands of "the public service continuing various and large," and that he looks to Parliament for continued exertions to meet them,—for a renewal of a productive revenue bill, and of such of the provisions of the army bill act, as it shall be deemed expedient to adopt for the future.

With reference to the "Act to facilitate the circulation of army bills" and the two subsequent Acts extending the provisions thereof, I may remind my readers that the original act provided that a sum of fifteen thousand pounds should be forthcoming from the Provincial Exchequer, for the payment of interest on the first issue of army bills, amounting to two hundred and fifty thousand pounds, and also provincial security for the ultimate payment of army bills to that amount, if such army bills should remain unpaid at the expiration of five years.

The first Act to extend the provisions of the original Act, which authorizes an increased issue of army bills to the amount of two hundred and fifty thousand pounds currency—the whole issue not to exceed five hundred thousand pounds, limits the whole provision for interest to be paid out of the Provincial Exchequer to fifteen thousand pounds



currency per annum, and gives no security or pledge for the ultimate payment of army bills beyond that for the first issue of two hundred and fifty thousand pounds.

The second Act to extend the provisions of the original Act, authorizes an issue, in all, of fifteen hundred thousand pounds ; but gives no security for the payment of interest on any amount of army bills in excess of two hundred and fifty thousand pounds as set forth and authorized in the original Act of 1st of August, 1812.

### CHAPTER III.

Americans prepare to continue the war—Treaty of peace—Report on Army Bills in circulation—Bills lost or destroyed £9000—Final close of the Army Bill Office.

The Americans contemplated, with no little apprehension, the pacification of Europe which followed the defeat of Napoleon at Leipsic and his subsequent exile to Elba. They once thought that there would be no difficulty in annexing Canada, that the war, for them, would be a mere promenade; but instead of annexing Canada, Canada annexed the whole territory of Michigan, and administered its civil Government. And now that peace in Europe had apparently been restored and had set free the veterans of the British army for other service, the Americans considered that they had just cause for apprehension. The President at once communicated with several Governors of States. In July, 1814, he wrote: "Great Britain will now have a large disposable force, both naval and military, and with it, the means of giving the war in America a character of new and increased activity and extent;" and as a measure of precaution he deems it advisable to strengthen themselves, and the line of the Atlantic, and invites the executive of certain states to organize, and hold in

readiness for immediate service, a corps of ninety thousand five hundred men.

In anticipation of a prolonged state of warfare, for which the Americans were preparing, the committee upon the army bills, report to the House of Assembly on Friday the 17th of February, 1815, that it is expedient to renew the provisions of the two Acts with some modifications, and to increase the amount of army bills which may be in circulation to £2,000,000 currency; and the house having concurred, a bill was read the first time—second reading fixed for Monday the 20th. On that day the bill was read again, and referred to a general committee for discussion on Wednesday the 22nd, when some progress was made: the bill to be further discussed on Friday the 24th. On Monday the 27th, the committee report the amendments, and the house having concurred, it is ordered that the bill, thus amended, be engrossed. On Tuesday the 28th, the bill, as amended, for facilitating the circulation of army bills, was read a third time, and passed the House of Assembly. But the bill was thrown out in the Upper House for reasons which shall presently appear.

On the 1st March, 1815, however, a message was received from His Excellency the Governor-in-Chief, acquainting the House of the Ratification of the Treaty of Peace. This was the Peace of Ghent, concluded between Great Britain and the United States, made substantially on the *status quo ante bellum*, and signed on the 24th December, 1814.

In the Canadian Archives there is the following report respecting the working of the Army Bill Act, showing the amount of bills in circulation in February, 1815.

Copy of report *re* amount of army bills in circulation in February, 1815, together with the report of the board upon the subject.

“Quebec, 19th February, 1815.

“We, the undersigned, having assembled at Your Excellency’s desire for the purpose of considering the subject of army bills in circulation, and having had reference to the several representations your Excellency has made to His Majesty’s Government thereon, we have great satisfaction in stating that all the beneficial effects of the measure which have from time to time been anticipated by Your Excellency, have been fully realized; in illustration of which the following calculations are submitted. At present there are about £800,000 in circulation in bills bearing interest, being a total of £1,300,000; the interest annually upon the £800,000 at 6 per cent is £48,000, deduct paid by the province £15,000, leaving a balance of £33,000, which is the total interest paid from the army extraordinaries for the use of £1,300,000, being a trifle more than  $2\frac{1}{2}$  per cent per annum—into this, calculation may also be taken to show the advantage derived by the public, that the loss upon exchange which has fluctuated from  $2\frac{1}{2}$  to  $22\frac{1}{2}$  per cent. discount, has been altogether saved upon the sum now in circulation, and what further loss the public must have sustained by the exchange, but for the relief afforded by this paper medium, it is not possible to calculate, no doubt it would have been enormous; another advantage not to be overlooked, is the facility with which army bills have been conveyed to the most remote parts of this extensive command, to meet the exigencies of the service at an inconsiderable expense and risk, whereas the transport of specie would have been attended with danger, delay and heavy cost, besides which, the enemy has been deprived of his booty in two instances in his predatory incursions into Upper Canada, by the facility with which the contents of the military chests at York and Fort George were destroyed, without any loss to the public. In explanation of this circumstance it is necessary to observe that as the army bills do not become cash by the system adopted, until they are issued and dated, and the numbers of the bills having been

kept by the accountants, they were replaced from the army bill office, or a similar amount in lieu thereof.

Understanding that another bill is in progress in the Provincial Legislature now in session, extending the provisions of the former Army Bill Acts, by which a further sum of £500,000 in bills not bearing interest may be issued, which, added to the £1,300,000 at present in circulation, will make a total of £1,800,000, reducing thereby the interest paid the government for the use of this gross sum to a little more than  $1\frac{3}{4}$  per cent. per annum.

The total expense of the army bill office establishment for the last year, amounted to about £4,000, £2,500 of which is defrayed by the Province, and the remaining £1,500 from the military chest. In all probability, this excess of £1,500 will be more than covered by the accidental loss of army bills, which, from the large amount in circulation, cannot fail of being very considerable.

In August 1817, it is provided by the first Army Bill Act that the province will no longer pay interest upon army bills that the holders may demand specie for them, and that the Governor may at any time previous to that period, call in and redeem with specie the army bills in circulation; it is for the consideration of Your Excellency, how far it may be expedient to suggest to His Majesty's government to avail itself of any favorable circumstance of furnishing specie for this purpose upon advantageous terms in the course of the ensuing two years, to provide for the redemption of these bills, without waiting the expiration of the period prescribed by the Act.

These suggestions and calculations are submitted for your Excellency's consideration, but the inferences we have drawn will be rendered more conclusive when the state of public affairs will be known with more certainty, when the Army Bill Act shall have passed, when Your Excellency shall have received on the 27th inst. the periodical report of the commissioners for fixing the rate of exchange, and the next monthly account of the amount of bills in circulation from the director of the army bill office.

(Signed) W. H. ROBINSON,  
Com<sup>y</sup> Gen<sup>l</sup>.

(Signed) J. HALE,  
Dep.-Paymaster Genl.

(Signed) NOAH FREER,  
Military Secretary.

The bill referred to in the foregoing report as in progress in the Provincial Parliament was thrown out in the Upper House ; and I find a letter in the Quebec Gazette of the 31st March, 1815, respecting its rejection, headed :

ARMY BILLS.

The fate of the new Army Bills Act, lately passed by the House of Assembly and rejected by the legislative council, having excited public curiosity, we are happy in being enabled by a correspondent, to gratify our readers with the following observations on that interesting subject.

The Act of 1814, authorised the issue of army bills up to the 1st day of February, 1815, to an amount not exceeding £1,500,000 currency at any one time in circulation. This Act remains in full force in respect to all bills issued within the above limits, and will continue in force until the end of five years, counting from August 1812, and by the monthly returns from the army bill office laid before the legislature, it appears, that the above sum of £1,500,000 was amply sufficient for the public service in both provinces, the largest amount stated to be in circulation at any period during the last year being only about £1,205,000.

At the time this Act was passed, the public were suffering for want of small money ; a clause was therefore inserted, requiring that, of the amount so to be issued, a sum not less than £200,000 nor more than £500,000, should be issued in small bills bearing no interest—and at the same time, to guard against the pernicious effects of a superabundance of small bills in circulation, a proviso was wisely added, entitling the holders of such bills, “to demand and receive at the army bills office, on demand, army bills of \$50 and upwards, bearing interest for the amount of all such bills.” This proviso is still in force but was wholly omitted in the new bill.

Immediately after the passing of this Act on the 17th of March, 1814, the issue of small bills commenced, and was continued through the summer and fall, and by the end of November, it would appear the circulation of both Provinces was more than fully supplied, for early in the following month we find by the monthly returns, that the public began for the first time to avail themselves of the above proviso, by bringing in small bills in exchange for large ones. Accordingly it

appears, that between the 12th of December, 1814, and 31st of January, 1815, no less than £43,925 was issued in large notes bearing interest, in exchange for small ones. As there is no reason to suppose that government exceeded the limits prescribed by the Act, here is plain proof that even half a million in small notes was more than sufficient for the circulation of both Provinces, seeing that in about ten months no less than £44,000 worth of them were brought back in exchange for large bills, exclusive of what were paid in during that period for bills of exchange. The presumption therefore is, that a smaller sum would have been quite sufficient during the war, and that a still smaller sum might suffice during peace.

Here it may be proper to remark, that the operation of the above proviso had the most salutary effect, by counteracting any excessive issue of small bills, and to this circumstance, in conjunction with the management of the exchange commissioners, may fairly be attributed the high and unprecedented degree of credit in which the paper hath hitherto been so happily maintained.

With this experience before our eyes, the object of the framers and advocates of the new army bill is altogether inconceivable. It began by extending the authority to issue army bills to an amount not exceeding £2,000,000 at any one time in circulation. This extension was surely unnecessary in a time of peace; seeing that the former limits afforded more than sufficient for the public service, even during war. But this was not the principal objection to the bill.

In a subsequent clause it was enacted, that of the amount so to be issued, a sum not less than one million should be issued in small notes, bearing no interest, and the wise proviso in the former Act, for converting small notes into large ones, was entirely omitted. This extraordinary clause having passed in the Assembly, and the bill arrived at the third reading, a rider was proposed and agreed to, in that House, authorising the Commander of the forces, at any time, to buy up with cash, the whole or any part of the army bills bearing interest, whenever he might think proper.

In this shape the bill made its appearance in the Legislative Council, where, luckily, the members were too well acquainted with the subject to suffer its dangerous imperfections to escape their notice.

The words "not less than one million" were the first that struck their attention. By that clause as it originally stood, government might

have issued the whole two million in small notes, at same time that they were authorized by the rider to buy up all the large ones. But a communication having taken place between the two houses, it was agreed to consider the words "not less" as a clerical error, and to substitute in their stead the words "not exceeding" which was accordingly done in a private way by the two speakers, etc. This was considerable improvement to the clause, but it was liable to insurmountable objections, for want of the old proviso so often mentioned, to relieve the circulation from superfluous small notes, there being no other mode of redemption provided than that of bills of exchange on London, which are only wanted by a very small portion of the community, and therefore, the issue of small notes to the extent of one million, must inevitably have produced a depreciation, seeing by the experience of last year, while the war expenditure was going on to its full extent, that even half a million was too much. Had the Legislative Council been at liberty to amend this bill, by inserting the old proviso for converting the superfluous small bills into large ones, everything would have found its level by means of that salutary check, and all might have gone well—but unfortunately, this all along had been considered (very erroneously) as a money bill, which the Upper House must not touch, and therefore they had no other option than to pass it or reject it. We do not pretend to give any report of the debates in council on this subject, but we understand it was very fully discussed during several sittings, and that finally the members were unanimous in rejecting the bill, as being the safer of the two alternatives.

The introduction of this paper currency, at the commencement of the late war with the United States, as the substitute for specie, at a time when there was very little specie in the country, and when the public service could not have been carried on without it, was certainly a seasonable and judicious experiment, and its unprecedented success has not only been a great pecuniary saving to Great Britain, but it has also contributed in no small degree to the preservation of these Provinces.

The credit of this paper ought, therefore, to be considered as an object of the first importance and carefully supported to the last, being a most valuable resource, to be again resorted to by government on future occasions in case of need. Mistaken notions of economy in attempting to save the interest by buying up the large bills and making



excessive issues of small ones, if carried into practice, would be fraught with most dangerous consequences, and ought always to be resisted, for when depreciation begins, there is no knowing to what extent it may go, and the credit of the paper once lost will be remembered for a century to come, and render it impossible again to resume the system with any success.

Finding by experience that this paper is so advantageous to Great Britain, while at the same time it affords accommodation to moneyed men in this colony, some well-informed persons are of opinion, that it would be good policy to continue the system in peace as well as in war, and have expressed their surprise that no steps were taken after the rejection of the New Army Bill Act, to introduce a short bill, to authorize a further issue of army bills for a limited time, under the Act of 1814, which it is supposed would have met with no opposition in either house, the provisions of that Act having been found by experience to answer every desirable purpose. And we confess we are much inclined to this opinion, when we reflect that Great Britain has no money lying idle—that on the contrary, she is paying many millions annually for the interest of what she owes as a nation, and that she cannot send specie or anything else to this country, without adding so much, in some shape or other, to her national debt. It is true, the legal interest in England is only 5%, while here it is 6%. But it must at same time be recollected, that all our paper serves as a substitute for specie, that only about two-thirds of what is at present in circulation bears interest, and that the Province contributes £15,000 per annum towards that interest. To this must be added the advance of money in England (equal to perhaps six or eight months interest) and the ordinary expenses of purchasing and sending out the specie—and it must also be recollected that specie as a circulating medium, frequently finds its way into the neighbouring States, and therefore requires a frequent supply to keep up the requisite quantity, while, on the contrary, our paper remains at home, and requires only a judicious regulation of the rate of exchange, and due precaution against forgery to keep it in full credit.

Further to illustrate these observations, we have only to present our readers with the following statement in round numbers, which, by the returns from the army bill office, cannot be very far from the truth.

Suppose £1,200,000 in army bills at present in circulation. Of

which £800,000 bears interest at 6%, £48,000, and £400,000 bearing no interest, being small bills, £1,200,000. Deduct so much paid by the Province £15,000, balance of interest (being only 2¾% on £1,200,000),—£33,000. Suppose bullion at the mint prices, and that Great Britain were to purchase and send out specie for the redemption of all these army bills, the expenses in freight on £1,200,000 cannot be less than 1½%, say £18,000, one year's interest on £1,200,000 @ 5%, £60,000—£78,000.

Deduct the foregoing balance of interest. . . . . £33,000

Loss to Great Britain by sending out specie exclusive of the risk and advance of money. . . . . £45,000

Thus it appears that Great Britain gets a substitute for specie in Canada to the amount of £1,200,000, for which she pays 2¾% per annum, and that it would cost her at least £45,000 to replace that substitute with specie!

Where can Great Britain get so advantageous a loan?

But even supposing the whole of our army bills were to bear interest—still we are of opinion that they would be advantageous to Great Britain, particularly when it is considered, that without them, we should require an annual supply of specie to a certain extent, to keep up the requisite quantity for circulation.

Expense of sending out £1,200,000 in specie as above stated, including one year's interest . . . . . £78,000

£1,200,000 in army bills, all bearing 6% interest. £72,000

Deduct so much paid by the Province. . . . . 15,000 57,000

Balance saved to Great Britain, supposing that all our bills

bore interest. . . . . 21,000

Again we may ask where can Great Britain obtain a cheaper loan?

N.B. What is meant by the "advance of money" is the difference between the time when money would be paid in England for the purchase of specie to send here, and the time at which bills drawn here for the public service get home and become due, which, in the ordinary course, is found on an average to be six or eight months—and the interest for that time is of course so much more to be added in favour of our army bills, which are only issued when they are wanted, and Great Britain is so much more the gainer. It would be easy to prove that at least half a million has been saved to Great Britain in one way or other, by means of our army bills up to this date.—Quebec, 24th March, 1815.

The following statements relating to the circulation of the army bills, copied from official documents in the Canadian Archives Bureau, will prove interesting to professional bankers.

Circulation of Army Bills.

ARMY BILL OFFICE,

24th April, 1815.

ACCOUNT OF THE AMOUNT OF ARMY BILLS IN CIRCULATION.

Balance of army bills remaining in circulation the 27th March, 1815.....£1,249,996 5

DEDUCT:—

So much redeemed by bills of exchange on London since the 27th March, 1815, viz.:—

In large bills.....£ 43 15  
 In small bills ..... 3,594 5 £ 3,638 0

175 four dollar bills, worn out, have been redeemed with specie since last report.... 175 0

459 one dollar bills, rendered useless by wear, have also been redeemed since last report ..... 114 15

The following bills have been redeemed at, and received from the military chest at Montreal, viz.:—

19,463 bills at 4 dollars..... £19,463 0  
 56,354 bills at 1 dollar ..... 14,088 10 33,551 10

117 bills at 10 dollars	}	Of the new issue of small bills rendered useless by wear, or otherwise, have been redeemed between the 27th March and 24th April, 1815...			
137 “ “ 5 “					
105 “ “ 3 “					
81 “ “ 2 “					
308 “ “ 1 “					
2,640 dollars			660 0	£38,139 5	

Balance of army bills remaining in circulation the 24th April, 1815..... £1,211,857 0

To the Commissioners  
 for fixing the rate of exchange,  
 &c. &c. &c.

(Signed) JAMES GREEN,  
 Director.

64 *Amount of Army Bills in Circulation.*

Circulation of Army Bills.

ARMY BILL OFFICE,  
22nd May, 1815.

ACCOUNT OF THE AMOUNT OF ARMY BILLS IN CIRCULATION.

Balance of army bills remaining in circulation the 24th  
April, 1815... .. £1,211,857 0

DEDUCT :—

So much redeemed by bills of exchange on London  
since the 24th April, 1815, viz. :—

In large bills. . . . . £ 831 5  
In small bills . . . . . 2,932 5  
————— £3,763 10

150 four dollar bills, worn out, have been  
redeemed with specie since last report. . . . . 150 0  
708 one dollar bills, rendered useless by wear,  
have also been redeemed since last report. . . 177 0

64 bills at 10 dollars	} Of the new issue of small bills rendered useless by wear, or otherwise, have been redeemed between the 24th April and 22nd May, 1815. . . . .	
58 “ “ 5 “		
110 “ “ 3 “		
209 “ “ 2 “		
619 “ “ 1 “		
Affidavit before the Judges. . . 1 “		574 10
2,298 dollars.		£4,665 0

Balance of army bills remaining in circulation the 22nd  
May, 1815. . . . . £1,207,192 0

To the Commissioners (Signed) JAMES GREEN,  
for fixing the rate of exchange, Director.  
&c. &c. &c.

*Amount of Army Bills in Circulation.* 65

Circulation of Army Bills.

ARMY BILL OFFICE,  
19th June, 1815.

ACCOUNT OF THE AMOUNT OF ARMY BILLS IN CIRCULATION.

Balance of army bills remaining in circulation the 22nd  
May, 1815.....£1,207,192 0

DEDUCT :—

So much redeemed by bills of exchange on London  
since the 22nd May, 1815, viz. :—

In large bills..... £13,512 10

Four dollar bills worn out have been re-  
deemed with specie since last report.....

One dollar bills rendered useless by wear  
have also been redeemed since last report...

30 Bills at 10 dollars)

8 " " 5 "

26 " " 3 "

79 " " 2 "

18 " " 1 "

Affidavit

before the

Judges... "

\_\_\_\_\_

594 dollars)

}

Of the new issue of  
small bills rendered  
useless by wear, or  
otherwise, have been  
redeemed between  
the 22nd May and  
19th June, 1815... .

148 10    £13,661 0

Balance of army bills remaining in circulation the 19th  
June, 1815.. .....£1,193,531 0

To the Commissioners  
for fixing the rate of exchange,  
&c. &c. &c.

(Signed) JAMES GREEN,  
Director.

66 *Amount of Army Bills in Circulation.*

Circulation of Army Bills.

ARMY BILL OFFICE.

11th September, 1815.

ACCOUNT OF THE AMOUNT OF ARMY BILLS IN CIRCULATION.

Balance of army bills remaining in circulation the 14th  
August, 1815..... £ 628,792 15

DEDUCT:—

So much redeemed by bills of exchange on London  
since the 14th August, 1815, viz. :—

In large bills..... £75,125 0  
In small bills.... 47,240 0  
£122,365 0

976 four dollar bills, worn out, have been  
redeemed with specie since last report.... 976 0  
4294 one dollar bills, rendered useless by  
wear, have also been redeemed since last  
report..... 1,073 10

—Bills at 10 dollars	} Of the new issue of small bills rendered useless by wear, or otherwise, have been redeemed between the 14th August and the 11th September, 1815 Affidavit	
— “ “ 5 “		
— “ “ 3 “		
— “ “ 2 “		
— “ “ 1 “		
Affidavits before the Judges.....6 “		
6 dollars)		<u>1 10 £124,416 0</u>

Balance of army bills remaining in circulation the 11th  
September, 1815..... £ 504,376 15

To the Commissioners  
for fixing the rate of exchange  
&c. &c. &c.

(Signed) JAMES GREEN,  
Director.

*Amount of Army Bills in Circulation.* 67

Circulation of Army Bills.

ARMY BILL OFFICE,  
9th October, 1815.

ACCOUNT OF THE AMOUNT OF ARMY BILLS IN CIRCULATION.

Balance of army bills remaining in circulation the 11th	
September, 1815.....	£504,376 15
No large or ten dollar bills issued since 11th	
September, 1815.	

DEDUCT :—

So much redeemed by bills of exchange on London since	
the 11th September, 1815, viz. :—	
In large bills.....	£43,331 5
In small bills.....	<u>25,649 0</u> £68,980 5
240 four dollar bills, worn out, have been	
redeemed with specie since last report.....	240 0
663 one dollar bills, rendered useless by	
wear, have also been redeemed since last	
report.....	<u>165 15</u> <u>69,386 0</u>
Balance of army bills remaining in circulation the 9th	
October, 1815.....	£434,990 15

To the Commissioners  
for fixing the rate of exchange,  
&c. &c. &c.

(Signed) JAMES GREEN,  
Director.

68 *Amount of Army Bills in Circulation.*

Circulation of Army Bills.

ARMY BILL OFFICE,  
6th November, 1815.

ACCOUNT OF THE AMOUNT OF ARMY BILLS IN CIRCULATION.

Balance of army bills remaining in circulation the 9th  
October, 1815.....£434,990 15  
No large or ten dollar bills since that date

DEDUCT:—

So much redeemed by bills of exchange on London since  
the 9th October, 1815, viz.:—

In large bills.....£16,943 15  
In small bills. .... 10,695 10  
————— £27,639 5

94 four dollar bills, worn out, have been  
redeemed with specie since last report..... 94 0

426 one dollar bills, rendered useless by  
wear, have also been redeemed since last  
report..... 106 10     27,839 15

Balance of army bills remaining in circulation the 6th  
November, 1815.....£407,151 0

To the Commissioners  
for fixing the rate of exchange,  
&c. &c. &c.

(Signed) JAMES GREEN,  
Director.



General abstract of statements shewing the manner in which the sum of £88,962 10. currency, imprested to me by warrants from His Excellency Sir George Prevost, and His Excellency Sir Gordon Drummond, between the 11th October, 1814 and 24th August, 1815, has been appropriated.

A.	Statement of one dollar bills redeemed between the 13th September, 1814, and 6th November, 1815 inclusive, your reports transmitted to the Commissary-General from time to time, in conformity to instructions from His Excellency Sir George Prevost, Governor-in-Chief and Commander of the forces. . . . .	£16,029 5
B.	Statement of four dollar bills redeemed within the above period, and reported to the Commissary-General. . . . .	14,381 .
C.	Statement of bills of 10, 5, 3, 2 and 1 dollars, of the last emission, rendered useless by wear, or otherwise, which have been redeemed within the same period, and reported to the Commissary-General as above. . . . .	8,879 0
D.	Statement showing how the sum of £48,962 10. currency, has been appropriated, which I received for the purpose of exchanging small notes with bills bearing interest of 400, 100 and 50 dollars each. . . . .	48,962 10
E.	Statement showing the number of counterfeit bills which were discovered in the military chest at Quebec and redeemed by me with specie, paid to John Hale, Esq., Deputy Paymaster-General, pursuant to the military Secretary's letter, dated Head Quarters, Montreal, 16th November, 1814. . . . .	39 10
		<hr/>
		£88,291 5
	Balance remaining in my hands on the 6th November, 1815, for the purpose of daily changing small notes of the above description. . . . .	617 5
		<hr/>
		£88,908 10

Errors excepted.  
 Army Bill Office,  
 22nd Nov., 1815.

(Signed) JAMES GREEN,  
 Director.

Circulation of Army Bills.

ARMY BILL OFFICE,  
4th December, 1815.

## ACCOUNT OF THE AMOUNT OF ARMY BILLS IN CIRCULATION.

Balance of army bills remaining in circulation the 6th  
November, 1815..... £407,151 0  
No issue of large or ten dollar bills since that date

## DEDUCT :—

So much redeemed by bills of exchange on London since  
the 6th November, 1815, viz :—  
In large bills..... £1,187 10  
In small bills... 4,582 15 £5,770 5

So much redeemed by specie, commencing  
the 24th November, 1815.  
In large bills..... £3,318 15  
In small bills..... 801 15 £4,120 10

174 four dollar bills, worn out, have been re-  
deemed with specie since last report..... 174 0  
1231 one dollar bills, rendered useless by wear,  
have also been redeemed since last report.... 307 15 £10,372 10

Balance of army bills remaining in circulation  
the 4th December, 1815..... £396,778 10

To the Commissioners  
for fixing the rate of exchange,  
&c. &c. &c.

(Signed) JAMES GREEN,  
Director.

MEMO.—Letter from James Green, Director, dated 18th December, 1815, asking for further warrant for £10,000 currency, to pay interest on army bills.

Report of Circulation, 1st January, 1816, gives balance in circulation 4th December, 1815, £396,778 0; from which deduct bills redeemed to 1st January, £65,281 15; leaving a balance in circulation 1st Jan., 1816, of £331,496 15.

Report of Circulation, 29th January, 1816, says, balance in circulation 1st January, 1816, £331,496 15; from which deduct bills redeemed to 29th January, 1816, £30,213; leaving a balance of army bills remaining in circulation the 29th January, 1816, of £301,283 15.

Report of Circulation, 26th February, 1816, says, balance in circulation 29th January, £301,283 15; deduct bills redeemed, £21,563 15; leaving a balance of £279,720 0.

Report of Circulation, 25th March, 1816, says, from balance 26th February, deduct in bills redeemed, £36,970 10; leaving balance of £242,749 10.

Report of Circulation, 22nd April, 1816, says, from balance 25th March, deduct in bills redeemed, £16,678; leaving a balance of £226,071 10.

Report of Circulation, 20th May, 1816, says, from balance in circulation 22nd April, 1816, deduct in bills redeemed, £28,096 15; leaving a balance of £197,974 15.

MEMO.—From a letter signed James Jackson, dated 3rd June, 1816, to Lt.-Col. Fulton, I see that the value of a silver shilling at that time was 25 coppers.

NOTE.—In a letter from Geo. Wood, Com.-Genl., dated 8th October, 1818, to Major Bowles, Mil. Secretary, he states that during the summer of 1818, the rate of exchange for public bills was at par, while private bills had uniformly been below par, from one to three per cent., the demand for public bills having been very large.

NOTE.—From a letter dated 9th December, 1818, I find that the rate at which the dollar was issued to the troops was 4s. 8d.

NOTE.—From a proclamation issued by His Grace Charles Duke of Richmond, Lennox and Aubigny, Commander of the forces in Canada and British North America, dated 17th December, 1818, I find that the date of closing the army bill office was enlarged to the 1st April, 1819.

72 £9,000 Lost or Destroyed—Consequent Gain.

NOTE.—Letter from James Green, Director, asking for continuance of army bill office to 1st August, 1820, as it had been accurately ascertained that there remained to the Crown a saving of *nine thousand pounds and upwards on bills lost or destroyed to that amount*, and he wished to have time to carry the affairs of that office to a satisfactory close, as was usual with other public offices similarly situated. (Date of letter, 19th May, 1819.)

Office continued to six months after 1st August, 1819, by sanction of War Department (Treasury Chambers).

MEMO.—Grand total of the number of army bills issued, viz. :—

Bills at 400 dollars each	5,500	£550,000	
“ “ 100 “ “	34,605	865,150	
“ “ 50 “ “	63,914	798,925	
“ “ 25 “ “	92,726	579,537	10
			<u>£2,793,612</u>
“ “ 10 “ “	127,600	£319,000	
“ “ 5 “ “	72,000	90,000	
“ “ 3 “ “	64,000	48,000	
“ “ 2 “ “	106,500	53,250	
“ “ 1 “ “	165,000	41,250	£551,500 0
Bills redeemed with } at 4 dollars	52,131	52,131	
specie only..... } at 1 dollar.	179,000	44,750	<u>96,881 0</u>
Total.....			<u>£3,441,993 10</u>

NOTE.—Army bill office is ordered to be continued to 1st August, 1820. Army bill office is ordered to be continued to 24th December, 1820. From a letter, dated Treasury Chambers, 23rd October, 1820, the army bill office was finally closed 24th December, 1820, Mr. Green paying into the hands of Commissary-General Wood the balance remaining in his hands to pay interest, namely, £819 13s. 7d. currency, at the rate of 5s. currency to the dollar.

From the 1st of January, 1815, to the 23rd November, when notice was given of the intention of the government to redeem the army bills in circulation, there is no official notice respecting the rate of

exchange for bills on London at 30 days sight. Neither can I find any quotation in the newspapers of the day, save one in the *Quebec Gazette* of the 14th September, 1815, under the head of "money," which is as follows :

"For sale at par, for cash ; a few government bills of £300 and £100 sterling, at thirty days on London. Apply to the Editor."

The pacification of Europe had effected a great change in the value of bills drawn on the treasury in London. As the demand for such bills appears to have been limited in Canada, resort was had to the Boston and New York markets. The following correspondence, however, shows that financial operations in the United States, for the purpose of procuring specie to meet the exigencies of the public service in Canada, were attended with no little difficulty. The Commissary-General writes to the Military Secretary as follows :

COMMISSARY-GENERAL'S OFFICE,

QUEBEC, 15th May, 1815.

SIR,

I have the honour to report to you, for the information of His Excellency the Lt.-General Commanding, that I have this day received letters from Dy. Asst. Comy.-General Wybault, dated New York, the 3rd inst., in which he states, on the subject of his mission, that exchange at that place is at 4 per cent. discount, and that as the banks to the southward of Massachusetts have not yet commenced paying out specie, it is at a premium of four p. cent. at New York, making a loss of 8 per cent. on negociation, and it appears there would be the same loss at Boston. Mr. Wybault regrets that he is directed to sell bills for specie, as that will betray the secret of his mission. The first bill he attempts

to sell, and the knowledge that he has bills for sale, will at once reduce the price, as it will naturally be supposed he requires a very large sum ; besides, as there will be a premium on the specie, the discount on the bills, if paid for in specie, will appear much higher than the current rate, which, for obvious reasons, ought not to be the case ; under these circumstances, and considering our extreme distress for money, not having a thousand pounds in the Canadas, without a chance of being relieved by an importation from England to any great extent, in consequence of the reports we have lately received through the press of extraordinary events in Europe, I beg to submit to His Excellency whether Mr. Wybault should not be directed to procure specie for the government bills in his possession upon the best terms he can effect the negotiation ; receiving in payment American bank notes and then exchanging them for specie, making the real exchange upon the bills, and charging the premium upon the specie in his account of disbursements, with expenses of transportation and other charges generally attending the transaction. I trust you will be pleased to lay this letter before His Excellency, that I may be honoured with his commands as early as possible.

I have the honor to be, Sir,

Your most obedient humble servant,

To MAJOR O. FOSTER,  
Military Secretary.

(Signed) W. H. ROBINSON,  
Comy.-Genl.

[From Canadian Archives, Series C 331, page 98.]

COPY OF LETTER RE BRINGING SPECIE INTO COUNTRY.

HALIFAX, 9th June, 1815.

SIR,

Finding that Commissary-General Robinson had written to the Deputy Commissary-General here, representing the very pressing demand for specie in the Canadas, I have made every exertion to afford you a supply, which I could not have been able to do but by obtaining a loan from the Naval Storekeeper ; with the assistance of which I have directed to be shipped on board H.M.S. Bulwark £30,000 consigned to Mr. Robinson.

I think it right to apprise you of our poverty, that you may not place

too much reliance on supplies from hence. At the same time I shall always be willing to make every exertion to afford you all the aid in my power.

I have the honour to be, Sir,

Your most obedient humble servant,

(Signed) J. C. SHERBROOKE,  
Lt.-General.

Those letters were written after the news of the escape of Napoleon from Elba had reached this side of the Atlantic. All Europe was astir with excitement over his escape; and the consequent certainty of war had a depressing effect upon the rate of exchange. Bills on the Treasury were quoted at 12% discount. But Waterloo brought peace. Bills on London rose in value; and the discount on 30 days sight bills was reduced to 1½ to 2% in Boston, at which rate it stood in October 1815, and continued at from 2% to 3% discount, till the 17th of April, 1816, when a temporary increase in the rate occurred.

The quotations in New York for Bills on London were rather misleading. They were quoted at a premium of from 10% to 12%; but a correspondent in Halifax of the *Quebec Gazette*, enlightens the public on the subject. The letter is dated 7th October, 1815, and is headed Bills of Exchange. "By the late arrivals from New York, we observe that Exchange on England is quoted at a Premium of from 10 to 12%, which causes much more speculation in this place. A person, unacquainted with the mode of transacting business in New York, would

naturally infer that specie of some kind was the equivalent, and at the quoted Premium; but their insolvent Bank paper is the payment—which paper is at a discount of 14% for silver or gold, consequently Bills on England, which are nominally at 10 to 12% Premium, may be bought in New York by sending on hard coin at a discount.”

The price of gold in England from January, 1816, to June 9th of the same year, did not average over £4. 1s. 6d. currency, the mint price as I have before stated being £3 17s. 10½d. per ounce; and from June to January 1817, the average for currency was £3 19s. The Bank of England, however, did not resume specie payments till 1823; but the difference between the price of gold in the currency of the country, and the mint price per ounce, seldom exceeded 2s. 6d. during the last years, i.e. from 1817 to 1823.

A plentiful supply of specie appears to have reached the Treasury in Quebec at last; for in November it was announced that the army bills would be redeemed in cash. The following is the announcement:—

#### PROCLAMATION.

On the 23rd November, 1815, by His Excellency Sir Gordon Drummond, Commanding His Majesty's Forces, and Administrator-in-Chief of the Governments of Upper and Lower Canada.

Whereas, heretofore, for the purposes of maintaining the means of circulation and answering the exigencies of the public service, His Excellency Sir George Prevost, Baronet, then Commanding His Majesty's Forces in British North America, did make and prepare a number of bills denominated army bills, and caused the same from



time to time to be issued from the army bill office, established for that purpose at the City of Quebec, agreeably to the provisions of the several acts made for the purpose of facilitating the circulation of army bills: And whereas, in and by the said acts, it is, amongst other things, enacted, that all interest upon such army bills shall cease from and after the fourteenth day, next after the day on which the same, by any proclamation or other public requisition by the Commander of His Majesty's forces for the time being, shall be called in, to be redeemed in cash: I have, therefore, thought fit to issue this Proclamation, and hereby do signify and make known, to all whom it may concern, that all Army Bills heretofore issued, and at present in circulation, are called in, to be redeemed in cash, at the said Army Bill Office, in the said City of Quebec; and that all Interest upon such Bills as aforesaid, shall cease from and after the fourteenth day next after the date of these presents. Of all which the Officers of His Majesty's Government, and generally all to whom these presents shall come, or may in any wise concern, are hereby required to take notice and govern themselves accordingly.

On the 20th of December, 1815, His Excellency Sir Gordon Drummond called Parliament together for the Despatch of business; and in his Speech from the Throne, he alluded to the army bills as follows:—

“You have had the satisfaction of seeing that the Executive Government has completely redeemed its pledge to the Public, by calling in and paying in cash the army bills which were in circulation.”

To which the House replies:—

“We have seen with great satisfaction, that the Executive Government has completely redeemed its pledge to the Public, by calling in and paying in Cash the Army Bills which were in circulation. A measure which exemplifies, in a most striking manner, the national good faith, and which will, we trust,

facilitate similar arrangements hereafter, should the Public interests ever require a renewal of them."

At the Provincial Parliament held at Quebec on the 15th of January, 1817, the Fifteenth section of the original Act prohibiting the exportation of specie and bullion from the Province, for a period of five years from the 1st August, 1812, was repealed.

And it was provided that the Army Bill Office should be continued for a limited period beyond the 1st of August, 1817, for the purposes of calling in and cancelling and paying all Army Bills that might remain in circulation after the 1st of August; and that it should be lawful for the Governor to issue his warrant for a sum not exceeding seven hundred and fifty pounds currency, for the payment of such officers in the Army Bill Office as it may be found necessary to continue in the service till the 1st of August, 1818, for the purposes aforesaid.

But the date of closing was enlarged to the 1st of April, 1819; and further to the 24th December, 1820, when the Army Bill Office was finally closed.

This ends my exposition of the Army Bill Act, by means of which the exigencies of the public service were provided for during the war of 1812, a war which was entered upon by the British with the greatest reluctance; but which was forced upon them by the Americans, with the ostensible object of establishing the principle that the Flag covers the merchandise, and the right of search for seamen who have deserted is inadmissible; but really, "to wrest from Great

Britain the Canadas, and, in conjunction with Napoleon, to extinguish its maritime power and Colonial Empire." \*

I have now the pleasure of stating that I am indebted to Mr. George Bethune of the branch of the Quebec Bank in Ottawa, for important information on the subject of this paper, which he obtained in the Archives Bureau at Ottawa; and to the kindness of Mr. Douglas Brymner of that office, in directing him to records relating to operations under the Act.

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\* Alison's History.

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