

INTRODUCTION

Although Nova Scotia had been ceded to Great Britain by France under The Treaty of Utrecht in 1713, there was no effective British presence on the peninsula apart from the garrisons at Annapolis Royal and a few other outposts until 1749. In that memorable year three thousand settlers were sent out to establish the town of Halifax, as a counterpoise to the French townsite and military installation at Louisburg. By 1758, the beginning of the period covered by the documents in this volume, Halifax was Nova Scotia to all intents and purposes. Apart from a German and Swiss Protestant community struggling to survive at Lunenburg, there were few other settlements. The Acadians who had successfully established themselves around the Annapolis Basin had been rounded up and exiled in 1755 and their farms remained vacant and deteriorating. Other Acadians still inhabited the forests, and they and the Indians occasionally conducted marauding expeditions against the settlers. Many of the settlers had emigrated from the New England colonies which had earlier been given good reason to fear the French and the Indians. This fear retarded expansion into settlements outside the safety of established regions.

Under Governor Lawrence a policy was instituted of populating new areas and re-occupying the the farms of the Acadians. Settlers were given subsistence where necessary until they were sufficiently well established to provide for themselves. New townships were laid out and settled ^{mainly} ~~mainly~~ by Irish emigrants and colonists from the New England but some of the choicest property was snapped up by jobbers and spectators and left unproductive. Other very transient settlements, sometimes lasting only a single summer, were set up by fisherman drying their catches. Communication between settlements in the colony was mainly by boat, roads and paths being very few.

With the fall of New France in 1759-1760 Nova Scotia lost much of its strategic importance. The cost of government, subsistence and public works had been almost entirely paid by the British Parliament, which now imposed the most drastic cut-backs. Colonists began to leave the settlements in large numbers. Unfortunately, Governor Lawrence, who was able to present the needs of Nova Scotia effectively to the Board of Trade in London, died of pneumonia in 1760 and was succeeded by Jonathan Belcher. Lt. Governor Belcher was a man with many powerful enemies and few of the talents needed to govern the struggling fourteenth colony.

The income of the colony provided by Britain was expended to maintain the civil establishment. Augmenting this allowance, was a sum raised by imposing a duty on imported liquors. This fund was used for public works and the payment of bounties to encourage the development of agriculture and the fisheries. Fraudulent claims for these bounties did much to worsen the precarious financial state of the province. There was no property tax in Nova Scotia for many years.

With the worsening problem of meeting the expenses of government, the colonial administration, yielded, as did so many others before and after, to the allure of paper money. Of the various forms experimented with, provincial treasury notes proved the most enduring. Occasionally the paper panacea enjoyed good credit and ready acceptance, but for the better part of the next century the various issues basked in predictable discredit, since the notes did not truly represent cash but rather the lack of it.

Trade was carried on using these government issues, bills of exchange, and a wide assortment of the world's coined money. Specie was usually scarce, flowing from the province as fast as it arrived because of the unfavorable balance of trade

against the colony. This situation prevailed in most of the colonies at one time or another, and local currencies were constantly inflated in an effort to attract specie from the neighbouring colonies. Much of the hard currency that did appear was from the pockets of the soldiers and sailors. Halifax prospered during times of war, when the military establishment swelled, along with the local goods and services needed to sustain it. When peace returned, commercial depression and specie shortage returned with it.

Governor Lawrence's report to the Lords of the Board of Trade dated 20 May 1758 revealed a balance of £2989.0.6 in the provincial treasury (496a). Expenses included payment of a bill received from the government of Massachusetts for money expended in support of Acadians, who had returned to that point from exile, was ordered paid (496d). In view of the small number of troops remaining in Halifax, many of whom were sick, it was decided to raise a militia, or "company of rangers" using money raised from duties on liquor (496e, f). Part of the duty revenue was allocated for various public works, such as a Church of England structure, a meeting house for Dissenters and a workhouse.

Revenue and appropriation acts of 1758 set impost and excise duties on liquor, and authorized the expenditure of this revenue on construction of a light house on Sambro Island, the workhouse, and bounties encouraging agriculture and the fisheries (498a-c, e-f).

The House of Assembly asked Governor Lawrence to appoint a Provincial Treasurer, preferably someone not already holding other profitable government appointments.

The local money of account, Halifax currency, related to French currency at that time at the rate of £1 cy to approximately 20 livres (499). A Nova Scotian act of 1758 fixing the Spanish or Mexican dollar at 5s cy and limiting interest to 6% per annum was disallowed by Whitehall in 1760 on the grounds that it contravened an act passed during the reign of Queen Anne (500 a-e).

High wages in 1758 were causing extravagant prices for provisions. In order to reduce wages, General Amherst, the commander-in-chief of British forces in North America, ordered that troops working for the inhabitants not be paid more than 18d per day for tradesmen and 6d per day for labourers. This decision was applauded by the House of Assembly (501a, b,).

Expenses of 1759 included the cost of government and accounts relating to the Halifax regiment and an expedition to Chignecto both dating back to 1750. Part of the new duty money was spent paying for the expenses of the Assembly, for the support of the needy and for bounties on hay roots and stone walls. It was estimated that an additional £ 1500 revenue would have to be found to cover over-expenditures (503a -e).

Revenue and allocation acts of 1759 imposed a duty to maintain the Sambro Island light house and amended and continued the impost on liquor. In addition a duty of 3d per gallon was imposed on liquor, allowing a drawback for exported spirits. Bounties on stone walls and hay were extended and money was to be raised by means of a lottery in order to construct a market building at Halifax (504a -i).

The finances of the colony were further strained by disastrous losses in the Indian trade. An extensive truck system for which Benjamin Gerrish had been given the contract showed a deficit of over £ 2000 in 1760, to be paid to Gerrish out

of the treasury (505c). Tenders for supplying the Indian trade more cheaply were sought (505d-e). Alexander Grant's offer was accepted and in 1761 Lt. Governor Belcher contracted with him to supply the needed rum, flour, pork etc. (505f).

The greater part of provincial business for 1760 centred around the money raised from duties and its allocation. A proposal to advance £ 1,000 from the treasury toward the cost of public buildings under construction was agreed to, with the loan to be repaid from anticipated duty revenues (506a, b). That apparently proved inadequate, for the balance of the duty money, over £ 1500, was then applied as a loan to cover cost overruns on the lighthouse, and other buildings (506c).

A request for £ 1,200 in support of the fisheries was a source of contention between the House of Assembly and the Council (506d). The various revenue acts were renewed and bounties and premiums were extended (507a-d).

Provision for an adequate supply of specie for the colony became a problem when a prominent businessman, Thomas Saul, served notice that he could no longer furnish the treasury with cash. (Saul was a former Council member, who left Nova Scotia in 1760) Governor Lawrence was able to report good progress in the development of settlements and fisheries (508). An act was passed providing 6% interest, plus damages in some instances, on protested bills of exchange (509).

Financial reports for 1761 indicated a tiny balance in the treasury, sufficient to meet some costs but unable to cover the expenses of bringing in settlers or the costs associated with the Indian trade. Bounties and public works overran funds allotted by the House of Assembly by over £ 4,000 (510a). Any further withdrawals

of duty money from the treasury would jeopardize payments of bounties which had fallen due. Consequently, bills were ordered authorizing the governor to borrow £ 700 at interest for the sustenance of the poor at new settlements plus £ 100 for the poor of Halifax and for materials for the workhouse and the house of correction (510b). With the tight^{financial} situation, the house sought to audit the public accounts (510c, d). Lt. Governor Belcher signed an order requiring that money from the sale of furs be paid into the treasury (510d). The duties on liquor were amended and taverns were required to pay a license duty (511 a, b, c, d).

The year 1762 saw a large increase in the public debt. In an address to the legislature Lt. Governor Belcher lectured the members that honour required the preservation of public credit by the fulfilment of old pledges of government. Inasmuch as the funds of the province were inadequate to discharge public debts, creditors with claims for public works were given priority. Those with claims for bounties were perceived as having caused the load of debt on the province (512a). Unpaid bounty certificates issued for 1760 totalled nearly 90% of a provincial debt (512b). A resolution was made to apply for assistance from the Board of Trade but this effort apparently was not fruitful (512e).

The license duty act was renewed (513) and an act was passed setting the

impost on liquor at 5 d cy. per gallon. Three months' time was to be allowed for the payment of duties exceeding £5, on suitable security. There had been difficulty in collecting duties previously (514), possibly because the sharply increase^d impost of preceding years encouraged smuggling.

By 31 March 1762 it was evident that revenues from duties would be grossly inadequate to cover the cost of public works and the burgeoning bounty claims. An act was passed to enable the province to borrow £ 4500 or to issue treasury warrants bearing interest, for the payment of accounts due from the government, including bounty payments. The latter payments were to be kept one year in arrears until the provincial debt could be discharged. The joint legislature committee suspected that many of the bounty claims were fraudulent and asked for a strict inquiry. A motion was also made to cease progress on public works and to refrain from the initiation of new works without the consent of the General Assembly (515a, b). By June 1762 almost £ 4000 had been borrowed by means of warrants (515c). A bill was also introduced to regulate the Indian trade, preventing ~~some~~ practises by the traders which might arouse the Indians. Prices for various furs were established in units of spring beaver, one pound of which was valued at five shillings. Prices to be charged for blankets, rum and foodstuffs were also set in units of spring beaver. Five inspectors were authorized to protect the interests of the Indians.

1763 The province was hopelessly unable to meet its obligations through 1763 (517a, b, e). Payment of interest on loans out of the available funds was given top priority. Taxes were rejected as a means of raising funds by the House of Assembly, on the grounds that settlers would be driven away from the province

by taxation (517c). The services of Benjamin Green as provincial treasurer were recognized by a stipend of £ 80 p. a. (517f). A summary prepared late in 1763 showed that the civil establishment was supported by an annual grant from Parliament, except for a few officers paid out of the duty money. Duty money was also supposed to cover bounties and public works, and the license duty was applied to road construction and maintenance. The public debt was over £ 10,000 and licenses and duties produced only £ 2,000 p. a. Merchants had been selling goods on the security of bounty certificates; when payment on these certificates was stopped, business ground to a halt. Charles Morris, the Chief Surveyor, suggested the issuance of interest-bearing notes which, he contended, would support trade without being drained from the province as specie was (517g). The province did not take long to implement this proposal.

Other suggestions to improve the provincial finances included the imposition of a general excise on spirits and reduction in the impost, application to Parliament for a grant towards the expense of the Sambro Island lighthouse, and duties on loaf sugar, tea, chocolate and coffee. Action on the latter duties was held up pending an opinion from the Board of Trade (518a). Various duty acts were renewed and modified (518b, d, e, g,) and a duty was charged on billiard tables and shuffle boards (518f). A duty of impost was eventually laid against loaf sugar and also against prichs (tobacco ?) and lumber (518h).

The provincial treasury had customarily acquired Spanish dollars by negotiating its sterling bills of exchange at par. When an offer was received from Joshua

Mauger

to supply dollars on more favorable terms, the Board of Trade instructed the Lt. Governor to accept his terms (519a). Mauger was an unscrupulous Nova Scotia resident and owned distilleries etc. there. He removed to England, bought his way into Parliament, and proceeded to dabble in Nova Scotia affairs from there. Mauger was chagrined to find that payment was refused on bills of exchange re received from the Nova Scotian government, totalling £4,200. He applies to both the Board of Trade and to the Imperial Treasury for assistance (519b-d).

The province took another step towards a paper currency when a proposal was considered to issue interest-bearing certificates to pay bounties due on or before 25 March 1762 and other government debts up to 25 March 1763 (520a). An act was passed authorizing the issue of £4000 in these certificates, known as treasury receipts.

Austerity was the keynote for the year 1764. The shortage of funds persisted, and there were indications that more paper would have to be issued (521a). Despite his assurances and even boasts to the contrary, evidence of Belcher's overexpenditures and hopeless bookkeeping while Lt. Governor kept pouring in. Estimates which formed the basis of the parliamentary grant were closely scrutinized and various cuts were made, including a reduction in the treasurer's stipend to £50 p. a. The Lt. Governor was given strict instructions to limit expenditure and to submit regular reports. Contingencies not itemized in the estimates had henceforth to be met out of the duty revenues (521b, d). The £4000 treasury receipt issue authorized the previous year proved inadequate to pay the bounty certificates, and it was estimated that a further issue of about £3000 would be needed (521c). The treasurer complained against the reduction in his stipend, which the assembly resolved to restore to £80 plus an expense allowance of £20 (521e). Recommendations were made to discontinue the bounty on hay and stone

walls, to issue more paper, and to impose a fine of £ 20 for the possession of contraband liquor (521f). The public debt by this time reached £ 12,000 plus the bounties payable for 1763. The House of Assembly warned the Lt. Governor against withdrawing funds from the treasury for all but the most urgent requirements (521h). It was proposed that provincial income could be increased by farming the revenues from duties, the market house and the light house (521i).

The legislative output of the year included the usual acts renewing excise and impost duties on liquor (522a, b,) as well as an act to discontinue part of the bounties which were becoming such a burden (522c). A further issue of treasury receipts amounting to £ 2,900 was authorized to provide for the anticipated shortfall of the previous issue. (523a, b). Another act allowed the treasurer to issue small denomination treasury receipts in exchange for previously issued treasury warrants in sums too large to permit easy negotiation (524a, b). The province seemingly fell in love with paper and proceeded to plunge into further debt with gay abandon. An issue of treasury receipts of £ 1,500 was authorized to build roads to the interior, to make up for the inadequacy of the license duty fund (525), and another £ 2,500 to pay off bounties and premiums (526).

Exports from the province for 1764 were valued at about £ 65,000; they were mostly in fish and furs. Of this total, £ 17,000 had been exported by non-residents (527).

The British Government became alarmed at the flood of depreciating paper money being issued by its American colonies, and an Imperial act banned any further issues purporting to be legal tender after 1 September 1764. Any governor who violated the act would be subject to immediate dismissal and a £ 1,000 fine (528).

In 1765 the House of Assembly recommended that the interest and part of the principal be paid annually on treasury receipts. By establishing a sinking

fund it was hoped that the credit of these notes would be restored so that they would circulate without discount, although they were not legal tender. By this time the public debt had increased to £ 16,000 (529a). It was proposed that £ 1,000 in treasury warrants or treasury receipts be cancelled annually, that more cuts be made in salaries and commissions, and that the work house be closed.

The estimated annual saving of £800 was seen as the only means of preserving the credit of the province (529b). Treasury receipt commissioners were appointed to supervise the cancellation of provincial paper (529d). Up to three-quarters of the duties could be paid in treasury receipts (529f). Another act was passed to replace further large treasury receipts with ones of small denomination (531a-c).

Estimates for 1765 were presented in which the treasurer's stipend remained at £50 (529c). In view of his increased work load occasioned by the treasury receipt issues, Treasurer Green applied for an assistant. The Council resolved that he be given not only an assistant but also a more generous allowance (529e).

The British government's grant for payment of the Nova Scotian civil service in 1766 was nearly £4,900 (532a). By this time the province was having difficulty in paying even the interest on its growing debt, and the House of Assembly urged that an application for aid be sent to the King (532c). The Assembly also wanted the opportunity to examine spending estimates in an attempt to find possible savings.

The treasurer's stipend was reduced to £ 100 p. a. , and that of his assistant to £ 50 (subsequently lowered to £ 30) (532d). The Commander-In-Chief, Benjamin Green (also the Provincial Treasurer) berated the legislature for failing to resolve the financial difficulties, which in turn caused the House of Assembly and Council to put the blame on each other (532e). At this point a petition was received from Benjamin Gerrish, claiming that the sum of £691.8.0 stg. arising out of the monopoly he had held years ago on the Indian trade, was still outstanding. The provincial treasury was unable to bear the cost of presents normally given to soothe the Indians, and government credit was so low that few were willing to furnish supplies (532f). ^P The shortage of specie was particularly severe and while small bills of exchange used to pay civil servants out of the British grant could still be negotiated, a 10% loss had to be taken in selling large bills (532g). Collectors of duties were given 20% of their receipts for their efforts, and duties were payable half in cash and half in treasury receipts (532h). Collectors were instructed to sue for unpaid accounts (532j).

By August 1766 the provincial debt, which had been accumulating for the previous eight year reached £ 20,000. Duties provided an annual revenue of £ 4,000, of which expenses (including interest) accounted for £ 2,500, leaving £ 1,500 for debt reduction (532i). Manufactures of the province consisted of two distilleries, the larger belonging to Joshua Mauger, one sugar house and two hatters (532m).

Legislation for the year included renewals and amendments to the duties (533a-c), an impost duty on loaf sugar (533d) and the discontinuation of the bounty on stone walls (533e). It was resolved to pay arrears of salaries of government officers by treasury warrants (532k). ^P A bill to authorize the issue of

£ 3648:0:4 in interest-bearing treasury warrants to pay government debts and interest was disputed between the two houses of the legislature. The use of warrants was given preference over treasury receipts on account of the depreciated state of the latter (534a-c). The assembly sought to give top priority to the payment of interest on treasury receipts, out of revenue produced by the duty on tea, coffee, wine and playing cards (535a). However, the governor pointed out that insufficient specie was being received from the duties to pay the interest, and since more paper would not be acceptable in the payment interest, of a scheme was required to raise in specie three-quarters of the interest due. There was little confidence in government paper because interest was not paid punctually. The governor noted that he had not tapped the treasury for specie for any purpose but the payment of interest. A joint legislative committee made the remarkable suggestion that specie might be raised by conducting a lottery for which the prize was to consist of £ 1,000 in more province paper (535c).

A committee for the consideration of a paper currency took the position on 4 November 1766 that in the absence of a redemption fund such as issue should not be contemplated (535b). On 12 November, however, they tabled a scheme for the issue of £ 20,000, if sanctioned by the home government, to loan to the inhabitants against the security of their land and repaid in specie over a nine year period (535d). When permission was sought for a paper currency from the Imperial government on 22 November the amount had grown to £ 40,000. The position of the colony at this time was rather bleak. The public debt had reached £ 22,000, of which £ 16,250 drew interest at 6%, and money was extremely scarce as a result of the necessity of importing manufactured goods from Great Britain. The legislature asked that the King grant his quit rents and revenues arising from coal

deposits for the use of the province towards discharging the debt (535e).

When the public accounts were examined by the assembly in 1767, the members objected to what they considered to be overpayments to various government officials, including the treasurer. Estimates for the cost of government for the year exceeded revenues by £ 800, and the Assembly proposed a reduced schedule of payments to the civil service. Governor Campbell objected to the reductions since he perceived them as an inequitable tax, especially since the civil service received payment in the provincial paper at par, whereas others were free to accept the notes at a discount. The Assembly replied that salaries would be given second priority (after interest) for the available specie, but did not compromise on the estimates. Treasury warrants totalling £ 900 would be required to cover the expenses of government. The government officials finally proposed reductions on their own salaries, on which basis Governor Campbell set revised estimates (536a).

The Council and Assembly clashed again over the issue of farming the duties, to which the Council remained opposed. The Council did offer a compromise, agreeing to farm the duties outside of Halifax, by far the most important part of entry in the province (536b). The announcement that only specie would be accepted for the payment of duties (536d) must have diminished public esteem for the provincial paper even further.

~~The treasurer was required to keep monthly reports and to give quarterly.~~

With his submission of estimates to the home government, Governor Campbell also reported the public debt at £ 23,000. Agriculture was developing slowly, with some flour and cattle still being imported. The governor stated that what little commerce there was depended on the specie introduced by the army and navy (536e). Provincial

paper was being negotiated at a 25% discount. It was strongly implied that an individual distiller, probably Joshua Mauger, was profiting at the expense of the public, in that the high impost which protected local distillers encouraged smuggling and the loss of revenue from imported rum. Campbell suggested that the impost be left unaltered while raising the excise by at least 2d/ gal. on domestic rum to allow reasonable competition (536f). The duty on wine, tea, coffee and playing cards was renewed (537a) and the acts relating to excise and impost duties on liquor were consolidated (537b-c). A new source of revenue was the Wheel Carriage Duty Act, making its debut in 1767 (537d-e,).

The strategy adopted to meet the interest falling due on provincial notes was the issue of £ 1,600 in treasury warrants to pay the expense of government for the year, so that all the revenues could be diverted to the payment of interest on loan warrants and treasury receipts (538 a-c). The treasurer was ordered to advertise that interest could be paid at the treasury after 30 September 1767 (538d).

The ineffectual struggle to cope with the provincial debt continued through 1768. The government clearly perceived the need to reduce the debt (539a), but more treasury receipts were issued to pay the interest on bounty certificates (539b) and the sum of £ 200 was borrowed for work on the road to Sackville in anticipation of revenue from the license duty (539c). Expenses presented included an account in connection with the Indian trade amounting to £3,400 and the amount of treasury receipts and warrants at interest was stated to be £20,000 (539d). For once the Council and Assembly coexisted harmoniously (539e), but the weak state of the colony prevented them from finding any solution to the provincial indebtedness (539f). A revised list of Nova Scotian manufactures was drawn up (539g), showing that one hatter had gone out of business and the addition of a

tannery, leather dresser and rope-walk (cf. 532m).

The previous revenue acts were revised and continued (540a-e) and there was an abortive attempt to institute new taxes. A legislative committee recommended that a tax on real and personal estates be assessed to raise £ 1500 for debt interest and reduction of the principal. The proposed tax on land was only 1/8 d per acre, and the inadequacy of this revenue prompted additional resolutions, imposing a poll tax of 3 shillings on all males aged 16 to 60 and a 5% tax on rents of houses. (541b). The governor, however, Vetoed the tax on land (541c).

Usurious practises were probably rather common, and the legislature re-introduced a bill restricting interest to 6% per annum (542a). A previous attempt to regulate interest was incorporated with a bill fixing the value of Spanish dollars at 5 shillings currency, and the latter provision was unacceptable to the homegovernment. There was no objection to the interest bill, apart from the need to add a clause exempting previous commitments (542b) and the amended bill received royal assent (542c). Another bill was designed to assess penalties on defaulted promissory notes, similar to the bill of 1760 dealing the dishonoured bills of exchange. The purpose was to make promissory notes negotiable in the manner of inland bills of exchange (543). The Council was asked to appoint an agent to go to England to solicit permission to issue a paper currency, as requested in the petition of 1766. Richard Cumberland, who was the province's financial agent in England, was selected to serve also as its lobbyist, and he offered his services for no fee other than the approbation of the legislature (544a). The Lt. Governor deferred the whole question of the paper currency pending the return of Governor Campbell (544b).

Documents for the year 1769 are scanty. Governor Campbell's speech and the reply from the legislature contained the usual platitudes concerning provincial finance (546a). Treasury receipts and warrants bearing interest accounted for some £21,000, all but about £2,000 of the provincial debt (546b). The Council still hoped for a property tax, augmented by a poll tax, but the Assembly opposed the scheme, insisting that the existing revenues would prove sufficient under frugal management (546c).

In 1770 the Governor again went through the ritual of asking the legislature to achieve the impossible: to provide for the deficiency of funds (547a). Predictably he had to express his regret that this objective remained as elusive as ever, at the end of the Fourth Assembly (547e). Accounts were presented in which the outstanding treasury receipts and warrants stubbornly remained at over £21,000, with over £1,300 due in interest (547b). Estimates for the civil establishment, virtually unchanged every year since 1766, were presented, and appropriations were made (547c d). The Colonial Office expressed the hope that the incoming new Assembly would have more success dealing with provincial finance (547f). The treasurer was directed by council to pay accounts at the end of each quarter only (547g).

The Fifth Assembly reversed the position taken by its predecessor in resolving to levy a property tax of 1/8 d per acre, but rejected a motion to tax livestock. Liquor duties were amended and renewed, placing an ^{additional} excise duty of 2d/ gal. on rum and 6d/ gal. on wine. Another duty was placed on loaf sugar and cider, and the duty on tea, coffee and playing cards was amended assessing a duty of a shilling on a pound of tea (548a, d.-h). The home government was displeased with the latter duty since the usual exemption for imports from Britain was omitted.

The offending act was allowed, in view of the distressed status of the province, but the governor was ordered to quash any further measures which attempted to tax British products (548c).

An innovation to raise funds, of dreary familiarity in modern times, was the attempt to raise £ 1,000 by lottery, to be used ^{for} constructing roads and bridges. The provincial revenues were utterly incapable of providing the necessary money (because smuggling was openly rampant, with the various duty acts being very weakly enforced) and roads were essential for the settler to bring his produce to market. The scheme provided a state of prizes ranging from one grand prize of \$1,000 down to 1,175 prizes of \$ 4—in all, 10% of monies received were to be taken off for the road fund (549a). Despite the fact that there was very little actual cash in the colony, the home government approved the plan (549b) and commissioners were appointed to administer it (549c). Predictably, the scheme failed (55.6b).

Governor William Campbell made his customary exhortation to the legislature in 1771, regarding the necessity of improving the revenues, and received the usual polite reply from the Council (550a). The accounts presented indicated continuing expenditures on the governor's house to accommodate his young and growing family. It was also revealed that no accounts of duties had been received from Louisburg, Barrington and Yarmouth for the past two years (550b). The inability to enforce the collection of duties was slowly bringing about the disintegration of government in the colony. The revenues from the other ports were considered sufficient to pay the interest on treasury receipts and warrants, and whatever remained was to be applied to the cost of government (550c). The intention of the legislature to farm the duties at the outports was announced, but action

was deferred to the next session (550d). Giving the collectors a personal interest in the performance of their tasks, ^{would} hopefully produce a better revenue. Estimates brought down were substantially the same as in previous years (550e). ~~agreed (550)~~. Despite the objections of the merchants, the rather high duty on tea was continued (551a), as were the other existing revenue act^s (551 b-h).

The rough and ready accounting procedures of the time had resulted in dishonest practises by some merchants who, would bill individuals for materials allegedly purchased, but never actually delivered, years afterward. Other tradesmen failed to mark accounts which had been paid, and sought a second payment much later. An act to avoid the double payment of debts was passed, under which all payments had to be sought within a two year time limit (552). The chronic shortage of specie resulted in difficulty in negotiating bills of exchange for supplies for the naval establishment (553). ~~The traders, Tadi and Morris,~~
~~acted for the Indian trade, committing themselves to honest and just dealings (554)~~

In the absence of the Governor, Lt. Governor Michael Francklin, a conniving pawn of the mercantile oligarchy, made in 1772 the customary speech on the need to restore the fiscal integrity of the colony. He also referred to the necessity of legislation to regulate the lumber trade to Great Britain (555a). Accounts were presented to the Assembly, whose ways and means committee optimistically projected revenues of £ 3,300 from the duties and an additional £ 1,200 from proposed taxes (555c). However, the duties were flagrantly disregarded except at Halifax. A statement sent to the Lt. Governor alleged that the collections at Louisburg and Canso were wiped out by unwarranted expenses, the magistrates at Liverpool refused to enforce the laws, and still no accounts had been received from Barrington and Yarmouth. The House also asked the Lt. Governor to appoint auditors from its

own membership, to examine public accounts before any payments were made, and requested that he take action against delinquent government officers (555c). No new additions were permitted to be made to the estimates (555d), and revenues remaining after the payment of interest were to be apportioned to the creditors of the government (555e).

Excise duties were further consolidated, with duties on liquor, cider and loaf sugar all covered by a single act (556a). The urgent need for the construction of bridges and roads could not be met by the existing revenues, and the lottery scheme originated to finance construction was unsuccessful (556b). Another land tax bill was framed in a further attempt to raise the necessary funds. This act imposed a tax of ^{2s6d} on any properties up to 500 acres, with an additional 6d per 100 acres thereafter, to a maximum of 50 shillings. Non-payment could result in the seizure and sale of goods or property to the amount of tax withheld (556c). To the £ 1,200 supposedly to be raised by this act there was added an additional £ 300 to meet the expenses of the representatives in the assembly (557). ~~Due to the scarcity of~~

~~of grain, flour and peas, an act was passed preventing the export of these~~

~~(558)~~

Lord William Campbell departed the province to govern a sunnier colony, and was replaced by Francis Legge, who gave the conventional address before the legislature in 1773. The reply of the House of Assembly contained an explanation of how the province's debt arose (560a). A number of accounts were rejected by the Assembly as they had never been provided for by a vote or resolution of the House.

~~It included such items as a bill for £ 32,6,8 for stationary for former governor Campbell, £ 75 per annum for the first Magistrate at Cango, Jonathan Binney, which had been repeatedly disallowed, and suspicious charges for unnecessary road~~

~~repairs.~~ The Assembly sought to take up these matters with the governor and renewed their application for the appointment of one or more auditors from their number. They also urged that collectors of duties in the outports be ordered to submit reports (560b). Duties on shipping collected specifically for the lighthouse proved inadequate, but the House refused to make any additional appropriation (560c). The light house was often left unlit and became a source of considerable embarrassment to the province.

Revenue acts of 1773 were mainly concerned with amendments to the liquor duties. The impost duty on rum was altered to 3d per gallon and the excise duty to ^{1s2d} per gallon. It was resolved to discontinue the duty on cider and loaf sugar, and changes were made to the system which allowed drawbacks on rum exported from the colony, permitting drawbacks at Halifax and Canso only, in an effort to reduce fraudulent drawbacks collected on liquor which was not actually exported but simply landed at the out ports (561 a, b, e). Liquor duties were farmed at Canso and Cape Breton (561g). Changes were also made in the collection of license duties. Money raised from sale of licenses and from fines in Lunenburg was to be expended for roads (561f). The license duty, tax on land, and duty on wheeled carriages were all renewed (561 c, d, h, i).

~~...~~
~~...~~ An act was passed providing new treasury receipts to be exchanged for worn notes and to change to more convenient denominations (563 a, c), and commissioners were appointed to supervise the exchanges (563b).

The accounts for 1774 were closely ^{scrutinized} upon presentation to the House of Assembly (564a) and more unwarranted expenses were discovered.

Despite resolutions by the House against him, the Collector-cum-Chief-Magistrate at Canso, Jonathan Binney, was still availing himself of public funds, which the House wished to recover immediately. The House also pressed for measures to recover overdue debts, in excess of £800, and for the farming of duties at all the outports, claiming that revenues from these points would more than double (564b).

The council resolved that collectors of duties should be paid by treasury warrants rather than paying themselves out of the revenues they received (564e).

Governor Legge transmitted details of a bill for 5000 acres of land of Dartmouth. Governor Legge called for action on paying the public debt, but the Assembly asked that the matter be deferred since many members had returned to their homes (564g). The problem of absenteeism of the representatives from outside Halifax was a common one, since the members could not afford to give up very much of their time for public business when they had their personal affairs to attend to back in their settlements. The departure of these members then gave unfair leverage to the Halifax faction, which could conveniently attend the sessions at any time.

Governor Legge was critical of the government for having accumulated so large a debt in so short a time. He professed not to know the cause of the debt but resolved to find out (564h). In so doing he was to expose a labyrinth of corruption. A statement detailing the origin of the debt was very revealing, and no doubt the cause of great embarrassment to some highly-placed officials. The difficulties originated with bounties first offered in 1758 to stimulate agriculture in Lunenburg.

That year the claims totalled less than £ 500 but the amount soon grew to £ 2,000 or £ 3,000 per annum, inflated by fraudulent claims for wild hay cut along the sea shores. The current Lt. Governor, Michael Francklin, and other^s took the bounty certificates at extravagant discounts (up to 60%) from those in their debt. In due course the certificates were exchanged for treasury receipts bearing 6% interest, which were put into circulation at par, but were taken back again only at discounts. The bounty system was discontinued over Francklin's objections, but he did at least succeed in preventing an inquiry into fraudulent ^{henchmen} claims. It was also reported that Mauger and his ~~men~~ had manipulated the duties to their own advantage (565).

Mauger had previously managed to prevent duties on molasses, necessary for his Halifax distillery. However, in 1774 it was resolved to increase duties on liquor and to place a duty of 5d/ gal. on molasses and 5/ per ^{hundredweight (112 bls.)} on brown sugar, unless these commodities were received in exchange for Nova Scotian exports (566a, e). An extra impost duty was laid against rum, and other liquor duties were renewed (566b).

~~agreement on the issue of forming the duties at the outports (567e)~~

The first new loan act in a number of years was passed to permit the borrowing of £ 400 by the issue of treasury receipts bearing 6% interest for the construction of a road and bridges from Halifax to Truro (568). ~~T~~

~~Imports of grain, flour and peas from the province was renewed (570)~~

Governor Legge in 1775 appointed James Burrow as Inspector-General to assist in the probe of corrupt practises in the province. Collectors withholding duties were taken to court, in the hope that other collectors could be brought into line by the example. The Council replied to the governor's statement in the usual obsequious terms, but the members must have been privately very worried that their own plundering of the public purse would be found out, as it eventually was. The reply of the Assembly was equally polite, but one suspects that it was much more sincere (571a). The Assembly enthusiastically detailed to Legge the duplicity of Mauger, charging that he had his friends appointed to the Council and a relative (Francklin) appointed Lt. Governor, and that the raids by these officials on the treasury caused the province's debt. The bounty system enabled the Lunenburg inhabitants to buy from Mauger, and his control over the duties gave his distillery a virtual monopoly. Councillor John Butler was the powerful manager of Mauger's affairs in Nova Scotia. The Assembly asked that new councillors and judges, not in Mauger's control, be appointed (571b).^(P) As Legge and Burrow began their systematic search for corruption, it was discovered that the treasury records kept by the late Benjamin Green Senior, the provincial treasurer until February 1768, had conveniently vanished. All that could be found were the counter indentures of the treasury receipts. The accounts were supposed nailed up in boxes according to years, but when opened the boxes were found to contain only glass and china. Legge offered

£100 for the return of the papers and £500 for the conviction of anyone hiding or destroying them, but the records were not found. Legge and Burrow managed to piece together abundant evidence of graft without the treasury records, eventually implicating most of the Council and a few members of the Assembly, among others. Legal action was taken against Councillors ~~Newton~~ and Binney, resulting in verdicts against them (571c).

Specie at this time was in very short supply. Three road contractors petitioned the Assembly for payment in specie to enable them to meet their obligations, and the House resolved to pay them out of the duty money (571f). A militia tax bill was read (573d) but the house insisted that the province was utterly incapable of raising any more funds for defence than provided by the bill (573e). The House complained of the difficulty of raising any tax money at a time when it was estimated that less than £ 1,200 was in circulation in the province, and of that less than £ 200 circulated in the new settlements. The House thus proposed to establish a paper currency and a loan office, on the basis that no tax revenue could be raised until there was money in circulation, but the Council rejected the plan.

Legge was informed that the Militia Act and the supporting Tax Act were causing an uproar, and that it would be impossible to raise either the militia or the tax. His correspondent doubted the loyalty of the New England emigres in Nova Scotia and feared an insurrection (573h).

As usual, the House of Assembly and Council were disagreed on financial matters (574). An act was passed to secure debts owing to the government. The auditors found that money was due from a number of persons, who were given one year to pay principal plus interest, against proper security, under the act (575).

The struggle in the American Colonies resulted in severe shortages ^{of provisions} in Nova Scotia. With only three weeks' supply of flour left in Halifax the government impressed a ship, the "Elizabeth Snow," to bring flour from Quebec (576a). Regulations were made in an effort to prevent enhancing the prices of provisions (576b) and exports were made subject to the approval of the governor (576c).

The assembly passed its pet project, a bill to issue £ 20,000 in provincial treasury notes (578a) but the bill was thrown out by the Council, on the reasonable grounds that the existing provincial paper, despite bearing interest, was at a discount of 40%. Legge felt that only a properly secured paper currency, which could be rapidly redeemed, would be useful (578b).

The extreme scarcity of specie resulted in the depreciation of bills of exchange by 10% to 20%. Legge asked Dartmouth to send the parliamentary grant in specie, since the merchants took undue advantage when negotiating bills of exchange (579a). Provisions remained scarce, and Legge claimed that he would have been able to raise 500 militia had he been able to secure the necessary provisions (579b). He then asked that £ 10,000 be sent in specie for the military establishment, bills at that point being discounted 11% and difficult to negotiate even for that consideration (579c).

Unfortunately, Governor Legge's campaign to clean up the government of the colony united the various corrupt fractions into an alliance against him, and Legge was not enough of a politician to defend himself from the misrepresentation being built up against him in England. He was accused of offending the old servants

of government and it was alleged that only his removal could prevent Nova Scotia from joining the thirteen rebellious American colonies. The first charge was true enough- Legge had caught the officials with their hands in the government cookie-jar-but the more serious charge was rubbish. The Nova Scotians hoped for neutrality, allowing them to reap the huge profits from war to which they were accustomed. However, the home government was sufficiently nervous that the allegations against Legge had the desired effect. The governor left in the spring of 1776 to defend himself in London. His departure occasioned a great celebration in Halifax, the officials overjoyed that graft could be safely reinstated. Mauger's connection gloated that they had disposed of 3 foes - Belcher, Campbell and Legge. (In fact Campbell was appointed to a new post before Mauger's opposition to him had made much of an impact). Lt. Governor Francklin was suspended, and in his place the very tolerant Lt. Governor Mariot Arbuthnot was appointed. The administration of the province was largely left in the hands of successive Lt. governors, Legge remaining governor in name at least until being replaced by Parr in 1782.

The colony was brought to a flourishing state providing goods and services consumed by the war with the Thirteen Colonies. Arbuthnot asked the treasurer in 1776 to report when enough duty money had been received to pay half of the demands on the treasury (580a) and the payments were announced within a few days (580b). Lt. Governor Arbuthnot recommended a reduction in the public debt (580c) and received the usual polite assurances (580d). Accounts were presented showing a balance of over £ 1700 in the treasury (580e). The office of Inspector-general, instituted by Legge to combat corruption, was abolished by Arbuthnot, creating general relief (580f). An act was passed giving the Assembly the right to examine

accounts and requiring demands to be presented within the first week of each session (581a) but it was disallowed (581b). ~~Acts imposing duties on liquor,
 ~~classees and brown sugar, and the act to form the duties, were renewed (582a, b, d)
 ~~and an act was drawn up placing an 8% ad valorem tax on foreign imports, to be
 given to Parliament (582c). It was never actually in operation.~~~~~~

Profiteering abounded, making some controls necessary. The Council regulated some prices which were sky-rocketing, limiting meat to 1 shilling and butter to 1/6 per pound, and milk to 6d per quart (583b). These prices were subsequently decreased to 9d per pound for the best cuts of meat and 1/7 per pound for butter (583d). A Council committee was formed to investigate exorbitant rents charged for housing troops quartered in Halifax (583c).

Arbuthnot was informed at first that Legge's request that the 1776 appropriations be sent in specie had been granted (584a) but this order was subsequently changed (584c). Provincial agent Richard Cumberland felt that bills of exchange would soon be at a premium in Halifax, so it would be better to send bills than specie, a change to which both Legge and Mauger agreed (584b).

An additional act provided for a further exchange of worn treasury receipts for new ones (585b, d). Commissioners were appointed to sign new notes and cancel the old ones (585c); the new notes were dated 1 November 1776 and 1 May 1777 (585e). ~~The commissioners cancelled old notes totalling £ 1,012,176
 ~~and issued the same amount in new notes, and also cancelled redeemed notes
 totalling £ 38,110. For this work they felt entitled to remuneration (585c).~~~~

An act to issue £ 20,000 in " Bills of Credit" or provincial treasury notes came up again in 1776. It was represented to the home government that for lack of specie property was being sold at less than a quarter of its value, causing

widespread ruination. The British officials no doubt took careful note of the allegation that this was causing discontent, since they were embroiled in the American Revolution, and it was also stated, more ingenuously, that lack of cash made it impossible to raise taxes. The proposed issue was to consist of denominations from 3d to £5 bearing the familiar warning, "To counterfeit is death". Some £13,500 of the issue was to be loaned at 5% around the province ^{and was to be} secured by mortgages on land. The interest collected was to be used to buy bills of exchange to be deposited with the Bank of England and accessible ~~only~~ to the Assembly solely to support the credit of the bills. The export of specie, except to the West Indies and Great Britain, was forbidden by the same act. (586a) These treasury notes were to be accepted as payment of taxes on land (586b), but in fact the land tax act remained a dead letter for years to come. The home government indicated that the act would be allowed if modified (586c), and the Assembly's dream of a paper currency had moved much closer to reality.

Nova Scotia prospered from the war in 1777. Old government debts and back interest were paid off and cash remained in the treasury (587a). ~~Debt~~
~~were again formed at~~

~~the~~ ~~high bid at Cause being £ 135, an increase of £ 25 over 1775~~
~~(586 b). After meeting some extraordinary expenses for the militia the principal~~
~~of the public debt had been reduced slightly to £ 20 137 5 1 (587c). After setting~~
~~aside £ 500 for contingencies (more than the usual allowance, but understandable in~~
~~view of the conflagration in the neighbouring colonies) the remaining cash was to be~~
~~apportioned to the holders of treasury receipts and warrants (587d). When funds~~
had to be diverted from the treasury to pay the militia, increasing the debt to
£ 24000, Arbuthnot appealed to Great Britain for reimbursement (587e, f). The
militia from Windsor and Halifax were commended by the home government and the
colony was repaid by an addition to the parliamentary grant of the following year.
(587 h). Nova Scotians were not uniformly loyal however, some being ready to sell
prizes of war to the American rebels at exorbitant prices. Some of Legge's old
enemies were involved, including Binney, the deputy-collector at Halifax, who was
ever ready to turn a dishonest shilling by giving clearances to ships destined for
Liverpool, which had sided with the Americans. It was suggested that a small armed
ship be commissioned to put an end to this illicit trade (587g).

~~The Wheel carriage duty was renewed (588a), as were the acts to raise~~
~~funds for roads and bridges, notably the license duty (588b). To combat the scar-~~
~~city of wool the export of sheep, cattle and hogs was prohibited for three months~~
~~(589). Bills to regulate wages and prices were passed (589 b, c, d).~~

The year 1778 saw continued prosperity and significant progress in debt
reduction, despite money being diverted for the militia (590 d). £ 1500 from the
treasury was allocated to redeem provincial paper (590 a) and public credit was

restored (590 e, f). A revised schedule of priority of payments from the treasury was drawn up, with government salaries replacing interest in first place. Contingencies were looked after next, then interest, sums voted by the Assembly, and reduction of the principal, in that order. (590g). ~~Richard Hughes had served the colony as its agent in England without remuneration for years, and was voted a sum of 500 guineas in appreciation (590 h)~~ Outstanding treasury receipts and warrants were reduced to just over £17,000. ^(P) Michael Francklin surfaced again, this time as superintendant of Indian affairs, asking Great Britain to send money to keep the Indians friendly in the current crisis. One could be excused for suspecting Francklin intended to embezzle a good part of any money sent to him. He did not wish to approach the Assembly representatives for any money, apparently fearing them more than the Indians. (590 c).

Arbuthnot requested troops and ships to protect Nova Scotia against marauding Americans, and also expressed fear that any overt move by France would precipitate Indian and Acadian involvement against the British (590 b). A small armed vessel was deployed to protect the coastline from Americans, who staged periodic raids both on shipping and on land, increasing the scarcity of provisions. The new Lt. Gov., Richard Hughes, asked the home government to underwrite this expense (590 j) but the inability of the province to pay was questioned (590 k). A sloop of war was stationed at Passamaquoddy to prevent illicit trade with the rebels (590 l).

~~Legislation output of the year included renewal of the duties on liquor, molasses and brown sugar (591 a, b) and of the act for farming the duties (591 c)~~

~~One resolution was made to forbid the export of molasses when its price exceeded 2s6d per gallon (592) and another prevented the acceptance of damaged coin into the treasury (593)~~

In 1779 Francklin submitted his expenses in settling a treaty with the Indians, which exceeded by almost £500 the £100 voted by the Council. He reported that a force of 600 Indians had been preparing to join George Washington's army and that he had been able to buy back their allegiance. The home government was asked to take on that expense together with the cost of two vessels needed to protect to Canso fisheries from American rebels (594 a). Great Britain considered that in view of its recent prosperity Nova Scotia should undertake a greater share of the payment of its civil service. The Lt. Gov. took the position that this was not possible, explaining that the revenues were expected to decline from £6800 in 1778 to about £5000 in 1779 (594 b). The British government also expected the Assembly to pay the expenses of the province's armed vessels, and added the hope that loyal Americans would settle in Nova Scotia (594 c). The Assembly disputed the expenditures made in connection with Francklin's treaty with the Indians, the armed coastal vessel, a military installation and the militia, and demanded that the money be returned to the treasury (594 d). The governor agreed to reimburse the treasury for all but the money spent on the militia (594 e). ~~Accounts were presented, showing a debt of £100,000 at interest (594 f). The house requested the application of the remainder of its allocation to roads and bridges. (594 g)~~

~~The land tax bill was warmed over again, amended to exempt uncleared lands, making the bill more palatable to the home government (595 a, b). Large~~

tracts of land were in the hands of rich speculators, who would thus be spared the tax, and only the industrious settlers would be taxed. A new tax was levied in the form of an auction duty (595 c) and an act was passed to explain the liquor duty act (595 d). The council returned to its old position in opposition to the forming of duties, rejecting a bill for the purpose (596). It was resolved to borrow £5000 by issuing interest-bearing treasury notes to meet the expense of the armed coast guard (597 a, c), to be repaid by an additional ^{duties} duty on liquor (595f) and ^{and} on vessels entering the harbour (595c). The money raised would also be used to construct block-houses for the defense of several towns thought to be endangered (597 c).

In 1780 the council ordered a customs collector to investigate a cargo of ~~goods~~ imported without payment of the duty (598 a). The house objected to some payments it considered improper, and asked the Lt. Gov. to replace the funds taken from the treasury. Accounts and estimates were also called for since the revenue acts were close to expiring (598 b). ^(P) The accounts were duly ^{for 1780} presented, and showed that no further progress had been made in reducing the provincial debt (598 c). Increased liquor duties were suggested for that purpose (599 a). ~~The various duties~~ on liquor, molasses and brown sugar and wheeled carriages, along with the license duty, were renewed (599 b, c, d, e, f). A bill proposed by the council reducing the interest rate on province paper was rejected by the assembly (600).

The specie shortage, which was generally built into the colonial economy ^{again} had become ^{by 1780,} acute again, causing heavy losses in

in negotiating bills of exchange. (601 a). Relief was provided when a fleet bound for Quebec was forced to put in at Halifax by bad weather. The £63000 sterling on board was diverted to supply provisions for Nova Scotia (601 b). Suspension of the duty on rum and molasses supplied to the commissary^{iat} was requested, especially since the specie shortage caused a 7 % loss on bills of exchange (601 c).

Business for 1781 included resolutions by the Council authorizing various expenditures, including £500 for a house for the rectory of St. Dunns Parish in ~~Halifax~~. Left over money was to be used to redeem province notes, the amount of which had remained constant since 1779 (602 a). ~~At the latter, when was attempted, this time in an effort to raise £1500 for a public school at Halifax, and commissions were duly appointed (602 b). The duty acts relating to liquor, molasses and brown sugar, and wheeled carriages were renewed, along with the license duty (602 c, d, e, f).~~

The new Lieutenant Governor, Hamond, complained that his income was rendered inadequate as a result of prices having doubled since 1775 (604). The Council ruled that province^{ial} paper was unacceptable for duties (605a), a position overruled by King George III, who ordered that bills of credit issued by the province be legal tender for payments to the treasury (605 b). There seemed to be some degree of misunderstanding over the matter, since Governor Parr claimed that bills of credit had not yet been established in Nova Scotia (as of January 1783) (605c).

Accounts presented for 1782 indicate that further action had been taken to reduce the public debt^(606 b). ~~which had dropped to £150000 (606 c)~~ Besides renewing many of the usual duty acts (607 a, b, d) the legislature imposed a new duty on goods imported by adventures, presumably prizes of war, in support of the transient poor (607 c), while exempting from duties molasses and liquor imported

for the use of the troops (607 e). Another act provided interest on treasury warrants not immediately payable as a result of the specie shortage.

By 1783 hostilities between Nova Scotia and New England had cooled sufficiently for the resumption of limited trade. The massive influx of Loyalist settlers caused severe shortages, and prices of goods and services were further inflated. Governor Parr was faced with large expenses incurred in surveying lands for the new immigrants (609 b). ~~In view of the shrinking value of his official salary,~~
~~the Assembly voted to give the governor an additional £500 (609c). Governors were~~
~~prohibited to receive such presents, and Parr defended his acceptance stating that~~
~~provisions cost him three times more than the prices faced by any of his predecessors~~
~~(609 d).~~

~~The Council prohibited any~~ The Council prohibited any imports from the United States, excepting foodstuffs, until such time as relations between the U.S. and Great Britain were normalized (611a), and its ruling was to be enforced by inspections (611 b). A year later the law was relaxed slightly, permitting the Loyalists to bring their possessions, which were subject to duties (611 c). The building boom created by the construction of homes and farm buildings for the new settlers caused a shortage of lumber, so building materials from the U.S. were permitted also (611 d). Some Halifax businessmen petitioned to bar ships carrying American-owned cargo (611 e), and there were complaints that the governor and council permitted U.S. contraband to land under the pretense that the cargo consisted only of provisions, and that this illicit trade drained specie (611 g). However, another opposing petition pleaded for continued access for American provisions and lumber (611 f). The reasons for these divergent interests are easily found. Because of the

severe shortages, Halifax merchants and local cattlemen were able to gouge the consumers mercilessly, flour being priced at £3;10;0 per cwt. Their pique was understandable inasmuch as imported American flour could be had at only £1;1;6 per cwt. or less. Besides controlling prices and reducing shortages, the limited trade with the Americans had the further advantage that British goods were taken back to the United States, as Parr was quick to point out to his superiors (611 h, i). Specie remained scarce, and bills of exchange were negotiated at a 10% loss (612)

The western part of the colony, soon to become New Brunswick, remained thinly populated until the arrival of the United Empire Loyalists. Many of them were to be given lands along the St. John River, but during the delay in receiving their lands some of the new immigrants committed depredations against the established settlers. The recommended solution was to get the Loyalists on their own land quickly and to take steps to instil respect for the law. Besides, the delay discouraged other Loyalists still in the United States from emigrating to Nova Scotia. By continuing rations to the new arrivals for at least a year it was hoped to stem the flow of specie to the US, in pursuit of provisions (613a). Parr had to draw bills of exchange on London in 1784 to pay for surveying over a million acres of new settlements, and a further draught was required for lumber, since all sales were on a cash basis and no merchant was willing to advance money upon warrants (613b, d). Dollars were current at 4/8 ^{stg.} sterling. (613c). The House of Assembly resolved to pay the interest on the provincial debt, as usual, and set aside 10 % of the duty money for the sinking fund established for debt reduction (613 f, g).

The Council and Assembly clashed violently in 1784, over the question of

revenues raised to pay for government and to support the poor. The Assembly proposed a reorganization of the revenues, and perceived proposed amendments to its bill from the Council as an attempt to limit the powers of the Assembly in revenue legislation. The Assembly refused to modify its bill, whereupon it was thrown out by the Council. The Assembly countered by cutting off all government expenditure except the payment of interest, taking the position that the revenues could cover no more, apparently because the most of the duty acts had expired. Having flared up that far, the affair was resolved rather quietly (and one suspects the governor as having had a hand in this) when the reason for Council's rejection of the bill was termed a "mistake", which the House willingly rectified. The House was also prepared to exempt from duties rum for the use of the navy, something demanded by the Council, if the governor insisted, (614a). Judging from the legislation, such was his excellency's wish (614 e). Passage of the revenue acts followed - the liquor duty was renewed, with alterations to combat fraud^d (614 b), an act was passed for more effectively raising a revenue for the support of government (614 c), and the license duty act was renewed again. (614 d).

~~The town of Shelburne was left in a poorer state after a brief boom during a heavy Loyalist influx than it had been previously, the camp having migrated elsewhere. The fishery was in decline and agricultural progress was slow. (616).~~

In 1785, £3000 in specie was shipped to St. John for the army, in order to avoid the current 7% loss on bills of exchange (617a). Accounts presented showed a considerable reduction in the public debt to *less than £9,000.* £8992;1;7 and that ~~the public debt had been reduced to £11,000.~~ (617 b). A committee of the House recommended that bounties be established to encourage the production of hemp, and bounties of 2/6 per bushel on flax seed, £5 per ton on potash, £20 per saw mill and 10/- per ton on ships over

forty tons, advising further that materials be made available to assist the whaling industry (617 c). The payment of interest was authorized as usual, and it was again resolved to apply 10% of the duties to debt reduction. Interest-bearing warrants were to be issued in the event that funds were lacking to meet expenses (617 d).

~~Committee was directed to review the revenue acts (618 a), and the liquor duty and~~

~~venue and excise duty acts were reviewed (618 b, c)~~

The legislature opposed U.S. imports except flour, rice and grain, but hoped to stimulate trade with the British West Indies by exempting their rum and molasses from duties (619 a). Illicit U.S. trading was reported at Canso (619 b). Fuel and food had become cheap again, despite the absence of American imports, but lumber was scarce in consequence of a severe drought during the summer of 1785, threatening the lumber trade with the West Indies; ~~with~~ Massachusetts lumber threaten^{ed}ing to take up the slack. (620).

In 1786 Governor Parr found himself in the position of having to answer allegations that he was profiteering from the difference between sterling and Halifax Currency, which he repeatedly and vigorously denied. He reported expenditures for clothing, seed and implements for destitute Loyalists and for a schooner used for administration (621 a). Revenues were beginning to fall behind expenses again (621 b), but over the previous year the provincial debt had diminished slightly (621 c).

~~(621 d) The treasury of the new colony of New Brunswick sought funds for duties given by its inhabitants prior to the division of the province from Nova Scotia, but Nova Scotia was agreeable only if New Brunswick would be willing to assume a proportion of its debt, (621 d).~~ Estimates were considered (621 e) and 10% of the duty

revenue was appropriated for the discharge of debt and payment of interest (621 f).

Halifax merchants complained against the Sunk Duty Act (622 a), but a motion to let it expire was defeated in the Assembly. A new 2 1/2 % duty was levied on all goods imported by non-resident merchants, to be used in supporting the transient poor (622 b). A motion to increase the excise duty on rum and wine was passed, but an extra duty on tea was defeated (622 c). Import and excise duties and the revenue act were renewed (622 d, e, f). Richard J. Uniacke, whose loyalty was called into question during the Revolutionary War, was cast as a vigorous supporter of the British Empire when he complained that money was being spent on luxuries illegally imported from the US, and that such money ought to be spent on British wares (623 a). Others protested against trade with the Americans, particularly as it threatened the flourishing lumber trade (623 c).

Accounts presented in 1787 indicated that the financial debt had been further

increased by £100 (624). Expenditures were beginning to outstrip revenues.

that a debt increase appeared likely (624a). Nevertheless, the rejuvenated bounty

system was extended. A bounty on iron manufacturing was recommended, and bounties on hemp and lumber formerly available to the American colonies were sought from Great Britain. It was resolved to amend the bounty on shipbuilding to 7s 6d per ton on ships displacing over 70 tons. Flax seed exported to Great Britain and Ireland was supported by an additional 6d per bushel (624b).

for 1788 were discussed (624d). Another lighthouse, this one at Shelburne, was to be

supported by a duty of 4d per ton on merchant ships using the harbour. The duty was

3d per ton for ships of Nova Scotian ownership, and coasting vessels were to pay an

annual fee (625).

There was continued trouble with American fishermen smuggling in goods, competing unfairly against local traders who paid the duties. Americans had been given the right to dry their fish in unsettled regions by the peace treaty, and they were abusing the privilege. Others secured Nova Scotian land grants, pretending to be moving to the province, and were profiteering on their illicit cargoes. A 10% duty was to be levied against American imports to discourage such practises (626a). The Americans could not compete in supplying one commodity, rum, which was being obtained cheaply from the West Indies (626b). With the commercial growth spawned by Loyalist immigration, it became necessary to establish customs officers in the Bay of Fundy and Minas Basin areas to expedite business (626c).

An act was passed ^{in 1787} to suppress base and counterfeit halfpence and other coppers, which were in widespread use. ~~the~~ ^{British} silver was rated in Halifax currency by the same act, the crown at 5s 6d currency, the half crown at 2s 9d, and the shilling at 13d (627). This act ^{actually} had the effect of driving British silver out of circulation, since it overrated the Spanish dollar in relation to sterling. Dollars, which circulated at 5/- cy, were imported by the merchants (774g). Sterling, on the other hand, was not willingly received by the public at its prescribed rating, and was not in general circulation. What little British silver found its way into the provincial Treasury was remitted annually to England to avoid having to pay it out at a loss (774f). The act also had the effect of removing British half pence from circulation. ~~£~~

Revenue acts were considered in committee, with most being renewed. A new duty of 1d per pound on gun powder was suggested (629a, b, c,). Details of expenditures on bounties, roads and bridges were presented (629d). The council and House of Assembly had another heated exchange over the appropriation bill, the assembly insisting that it alone originated and amended money bills, and accusing the council of obstruction (629e). The assembly sought to have American lumber and other