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RELATING TO

CANADIAN CURRENCY, EXCHANGE AND FINANCE
DURING THE FRENCH PERIOD

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DOCUMENTS

RELATING TO

CANADIAN CURRENCY, EXCHANGE
AND FINANCE DURING THE
FRENCH PERIOD

Selected and Edited with Notes and Introduction by
ADAM SHORTT

VOLUME II

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CURRENCY AND EXCHANGE

FRENCH PERIOD

VOLUME II

DOCUMENTS RELATING TO THE HISTORY OF CURRENCY,
BANKING AND EXCHANGE IN CANADA

FRENCH PERIOD

VOLUME II

URGENT NEED OF MONEY IN THE COLONY

M. Dupuy 20 Oct., 1727

My Lord,

.....
 You see, My Lord, how great is our need of money in the colony for next year; I have begged you in my other letters to order that some may be sent to us out of the surplus of the funds to be remitted to the colony, and to provide the amount, in whole or in part, in the Establishment of the King¹ for 1728. I make the same request to-day with even greater urgency, the colony and all its trade being under extreme depression from lack of money.

[Signed] DUPUY.

Quebec, 29 October, 1727.

PROPOSED HIGHER RATING OF THE COINAGE IN CANADA

M. Dupuy

My Lord:

I had the honour of proposing to you a simple expedient for the money of Canada, which is the raising of its rating by a quarter, as was the case formerly; but it must be acknowledged that that would not effect what we may wish here; that it would not prevent the merchant from abroad from taking away the money by raising the price of his merchandise in proportion to the higher rating of the coinage; that it would be of some disadvantage to the officials and would not place the colony out of reach of injury from the reductions and other changes in the currency which are going on in France, and which, coming only to the colony out of the seasons and circumstances which caused them to be adopted, will never produce here the same effects as were looked for in France in putting them into operation. Add to this, that they know here the reductions and increases of the currency before these can be formally announced.

A memorandum which will appear to you to be in great detail and to remove the difficulties which may be raised, as such memoranda should do when they are well thought out, contains an expedient which deals with many matters and at the same time discloses more advantages to the colony. It is by M. Cugnet, Director of the Domain, who is an individual of much intelligence and of profound reflection.²

[Signed] DUPUY.

Quebec, October 27, 1727.

¹ In the first part of this despatch Dupuy gave a detailed statement of the finances of the colony. As to the place of the "establishment of the King" in the financial system of the colony, see note 1, p. 387.

² This memorandum of Cugnet's has not been found. As the document which follows indicates, it was not favoured by the minister.

PROPOSAL TO RE-ESTABLISH A SPECIAL RATING FOR
CANADIAN CURRENCY NOT APPROVED OF

Versailles, May 24, 1727.

To M. Dupuy

.....
I know the full necessity there exists of procuring specie for Canada which may promote the interior trade of the colony, but, apart from the fact as bullion, on which there would only be gain for them if the proposition you made of raising the rating of the currency by a quarter would not work as you think, because these coins would leave the colony in the same way. Those which might be minted with a special die would not last much longer on account of the facility they would have of getting rid of them in France as bullion, on which there would only be gain for them if the proposition of the author of the memorandum were accepted, which would be to give them one third over and above their intrinsic value. It has, no doubt, occurred to him that the coins which are at present in circulation in France are on a basis much higher than one third of the intrinsic value. I am surprised that this observation escaped you.¹

None of these propositions being conformable to the point which one must have before himself, of establishing in the colony a currency which will be employed only in its interior trade, the question is to find a means of meeting this requirement. I am working at it and may be able to reach a conclusion before the departure of the vessel. You will fully know at least, by that channel, my views on the matter, if there should be a delay in giving them effect.

LACK OF CURRENCY IN THE COLONY

Colonies

Messrs de Beauharnois and D'Aigremont, Quebec, November 11, 1728.

My Lord:

M. Daignemont and I are very much embarrassed by the scarcity of money existing in Canada. The public have all made representations to us, by means of petitions, to issue card money, which could be withdrawn on the arrival of the King's vessel; the trafficking in personal notes² is very dangerous and gives rise to frightful usury, the ill effects of which are only too visible.

¹ See the edicts of January 1726, given at p. 551, and of the 26th May 1726, given at p. 559, in which, particularly in the first, the fiscal reasons for increasing the ratings of the coins were fully set forth.

² As usual, when coined money was not sent to Canada, or when, for lack of bills of exchange, what was sent was returned to France within the same season, the dearth of currency for local circulation led to the issue of small notes or *bons* by the merchants, and these soon passed into general circulation. This occurred in 1683 (see note 2, p. 61) just before the issue of the first card money by DeMeulles (see p. 69). A similar situation is recorded at this time, alike as to the issue of merchants' notes, and the pressure on the intendant to resort to card money.

We shall look into every means, and we shall not decide on this, except in so far as it is absolutely impossible to dispense with it; there is scarcely any means of doing otherwise.

We have the honour to be, with the deepest respect, My Lord,

Your most humble and obedient servants,

BEAUHARNOIS
DAIGREMONT¹

INSTRUCTIONS AS TO DISPOSAL OF CARD MONEY ABOUT TO BE ISSUED

Memorandum of the King to the Marquis de Beauharnois, Governor and Lieutenant General of New France, and Sr Hocquart, Commissary General of the Marine, Controller of the said country.

March 22, 1729²

His Majesty having had a report made to him on the letter written by the Marquis de Beauharnois and Sr Daigremont on November 11,³ of last year, together with the petition presented to them by the merchants of Canada, by which they requested there should be established in the said country a currency in notes or in some other form,

These representations of the merchants, those made by the public to the said S^{rs} de Beauharnois and D'Aigremont for the establishment of a card money, the knowledge His Majesty has of the necessity, alike in reference to interior and foreign trade and to the growth of the colony, that there should be a currency indigenous to the country decided him to issue the ordinance which Messrs de Beauharnois and Hocquart will find herewith, by which he wills that there shall be issued, to the amount of 400,000 livres, card money of the values mentioned in the said ordinance, to the entire contents of which they shall conform themselves.

His Majesty is persuaded that this money will be regarded in the country in the same manner as gold and silver coin, by the constant application which he will make of the funds to be devoted to the expenses of the colony, to the retirement each year of all or the greater part of this money, either by the sale of munitions and merchandise, which he will have sent out, or by the bills of exchange which shall be drawn on each appropriation, and which shall be paid regularly in France in cash, and for the amount of which there shall be returned card money of Canada.

¹ D'Aigremont (see note 1, p. 257) was, at the time of Dupuy's suspension and recall, commissary of the marine and deputy of the intendant at Montreal. To him Dupuy turned over his functions as intendant, and, on 1st October 1726, Beauharnois announced to the minister that he had brought D'Aigremont from Montreal to take the place of Dupuy, under the title of administrative commissary or intendant commissary. On December 2nd the governor writes again announcing the death of D'Aigremont, whom he eulogizes as having been universally admired and respected.

² Date given in the margin.

³ Given above, p. 581. None of the petitions presented by the merchants and others, though frequently referred to, have been found either in these documents or elsewhere.

When these cards shall have been prepared the King's intention is that, if S^{rs} de Beauharnois and D'Aigremont had decided, on the representations of the whole country, to issue some of this money or these notes before the receipt of His Majesty's orders, there shall be taken from the new money the issue of which has been ordered, an amount equal to that which may have been employed, or of the notes, if any may have been issued, and that the whole shall be withdrawn and burned, an official certificate of which shall be drawn up and a copy sent to the Secretary of State having the Department of Marine in charge.¹

S^r Hocquart will take care to have the agent of the Treasurers or others informed of the application which has been made of this money or these notes, supposing some have been issued.

He will cause to be remitted afterwards to the agent of the Treasurer in office, in new card money, the sum necessary to complete the payment of the expenses for the present year contained in the Establishment of His Majesty, for which sum the said agent will give his receipt in quadruplicate at the foot of the four official minutes of preparation.

It is His Majesty's intention that the remainder of this money shall be locked up, along with the die of his arms, in a strong box or chest which shall be placed in the Intendancy office, that there shall be two different locks and that the two keys of these locks shall be delivered one to S^r Hocquart and the other to the Controller,² and when it shall be necessary to supply funds to the agent of the Treasurer for the payment of expenses which have been ordered, the strong box or chest shall be opened by the said S^r Hocquart and the Controller, and there shall be taken from it, in their presence, the number of cards deemed necessary by the said S^r Hocquart to be handed over to the agent of the Treasurer, who will give his receipt at the foot of the official minutes, which shall be deposited in the office of the Intendant and the office of the Controller; and this practice shall be followed whenever such transfer shall be deemed necessary.

The funds allotted for the expenses of the present year, and those to be allotted for the year 1730, proving to be overpaid by the sum of 88,050^l 4^s 2^d remitted in 1728, on account of the fund for 1729, by means of bills of exchange amounting to 512,494^l 15^s drawn on the appropriation for the present year, of which His Majesty has been good enough to order the payment to preserve the credit of the country, by the shipment he has made of munitions and merchandise to the amount of 60,597^l 19^s 9^d, and by a similar shipment which will be made next year, and as, furthermore, while awaiting information as to what the extra expenditures for the years 1725, 1726, 1727, and 1728 consist in, and provision having been made for the service of these two years and longer by the card money and the extraordinary receipts from the product of the sales of munitions and merchandise from the warehouses, and from peltries coming from Forts Frontenac and Niagara, no bill of exchange should be drawn on the appropriation of the present year nor that of 1730. He has very expressly forbidden S^r Hocquart to permit it on any pretext or for any reason whatsoever. He is desirous of repeating it in the joint despatch, and to add that, apart from his being very much displeased if the prohibition is dis-

¹ The Council of Marine, presided over by a president, had been abolished when the King came to his majority in 1723. The Department of Marine was then placed in charge of a Secretary of State.

² At this time Lanoullier was Controller of the Navy, but he was dismissed shortly afterwards and, on 22nd May, Hocquart is informed of the appointment of Varin as his successor (see note 1, p. 357).

regarded, any bills of exchange that may be drawn will be returned and absolutely will not be paid.

His Majesty will give orders next year that, after the arrival of the vessel which will be sent to Quebec at that time, bills of exchange are to be drawn for the year 1731 for one hundred and eighty or two hundred thousand livres, through which there will be retired an equal amount in card money, which will serve for payment of the expenses for the said year 1731, and the same practice will be adopted for the following years.

His Majesty, desiring that the distribution of the bills of exchange, which are drawn each year commencing from the month of September 1730, may be done equitably, that there may be no partiality or abuses, and that all the holders of card money may participate therein, directs that these bills of exchange be viséd by S^r Hocquart, that they may be furnished only on the fund which shall be ordered by him, and that to this end he shall require those who request bills of exchange to hand over to him the cards they wish to make use of in this way, and that, after having made up the total, he will have bills delivered to each, at a pro rata of the amount they have delivered to him in card money; that is to say, if they have handed to him 300,000 livres worth of card money, and he has drawn bills of exchange to the amount of 200,000 livres, he will have bills delivered to each, amounting to two thirds of the card money which has been placed in his hands, and return to them the other third of the card money. By so doing, all occasion of complaint will be avoided, and the credit of this money will be more and more established by the exact and just distribution of the bills of exchange, which shall be regularly settled in France in cash. His Majesty enjoins S^r Hocquart to follow this arrangement with exactness, and forbids him to have any bill of exchange delivered except to those who shall return card money in conformity with the regulations.

Although His Majesty has explained to the Marquis de Beauharnois and S^r Hocquart with sufficient fullness his wishes respecting expenditure so that they may conclude that he would not approve of the estimates being exceeded, he desires again to observe to them that the abundance of the funds with which they will be provided after the issue of the 400,000 livres' worth of card money does not change his purposes, and that they must confine themselves within the exact scope he has prescribed for them and observe great economy.

When S^r Hocquart, by the audit which His Majesty has ordered him to make, shall have ascertained the actual receipts and expenditure (as there should remain a considerable surplus fund, all the expenses until and including 1730 being paid), His Majesty will decide whether he will have card money to the value of the surplus suppressed, or whether he will employ the amount to the expenses of the fortifications; on which they will await his orders and do nothing on their own initiative.

[Not signed]

ORDINANCE FOR THE RE-ISSUE OF CARD MONEY

Ordinance of the King on the subject of Card Money, of March the second, one thousand seven hundred and twenty nine

BY THE KING

His Majesty having caused a report to be made to him of the situation existing in the colony of Canada, since the abolition of card money, and being informed that the gold and silver coin which for ten years past he has had sent, for the expenses of the country, has returned each successive year to France,¹ which causes the destruction of the domestic trade of the colony, hinders the increase of its establishments, renders more difficult the retail sale by merchants of their merchandise and provisions, and by necessary consequence reduces the foreign trade, which can be maintained only by the consumption brought about by retail trade; His Majesty has had before him propositions the best adapted to remedy these inconveniences which are not less matters of concern to the trade of the Kingdom than to his subjects in New France. In the discussion of all these means none has appeared adequate except that of the establishment of a card money, which may be received in His Majesty's stores in payment for powder and other munitions and goods which are sold there, and for which there shall be furnished bills of exchange on the Treasurer General of the Marine in office at the time. He has made this decision the more willingly as he is simply meeting the wishes of the merchants in Canada, who last year presented a petition to this effect to the Governor and Lieutenant-General and to the Commissary Intendant of New France, and also the

¹ During the period of the demoralization of the French currency, especially between 1700 and 1717, few coins were available in France. The bills of exchange drawn from Canada were slow in payment, and when paid it was invariably in paper money at a heavier discount than even the card money of Canada. There was, however nothing but bills of exchange to be sent from Canada to France. When the currency of France improved, with the reconstruction after the fall of Law, the bills of exchange once more came into favour in Canada. Under the improved demand for bills there was naturally temptation for the Canadian authorities to indulge in surplus expenditures, to be met in bills on the treasurers general of the marine. The drawing of bills was therefore sharply discouraged by the Home government. The expenditure of the colony was to be restricted to the funds and merchandise, chiefly the latter, in which the annual appropriations were sent to Canada. The development of this policy was brought out in the instructions to Hocquart who took office at this time (see note 2, p. 591). In spite of the most careful precautions, and the most drastic threats in case of exceeding the annual appropriation, the expenditures always exceeded the receipts, of which only a small proportion was in money. The money which came into the hands of the merchants naturally returned to France as much the most direct and economic means of paying for imports. Had the intendant been permitted as formerly (see note 3, p. 383) to receive cash in return for bills of exchange on the treasury, little money would have left the country as bills constituted the safer mode of remittance. Practically all of the money that was not privately hoarded would have been available for the use of the colonial treasury the following season, requiring only the difference between that amount and the annual appropriation to be supplied from France. Hoarding, however, had always to be reckoned with in Canada, as combining with the export of specie in curtailing the money available for current circulation. Even the card money, as we shall see, so long as its redemption was guaranteed was to a remarkable extent withdrawn from circulation and hoarded by the colonists.

requests of the inhabitants in general who have made the same representations, and that this currency will be of great benefit to trade, both interior and foreign, owing to the facility it will afford for the purchases and sales carried on in the colony, whose establishments it will increase; His Majesty desiring to set forth his intentions on the subject, has decreed and hereby decrees, as follows:

Article I. There shall be issued card money to the amount of 400,000 livres of 24 livres, 12 livres, 6 livres, 3 livres, and one livre ten sols; of 15 sols and of 7 sols 6 deniers, which cards shall bear the imprint of His Majesty's arms, and be written and signed by the Controller of the Marine at Quebec.

II. The cards of 24 livres, 12 livres, 6 livres, and 3 livres shall also be signed by the Governor and Lieutenant-General, and by the Intendant or Commissary-Intendant.

III. Those of 1 livre 6 sols, of 15 sols and of 7 sols 6 deniers shall be merely paraphed by the Governor and Lieutenant-General, and the Intendant or Commissary-Intendant.

IV. The issue of the said 400,000 livres of card money may be made at several different times, and there shall be prepared for each issue four official minutes, one of which shall be delivered to the Governor and Lieutenant-General, another to the Intendant or Commissary-Intendant, the third shall be deposited and registered in the Controller's office, and the fourth sent to the Secretary of State for the department of the Marine.

V. His Majesty forbids the said Governor and Lieutenant-General, Intendant or Commissary-Intendant, and Controller to inscribe, sign or paraph a sum greater than that of 400,000 livres, and forbids anyone to counterfeit it, on pain of being prosecuted as *faux monnoyeurs*¹ and punished as such.

VI. His Majesty wills that the card money made in pursuance of the present ordinance may pass current in the colony for the value written thereupon, and that it may be received by the storekeepers established in the colony in payment for powder, munitions and goods, which are sold in the warehouses of His Majesty, also by the Treasurer as payment for the bills of exchange which he will draw on the Treasurers General of the Marine, each within the year of his office, and in all payments generally whatsoever, which are made in the colony, of whatever kind and nature they may be.

His Majesty enjoins and orders the Marquis de Beauharnois, Governor and Lieutenant-General of New France, and S^r Hocquart,² Commissary-

¹ *Faux Monnoyeurs* were normally persons who made the dies for the production of false coins. The term covered more or less, however, any others who used the dies in striking the coins; and even sometimes those who were employed in passing them. Here its application is extended to include those engaged in counterfeiting the card money. The punishment of *faux monnoyeurs* under the French law long remained the most severe in Europe. In feudal times their eyes were torn out; later they suffered death, and in the time of Charles V and Francis I, the death penalty was inflicted through the medium of a cauldron of boiling water. At Quebec, on the 2nd September 1736, the Intendant Hocquart, assisted by members of the Council and the law officers of the Crown, condemned Louis Mallet and Marie Moore, his wife, to be hanged for making and putting in circulation counterfeit card money. Other executions of a similar nature are recorded.

² Gilles Hocquart de Champigny, Knight, and Councillor of the King, was born in 1694 at Montagne, being the second son of Sr. Hocquart de Suller, Intendant of Havre and of Toulon. He began his official career as a clerk at Brest, in 1706. He was afterwards commissary, first at Toulon in 1718, and then at Rochefort in 1721,

1729
Pour le Journal de Nuy-quadre
Livre
Beaubarnon
Avoynas

1733
Pour le Journal de Nuy-quadre
Livre
Beaubarnon
Avoynas

1742
Pour le Journal de Nuy-quadre
Beaubarnon
Avoynas

1747
Pour le Journal de Nuy-quadre
Livre
5 3

1752
Pour le Journal de Nuy-quadre
Livre

Card money of the Second Period.—Monnaie de carte de la deuxième période.

Intendant, performing the functions of Intendant in the said country, to give

becoming controller there in 1725. He was thus quite familiar with the departmental aspect of Canadian affairs, as regards the department of marine. Under a commission of 8th March 1729, he was appointed to Canada, at first under the title here given of commissary general of the marine, to perform the duties of intendant of New France. This was the rank held by the deputy, D'Aigremont, who had temporarily filled the position. Apparently, after the experience with Dupuy, his successor was appointed to the inferior status, with a view to avoiding any conflict with the governor, until it was ascertained whether they were likely to work amicably together. When it was found that Hocquart was a very discreet and good-natured person who got on very well with the governor, the latter himself recommended, in October 1730, that he should be raised to the full rank of intendant. This was accomplished 21st February 1731. The friendly relations still continuing, the King was so pleased with the conduct of the intendant that the following spring, 29th April 1732, he was appointed an extra, or honorary commander in the Order of St. Louis. The memorandum of the King serving as instructions for Hocquart was issued on the 22nd March 1729 (see C¹¹ I, Second Series, p. 593, also p. 716 of the same volume, where is given another copy, somewhat fuller, of the same date). He is informed that the King, finding from reports called for, that the expenditure in Canada was regularly exceeding the appropriations, has determined to put an end to this. He thus prescribes for Hocquart the conditions under which the finances of the colony must in future be carried on. Having appropriated sufficient funds for the regular expenditure of the colony, and which are supplied partly in money but chiefly in merchandise, the intendant is expressly forbidden, under any pretext whatever, to draw a single bill of exchange on the treasury in France. This prohibition is extended also to the resident agent of the treasurers general of marine, and, in case of disobedience on his part, he is to be immediately arrested. This of course did not apply to the bills drawn to redeem the card money, which was to be again issued, nor for certain extraordinary expenditures specially sanctioned. For the extraordinary expenditures, chiefly connected with the outlying posts, military operations, and a supply of presents for the Indians, there are the proceeds of the sale of beaver from Forts Niagara and Frontenac, the sale of special munitions from the magazines, and the newly authorized issue of 400,000 livres of card money. With reference to this card money he is to conform strictly to the instructions given with reference to its issue. (See the document which precedes this, p. 583). He is particularly enjoined to send to the Home government, through the Minister of Marine, full accounts of all receipts and expenditures. As will be seen from the documents which follow, and as may be gathered from his own later reports and those of his successor in office, the famous Bigot, the intendant did not adhere very closely to these strict instructions. He thus furnished an example which his able but more unscrupulous successor improved upon to a very extensive degree, especially in the last years of the colony under French rule. Joint instructions to the governor and intendant were issued April 19th, 1729, given in the same volume as the above, p. 752. They dealt more fully with the respective duties and powers of the governor and intendant with a view to avoiding future conflicts of authority. Though not very exact in his financial accounting and rather lax in checking up the tendencies to extravagance in others, Hocquart was essentially honest, as also industrious and zealous in the discharge of his general duties. He took a special interest in the development of the resources of the colony, especially in connection with shipping and naval stores; indeed his tenure of office marked one of the most prosperous periods in the history of the colony under French rule. The minister, Maurepas, extending to Canada his patronage of science and the arts, requested Hocquart to promote these interests in Canada and to confer with those competent to afford sound advice in these matters, a commission with which the intendant was in entire sympathy. He complained from time to time of the increasing cost of living in Canada, especially during the war period between 1745 and 1747, and urged increases of remuneration for both himself and his associates. Writing to the minister on 28th October 1747, he says he is a ruined man and asks to be recalled. His request was complied with, 6th March 1748, but he was instructed to continue to act until the arrival of his successor, Bigot, then in France. Giving up his position in September, he returned to France in the autumn, and the following year was appointed intendant at Brest. This position he held until 1764 when he was appointed to a virtual sinecure as Intendant of the Personnel of the Fleet (*Intendant des Classes*). He died 1st April 1783, at the age of eighty-nine.

their attention to the execution of the present ordinance, which shall be registered in the office of the Controllor of Marine at Quebec.

Done at Marly, the second March, one thousand seven hundred and twenty nine.

[Signed] LOUIS

And underneath,

By the King

[Signed] PHELYPEAUX

And sealed with the small seal.

PROHIBITION OF ISSUE OF CARD MONEY ON LOCAL AUTHORITY

Versailles, April 12, 1729.

TO MESSRS DE BEAUHARNOIS AND DAIGREMONT
Gentlemen,

I have received the letter you wrote to me on November 11¹ of last year, with the petition presented to you by the the merchants and inhabitants of Canada, by which they have requested that there be put into circulation a currency of notes or otherwise, to supply the scarcity of money existing in the country.

This request and that which you mentioned having been made by the public to have card money issued, causes me to fear that you have decided to do this without awaiting the orders of the King, which would meet with the serious disapproval of His Majesty. He directed me to write to you that his intention is that you should not issue either card money or notes, and that, in case you had taken this step, you must cease absolutely from distributing them. You will learn, on the arrival of the *Elephant*, the measures which have been taken to provide the necessary funds for the expenses not only of this year, but also those of 1730.

[Not signed]

ATTEMPTS OF CERTAIN MERCHANTS TO PROFIT FROM THE SHORTAGE OF MONEY AT THE COLONY'S EXPENSE

Canada May 10, 1729

Messrs de Beauharnois and Silly

My Lord:

.....
The scarcity of coin (of which we had the honour to inform you last autumn) has excited among the greater number of the foreign, and some

¹ Given at p. 581. This indicates that they might be driven to the issue of card money without waiting for instructions. Should this have taken place, provision is made, in the last document but one, above, for disposing of this partial issue. (See p. 583.)

of the resident, merchants, an inordinate desire to enrich themselves at the expense of the colony, in order to return to France with the fruits of their illicit gains. They have sought to profit from the grievous situation existing here on account of the shortage of money. With a view to making considerable profits they have bought up all the wheat in the District of Montreal and a good part of that of the District of Quebec, which they have put in storage throughout the countryside and which they have converted into flour and biscuit. The inhabitants have sold most of their wheat without inconveniencing themselves, as they have been able to take what they want for their seeding. From this cause, My Lord, has arisen a sort of scarcity in the midst of abundance. Several parishes in which the crop has not been good have sent to Quebec to ask us for wheat for seeding purposes and for sustenance. Some, even of those who are not suffering from scarcity, imagining that wheat was going to be delivered to them at the expense of the King, have presented themselves to ask for it; but as the colony does not lack wheat we have contented ourselves with facilitating the purchase of it by those who have a real need of it, in engaging merchants who have collected large amounts to deliver the quantity applied for, taking the products or the provisions of the inhabitants who have the means of payment, and security for payment from those who have no means.

We hope that, with these precautions and those which have been taken in the District of Montreal, the colony will not suffer from misfortune, the results of which might be very distressing if there had been any delay in applying the remedy.

[Signed] BEAUHARNOIS. SILLY.¹

Quebec, 10th May, 1729.

¹ Jean-Baptiste de Silly was at this time acting as deputy intendant in place of D'Aigremont who had died the previous autumn, after the departure of the vessels for France. He had long been in the service of the Naval Department as a clerk. In 1721 he was commissary intendant at Havre, and in that capacity was asked to send on to Paris, by water, two cases which had arrived from Canada containing a plan in relief of the town of Quebec. In August 1724 he was chief clerk or agent of the Navy at Rouen, and in 1727 was the regular commissary of the Navy at Rochefort. On May 24th 1728 he was informed by the minister that the King was sending him to Quebec to act as commissary in the Navy to assist the Intendant Dupuy. In a despatch of the same date to Dupuy the minister recommends de Silly to him as a very good man who has had long service in the Navy Department. He was then about forty years of age. Soon after his arrival in Canada Dupuy resigned as intendant, transferring the office to his deputy, D'Aigremont, who came down from Montreal, and de Silly was sent there to take his place as deputy. This arrangement was subsequently approved of by the minister. On the 9th December, 1728, de Silly writes to the minister announcing the death of D'Aigremont and his having taken over the duties of the position at Quebec. This arrangement was disputed by the controller, Lanoullier, who claimed the right to succeed as acting intendant, but the minister declared that he had no such right to the position. On 30th April 1729 de Silly reports that he is carrying on the affairs D'Aigremont had in hand, and reports on various special subjects. When Hocquart arrived and took over the duties of intendant, he reported, 25th October 1729, that he had appointed de Silly as his deputy at Montreal, where the latter had arranged with a contractor named Belleville to continue the work of circumvallation. De Silly found, however, that the Canadian climate was injurious to his health, his lungs being apparently affected, and in the latter part of 1729 he requested that he might be permitted to retire on a pension. The minister was favourable but indicated the difficulty of securing a pension for one whose age was not more advanced. However, he managed to secure him an allowance of 1,200 livres. After remaining a time in France, de Silly was appointed controller of the colony of Cayenne in 1735. He died there the following year.

DETAILS IN CONNECTION WITH THE PREPARATION OF THE
NEW CARDS

I

Canada October 25, 1729

Messrs de Beauharnois and Hocquart

My Lord,

M. Hocquart had the honour to inform you in Paris that he had made a purchase of about 2,000 sets of cards, blank on both sides, to provide for the making of the card money ordered by His Majesty. Two thirds of them have been soaked in water and entirely ruined in the wreck of the King's ship. We shall be obliged to use ordinary cards for the making of a part of this money.

We beg you, My Lord, to have sent by next year's ship 2,000 sets of 52 cards each, in order that we may be in a position to make new money in case the first be counterfeited, unless you would prefer, My Lord, to give orders in Paris to have the money prepared, observing the precautions set forth in the memorandum herewith: by this means a considerable labour will be avoided by the Controller of the Marine, who would be more usefully employed in working at financial matters, or in relieving M. Hocquart in this part of his service, for which he is so eminently suited.

[Signed] BEAUHARNOIS. HOCQUART.

Quebec, October 29, 1729.

II

Herewith attached are seven specimens of the different denominations from 24¹¹ to 7^s 6^d, as they have been issued in Canada in 1729.¹

TO WIT

4,000	cards	of	24 ¹¹	making	96,000 ¹¹	
10,000	"	"	12 ¹¹	"	120,000	
10,000	"	"	6 ¹¹	"	60,000	
10,000	"	"	3 ¹¹	"	30,000	
20,000	"	"	1 ¹	10 ^s	making	30,000
50,330	"	"		15 ^s	"	37,747.10
70,004	"	"		7 ^s 6 ^d	making	26,251.10
<hr/>							
174,334							399,999.
<hr/>							

Let there be made the number of 174,334 cards similar to the specimens herewith, on which engrave the name of the Controller, the year, the denominations and the names of Messrs. Beauharnois and Hocquart also, just as the whole is written in the specimens.

Send three new dies, one with the arms of His Majesty which will be placed at the head, and two others, the first with the arms of M. de Beauhar-

¹ For samples of these, see plate IV.

nois and the second with those of S^r Hocquart, to employ in stamping the said money at Quebec.

These dies must be difficult to counterfeit and well cut.

One might add a vignette on the back of each of the said cards.

[*Not signed.*]

Quebec, October 25, 1729.

III

Card Money Canada October 25, 1729

Messrs de Beauharnois and Hocquart

My Lord,

The Marquis de Beauharnois and S^r Hocquart have the honour to reply to the King's memoir of the 22nd March last,¹ respecting card money, the issue of which the King ordered by his ordinance of the 2nd of the said month² attached to the memoir. They have had this ordinance published at Quebec, Montreal and Three Rivers, in pursuance of which they have issued this money to the value of 63,337¹¹ 10^s, in accordance with the official minute herewith, which sum has been handed over to S^r Bauve,³ appointed by S^r Hocquart to perform the duties of the Treasurer, for which he has given his receipt at the foot of the official minutes deposited in the office of the Intendant and that of the Controller. The dies of His Majesty's arms have been placed in the strong box at the office of the Intendant under two keys, one in the care of S^r Hocquart, the other in that of S^r Varin,⁴ the Controller; we shall observe the same formalities as we continue to issue this money.

S^{rs} de Beauharnois, Daigremont, Depuis, and S^r de Silly, Commissary-Intendant, having received no representations from merchants and inhabitants

¹ See p. 583.

² See p. 589.

³ Nicolas Bauve was the son of Pierre Bauve a master carpenter at the Seminary of St. Sulpice, Paris. Having applied to the intendant for a clerical position, Hocquart had apparently engaged him with some others, in 1728, as a temporary employee, and asked the minister for an increased allowance for Bauve and another and, if possible, permanent appointments for them as writers or clerks. On 2nd May 1729 the minister replied stating that the allowances for the temporary clerks must be reduced, and that it was impossible to grant a commission for Sr. Bauve as a writer or clerk, although he agreed to his remaining in a temporary capacity. On the 22nd of the same month an Order of the King was issued dismissing Lanoullier from the joint positions of controller of the Navy and agent at Quebec of the Treasurers General of Marine. On receiving this instruction, Hocquart provisionally appointed Bauve to the latter position, Varin becoming controller shortly afterwards. Taschereau, however, was appointed by the minister to the position of agent of the Treasurers General, and returned to Canada in 1732 (see note 1, p. 635). Meantime the minister had asked the intendant to inform him of the services of Bauve, indicating that if he has proved efficient he may be employed elsewhere. When Taschereau came out and took over the office of the colonial treasury he declined to be responsible for any financial operations of his predecessor, requiring that Sr. Bauve should account directly and personally for all his operations while filling the office. In this contention he was supported by the minister.

⁴ Jean Victor Varin de la Marre played a very important part in Canadian financial affairs for some thirty years. After Bigot he was probably the most deeply involved in the economic and administrative scandals of the colony during the last decade of French rule. Like Bigot, also, he was a man of exceptional ability, and during the first twenty years of his official career in the colony was constantly eulogized, especially by the Intendant Hocquart, for his high administrative qualities and practical efficiency. He was also repeatedly commended by the Minister of Marine. His development of corrupt practices in connection with the public expenditures seems to have coincided

asking for the issue of a circulating medium, and S^{rs} de Beauharnois and

very nearly with his association with Bigot, after 1748. His previous excellent record permitted him for a time to escape direct criticism in connection with the known malversation of subordinates, who, however, could not have carried on their fraudulent practices without the knowledge and probably connivance of their superiors. Varin was a clerk in the Marine Department at Rochefort, from 1721 at least. When, in 1729, Lanoullier was dismissed and his functions divided, Varin, on the 22nd May of that year, was appointed to take over the duties of Controller of the Marine in Canada. His official career in Canada thus practically coincided with Hocquart's long tenure of the office of Intendant. With the zeal of an efficient and upright servant of the King, once he had become acquainted with the details of his office, he called upon the Intendant, 15th September 1730, to seize the effects of his predecessor Lanoullier, whose accounts showed deficits indicating serious irregularities. His suspicions were of course well founded, and his zeal was commended by both the Intendant and Minister. The Intendant repeated his eulogies practically annually for the next ten years. Varin having a sharp eye for his personal advantage, was not content to allow virtue to procure its own reward. Calling importunity to his aid, he petitioned industriously for increased remuneration, for rank, and other favours. Some were granted, while others were diplomatically postponed to a more convenient season. On 14th April 1733 he was promoted to the rank of Commissary and Controller General of Marine with a salary of 1,800 livres. On the 18th February of the same year he had been appointed a member of the Superior Council. In 1734 he received the necessary approval of the Minister to marry a daughter of Sr. Beaujeu then employed in a military capacity and afterwards lieutenant of the King at Three Rivers. So much good fortune, however, only stimulated his desire for further favours. As an accompaniment to the marriage he solicited the rank, carrying doubtless an increase of salary, of Commissary General, being that held by the deputy Intendant at Montreal. This, however, was too much for the Minister who declined to consider the proposal, relying, as he explained to the Intendant, on his marriage to anchor him in the colony. Varin, however, returned to the charge, backed by the Intendant; but, on 10th April 1736, was rebuked by the surprise expressed by the Minister that he should so soon ask further favours after all that had been done for him. So much of Varin's official time was occupied by writing out and signing the new card money, which was prepared in his office, that in 1733 he urged the convenience of having the body of the cards engraved, so that only the signatures and embossed arms would require to be added. The fear of fraudulent manipulation and counterfeiting delayed this proposal for some time. During the summer of 1736 Hocquart was absent in France and the deputy intendant Michel came down from Montreal to take his place, Varin being temporarily sent to the deputy's position at Montreal. This afforded him an excuse for renewing his request for the rank of Commissary General that he might qualify for the full honours of the position, which had suffered nothing in the hands of Michel. This effort also failing Varin evidently considered that it would be necessary to circumvent the Minister, and this would require a visit to Paris and the Court. This he set about achieving on the plausible, and indeed in a sense quite truthful plea of urgent personal business requiring his presence there. After some official delay he succeeded, going over apparently in the latter part of 1740 and returning in the spring of 1741. He did not accomplish his chief object, but the Minister, Maurepas, that shrewd student of human nature as revealed in his memoirs, pacified him with a gratuity of 1,200 livres. It appears that Varin included among his earlier acquirements a very fair knowledge of law, and, like the Attorney General Verrier, gave lectures on the subject at Quebec. In 1744 the Minister informed him that two of his pupils, Gaultier and Guillimin, had been appointed to the Superior Council. The lack of adequately qualified candidates for the Council is a frequent subject of comment in the official despatches. Presuming apparently on his legal attainments, Varin had undertaken to decide on his own authority two cases connected with the Admiralty Court; his assurance, however, was rebuked by the Minister. It having been decided to recall Michel from the position of deputy Intendant at Montreal, the Minister, after consulting Hocquart as to Varin's qualifications for the position, promoted him to the new post early in 1747. The Intendant promised to transfer him when the autumn business of that year had been completed. He complains, however, that there is no one to replace him at Quebec who is sufficiently acquainted with the details of exchange and finance, which of late had become very complex and extensive. When Bigot replaced Hocquart as Intendant in 1748, facilities were thus afforded for very close co-operation between the new Intendant and his deputy. In connection with a period of extravagant expenditures, excellent opportunities were provided, especially after the outbreak of the Seven Years War, for embezzlement of the public funds and other abuses under the rapidly expanding functions

Daigremont not wishing to decide without an order from His Majesty, S^r Silly cleared up and paid these expenses up to the arrival of S^r Hocquart: the orders on the Treasury of the Marine have frequently passed from hand to hand in public, and have served as money,¹ contributing to the accommodation

of the Intendant and his deputy, together with those of the other important officials in that department. As early as June 1754, just at the outbreak of the war, the Minister writing to Bigot expressed the suspicion that the financial and other economic administration in Canada appeared to be under the control of an organized clique. Certain officials were specifically named and among them Varin himself. Bigot was urged to investigate, and he naturally reported the charges to be groundless. Varin, knowing that he was suspected and anticipating trouble should he remain much longer in the country, sought to escape the consequences of the investigation which was likely to follow the war, by urgently soliciting the opportunity to return to France. This was reluctantly granted to him in the autumn of 1757. It did not save him, however, for in the subsequent investigations he was proved to have been one of those most deeply implicated. In the decision of the court, of 10th December 1763, he was condemned to perpetual banishment, a nominal fine of 1,000 livres, and the confiscation of his possessions towards the restitution of 800,000 livres. The decree of complete banishment was afterwards relaxed in 1780, when he was permitted to join his family at Malesherbes.

¹ This document indicates the early development of a new form of currency, which was later to quite overwhelm in volume the carefully guarded and rigorously limited issue of card money. The essence of the new conditions and devices may be summarized as follows. The financial operations of the French Government in Canada originally centred at Quebec, but later developed supplementary centres at Montreal and, to a limited extent, at Three Rivers. At these centres supplies were received, stores issued, salaries paid and miscellaneous services remunerated. The larger payments were occasionally made by orders on the agent of the Treasurers General at Quebec, or were discharged by bills of exchange drawn by him on his periodic visits to Montreal. Minor payments were made in coin or merchandise from the King's stores. This was characteristic of the decade between the suppression of the card money and its re-establishment in 1729. With the substitution of cards for metallic money no essential change was made in the method of payment with the exception of the conversion of the cards into bills of exchange on the Treasurers of the Marine in France. It was soon found, however, that the payments which could not be conveniently made in cash or cards were rapidly expanding, especially in connection with the operations conducted by officers of the government, both civil and military, at a steadily enlarging number of forts and trading centres at increasing distances from the primary centres of district administration. This was particularly true of the operations conducted from Montreal. It was neither convenient nor prudent to risk the dispatch of money, or even of cards which carried equal liability for the government if lost or stolen. Hence, those having charge of the operations carried on at the various posts, whether in the direction of Acadia—*le pays d'en bas*, or in the upper country of the west—*le pays d'en haut*, were accustomed to make provisional payment by means of orders on the Treasurer at Quebec or his deputy at Montreal. But the parties to whom these orders were issued might not have occasion or opportunity to visit either of these centres to cash these orders. To meet their immediate needs for supplies or assistance, or for the expansion of their local enterprises, they endorsed these orders, to others who might in turn do the same. Thus they came to serve as a form of local, or district currency of uniform value, until they ultimately reached Montreal or Quebec in payment for further supplies or any other obligations to be met there. When presented to the agent of the Treasurers General they were paid in card money, and in the autumn the card money could be exchanged for bills on France. Such were the central or essential features of this mechanism of exchange as originally operated. But the increasingly complex and expanding conditions of trade and government expenditure, and especially the firmly established credit of the card money for nearly twenty years after its second introduction, and which gave to it the stability and functions of a metallic currency alike as a circulating medium and as a reserve fund or hoard, led to the development of supplementary and substitutional currency devices. In the first place, so long as the expenditure on government account was kept within the limits of the annual appropriations and the amount of card money available for the treasury was sufficient to meet the expenditures on government account, all the orders issued for supplies or personal services could be promptly paid in card money when presented. If, however, on the one hand, any considerable proportion of the card money which came into the hands of the habitants or small merchants was neither

of officers and others paid by the King in this country. S^r Lanoullier, to whom these orders have been presented in the course of the year, has given for a single order several notes of a lower denomination, on the basis of value received in orders, and this is a boon for which the public is grateful.

restored to circulation nor returned to the Treasury for redemption in bills of exchange, but passed into private saving funds or hoards, as was very largely the case, then the supply of card money returning to the treasury each year would steadily diminish in like proportion, and the funds available to the treasurer for payment of the orders which were drawn on him for government expenditures would be increasingly inadequate. And if, in the second place, the actual expenditure in the colony with its enlarging circle of outlying posts were increasing beyond the annual appropriations of the Home government, as was notoriously the case and in times of war in rapidly increasing volume, then in like measure would the volume of orders on the provincial treasurer exceed the total issue of card money, and of course by so much the more with a steadily diminishing proportion of cards being returned to the treasury. Under these circumstances, therefore, an increasing proportion of the orders on the treasurer must remain in the hands of those to whom they were issued or those to whom they were transferred in payment of other obligations. So long, however, as these orders were made out for unequal and inconvenient sums their service as a form of currency would be greatly impaired. Hence, as intimated in this despatch, the provincial treasurer or agent of the Treasurers General of Marine, being unable to pay the orders in card money, provisionally furnished for them treasury notes in convenient denominations. This was greatly appreciated by the mercantile element and the public generally. Thus the treasury notes circulated alongside the card money until the treasurer should obtain a sufficient quantity of card money to redeem them. But, under the conditions indicated, this became impossible even in the autumn when a certain quantity at least of the cards were brought in for conversion into bills of exchange. Since, however, the notes and cards were circulating side by side as a common currency, when the period arrived for drawing bills of exchange it seemed rather absurd to require that the notes should be first redeemed in card money, then the card money converted into bills of exchange. Could not the bills of exchange be issued directly for both the treasury notes and the original orders as well as the cards? The only question here was as to whether these combined demands for bills might not exceed the appropriations for the year, and hence the amount of bills authorized to be drawn. For a time so much of the card money was retained in circulation or had disappeared into private hoards, while the orders and notes in circulation had not yet attained to the proportions of later years, that it was quite possible to supply all the bills asked for. Hence the orders, notes, and cards came to be all treated as of the same security, and thus freely circulated together at a common value. This equality of value as between the different government issues was specially sanctioned and prescribed in an ordinance of 18th March 1733, given at p. 635. As a result of this situation the greater part of the orders came to be issued in uniform and convenient denominations (see plate VI). With the gradual disappearance of the cards they came to furnish the chief medium of circulation. Three terms or names were applied to the supplementary paper in circulation answering to the three functions which it served. The term "orders" (*ordonnances*) had reference to its issue by the Intendant or other authorized agent of the government, as orders on the treasury in payment for supplies or services. The term "receipts" or "vouchers" (*acquits*) indicated its function as vouchers for payments as originally made by the officers of government and retained by the treasurer when redeemed; later, when acknowledged and re-issued these were "acceptances"; while the term "notes" (*billets*) indicated its function as paper money, in temporary circulation for lack of cards, and until redeemed in bills of exchange. The cards themselves were essentially notes but their form, their direct issue by the government as a currency or medium of exchange, and especially their strictly limited issue and prior claim for redemption, distinguished them from the indefinite issues of other government paper of local and temporary authority. The frequent recommendations of the Canadian authorities for additional issues of the card money indicated the degree to which it had been absorbed in the hoards of the colonists. Such was the system as it ultimately developed. The germ of each feature is presented in this despatch and the development may be traced through many of the despatches which follow.

Lack of time and the multiplicity of affairs have not permitted S^r Hocquart to call upon S^r de Lanoullier to make up his statement of the receipts for the expenses for this year, and the schedule of the notes he has distributed for value received. This will be one of the first matters to engage his attention after the departure of the ships. These notes shall be retired by means of the card money, and burned and an official minute thereof will be drawn up and sent to you, My Lord, according to the desire of His Majesty.

S^r Hocquart will do his best to furnish a statement to His Majesty next year, respecting the details of the excess expenditures for the years 1725, 1726, 1727, and 1728, by the inspections he proposes to make of the receipts which are in the hands of the Treasurer, and of the extraordinary revenue which has been produced by the sales of munitions and merchandise from the storehouses and the peltries from Forts Frontenac and Niagara, but until these inspections are made we cannot be certain that the 400,000 livres of card money will be sufficient to cover the expenses for this year and those of 1730, and we humbly request Your Majesty to permit us in that case to issue an additional 100,000 livres' worth; on this point, however, S^{rs} de Beauharnois and Hocquart will come to no decision without orders, and it is their duty to give His Majesty information on this point.

S^r Hocquart has conformed to the orders which His Majesty has given to him, not to permit any bills of exchange to be drawn this year. We have the honour to report that this withholding of bills of exchange has occasioned much uneasiness among the merchants of this country respecting the new money, and considerably disturbs the business of holders of orders or notes on the Treasurer, who were counting on returns in bills of exchange. We have quieted them by the assurance we have given them that His Majesty had agreed to permit bills to be drawn next year for a considerable amount. We take the liberty of urging that this amount may not be less than 250,000 livres.

We may add, My Lord, that this is a matter of so much importance that already the merchants of this country are so prejudiced against this money that they are daily raising the prices of the goods they sell payable in cards, and that it is to be feared that the discredit they are giving to them will simply run up the prices of the provisions which the inhabitants bring to the market, from which official and private individuals will alike suffer. The distribution of these bills of exchange next year will be made in accordance with the instructions of His Majesty, and without partiality towards anybody, so that all the holders of the card money will participate therein in proportion to what they may have. S^r Hocquart will observe all the precautions ordered by His Majesty and the arrangement prescribed for making this distribution equitably.

S^{rs} de Beauharnois and Hocquart have the honour again to assure His Majesty that they are conforming to his instructions that the funds he appropriates shall not be exceeded, and they will not exceed them except in the case of absolute and unavoidable necessity, of which they will have the honour to render an account. They will await his orders, and will do nothing on their own account respecting the employment of the funds remaining in the shape of card money, either for the expenses of the fortifications or for anything else.

Furthermore, they will give their attention to the execution of the ordinance of March 2,¹ concerning the issue of this money.

[Signed] BEAUHARNOIS. HOCQUART.

Quebec, October 29, 1729.

PUBLIC SATISFACTION WITH THE NEW CARD MONEY

Quebec, January 14, 1730.

My Lord:

.....
 The public are more and more sensible of the advantage of card money, which is of infinite assistance to the movement of trade and commerce; confidence will be redoubled when it is met by bills of exchange, as you have been good enough, My Lord, to lead them to hope.

The quantity of hemp which has been received has considerably diminished our funds in card money, and I very much fear that the 400,000^l will not be sufficient, for this year and next, to meet the expenses of the colony, unless you would be willing to permit the drawing in bills of exchange for values in cards of a much larger amount than you, My Lord, have proposed.

.....

[Signed] HOCQUART.

REMARKS ON EFFECTS OF THE ISSUE OF CARD MONEY

Fontainebleau, April 25, 1730.

To M. HOCQUART.

I have received, Sir, the letters you wrote to me on October 25 of last year, respecting card money. You will observe, from the letter I wrote to you and M. de Beauharnois in common, the intentions of the King, and the permission His Majesty gives you to have bills of exchange to the amount of 250,000^l drawn this year upon the Treasurer who may be in office next year. You will be careful to conform strictly to what was laid down for you last year respecting the distribution of these bills.

I was not surprised that merchandise and commodities went up in price, after the publication of the ordinance concerning the issue of card money. The withholding of the bills of exchange has served as a pretext to the merchants to raise the prices of their merchandise, and the people in the country have followed their example as regards the prices of their supplies. That will be changed by the promptitude with which I shall cause the bills of exchange drawn on the appropriation for next year to be paid.

.....

[Not signed]

¹ Given at p. 589.
 26541—40 $\frac{1}{2}$

RIGHT OF SEIGNEURS TO OPTIONAL PAYMENT IN MONEY OR KIND

*Ordinance permitting the Seigneurs of Isle Jésus, to have their rents paid to them either in money or in capons, according to the contracts for the concessions, June 27, 1730.*¹

GILLES HOCQUART, ETC.

On the representation made to us by the seigneurs of Isle Jésus, that the inhabitants of that island, whose concession contracts provide that they shall pay their seigneurial dues in either live capons or twenty sols in lieu of each capon, at the option of the seigneurs, want to have nothing to do with this alternative, and claim the right of deciding to pay in capons,

We, having regard to the said representations, order that, in conformity with the said contracts, the seigneurs are at liberty to decide for the payment of their dues, whether these shall be paid to them in capons or in money, as shall seem good to them. We enjoin, &c.

Done at Montreal, the twenty-seventh June, one thousand seven hundred and thirty.

[Signed] HOCQUART.

TYPE OF MONEY LEGALLY PAYABLE FOR RENTS, ETC.

Monday, August 7, 1730.

The Council having met
 CONSIDERED IN THE COUNCIL, the declaration of the King in interpretation of that of July 5, 1717² issued on March 25 last,³ signed Louis, and farther down, by the King, signed Phelypeaux, with grill and paraph, and sealed with the great seal of yellow wax, by which His Majesty orders that the quittances, rents, fines, and other debts, which were contracted before the registration of the said declaration of the said day, July 5, 1717, and where it is not stipulated money of France or *Tournois*, shall be satisfied by money of France with a deduction of one quarter, which is the deduction from the money of the country in money of France, and that those in which it may be stipulated for money of France, *Tournois* or *Parisis*, shall be satisfied on the basis of French money without any reduction. The Attorney General of the King having been heard and requiring this, the Council has ordered and hereby orders that the said declaration shall be registered in the registers of that place, that it may be executed according to its form and tenor.....

[Signed] HOCQUART

¹ This is selected as a sample of many such ordinances dealing with a subject of increasing importance for the habitants, especially when the price of agricultural products rose rapidly to high levels.

² Given at p. 399.

³ This declaration will be found in full in *Série B*, vol. 54-2, p. 475. It was made in connection with disputes between the seigneurs and habitants of the parish of Beauport, regarding the standard of money in which rents were to be paid. Various ordinances are cited which had been rendered by the Intendants Bégon and Dupuy and which were in conflict. This resulted in much confusion, as the proprietors claimed one interpretation and the *habitants* another. To settle the matter the King issued a declaration officially establishing the interpretation here set forth and ordered to be registered.

OFFICIAL RETURNS *RE* CARD MONEY; OTHER PAPER MONEY

Canada

October 23, 1730

Messrs de Beauharnois and Hocquart

My Lord:

We received the letter you did us the honour to write to us on April 25¹ last.

We sent to you, last year, the first official minute of the issue of card money. You will find herewith, My Lord, the seven others which with the first make up the sum of 400,000 livres, which have been issued and which have been delivered successively to S^r Bauve to meet the expenses of 1729 and part of those of 1730; for which he has given receipts at the foot of the official minutes of the issue, in conformity with the directions of His Majesty. We fully anticipated last year that there might be some abuse in giving currency to the notes of S^r Lanoullier for an equivalent value in orders,² but it was impossible to do otherwise, without obviously abusing the confidence which individuals exhibited in returning to S^r Lanoullier the orders of which they were the bearers, and for which S^r Lanoullier gave them his notes. They have all been withdrawn, and if after this there are still some in the hands of the public, they are decried through the ordinance which we issued on 1st February last,³ which was published and posted up in the usual manner.

S^r Hocquart has accounted to you, for all the expenses since 1725, up to and including 1728. If S^r Lanoullier had replenished his cash box, the 400,000 livres would have been more than sufficient to pay the expenses of 1729 and 1730, and for the hemp and pitch intended for Rochefort; you are informed, My Lord, that he was far from meeting the debt⁴ stated by M. Hocquart, and that is why he has not been able to pay in card money all the expenses ordered, up to the day indicated for returning the card money. S^r Hocquart found himself under the necessity of receiving at the treasury, certificates of expenditure which were in circulation among the public, up to the amount of 108,557¹¹ 19^s 10^d, no more than 167,791¹¹ 2^s 4^d having been presented in card money, that is two sums making together 276,349¹¹ 2^s 4^d, for which only 250,000¹¹ has been drawn in bills of exchange, the remainder, which is one tenth, having been returned in card money to the holders of this money, or to the holders of receipts, so that there remains or will remain in the treasury, after the distribution of the bills of exchange, only about 140,000 livres, not including the returns from the peltries of this year, the collection of which cannot take place until early next year, since it is impossible to sell them for cash without letting them go at a low price.

S^r Hocquart will be much embarrassed to provide for the expenses of the rest of the current year and of 1731, with so small a fund; he cannot count upon the collections to be made by S^r Lanoullier, nor entirely upon the funds from the stores. We have the honour to notify you, My Lord, that we may perhaps find ourselves under the necessity of issuing 100,000 or 150,000 livres worth of money, but there is no reason to fear that this increase will diminish its credit. The merchants did not expect that so small a quantity of money would be brought in, and they agree that there is too little in the

¹ See p. 611.

² See note 1, p. 605.

³ *Archives de Québec: Ordonnances des Intendants.*

⁴ For Lanoullier's shortages, in connection with the Treasury, see note 1, p. 357.

country as a medium of exchange: they have made very strong representations to us on this subject, but we shall not, however, decide upon this increased issue except in case of unavoidable necessity.

We have received the 2000 sets of white cards and the two dies which you addressed to us for the renewal and replacement of the old cards.

We stated to you last year that the preparation of the 400,000 livres caused an extraordinary labour, and one requiring a great length of time, and that it appeared to us that it would be better to have them engraved in France, as is the custom there at present. We persevere in representing to you that this novelty would cause no prejudice to the credit of this money, and that it would avoid the very considerable labour which has occupied S^r Varin, the controller, and myself part of the year.

We will work at renewing the card money by degrees. When we shall have prepared an equal sum of 400,000 livres, we will have the old retired and burned in the usual manner, and we will replace it by new money; the dies which you sent us have lines so fine as to be almost imperceptible; however, we shall use them for this time only; we shall not cease, on that account, My Lord, to ask of you cards completely engraved.

[Signed] BEAUHARNOIS. HOCQUART.

REWARD FOR ARREST OF A COUNTERFEITER

CHARLES, MARQUIS DE BEAUHARNOIS, Knight of the military order of St. Louis, Governor and Lieutenant General in New France,
GILLES HOCQUART, Knight, Councillor of the King in his Councils, Commissary General of the Marine, Director performing the functions of the Intendant of New France.

All persons of whatever quality or condition they may be, who may have knowledge of the whereabouts of one Le Beau, short in stature, wearing a brown wig, face pock-marked, eyes black and small, and a little sunken, stammers slightly, are ordered to notify us, or even to arrest him, we promising those who bring him to us the sum of 300 livres, in addition to the expenses they have incurred in bringing him. We forbid all persons to conceal the said Le Beau or to give him shelter, on pain of being prosecuted as an accessory to the crime of counterfeiting, of which the said Le Beau is accused. We enjoin the captains and other officers of militia in the countryside to give attention to the execution of our present ordinance, which shall be read and published in every parish, that no person may plead ignorance of it.¹

Done and issued at Quebec, November 14, 1730.

Signed: BEAUHARNOIS and HOCQUART

Copy
Signed: HOCQUART.

¹ For early cases of counterfeiting and their punishment see p. 85, note 2. See also p. 619 for sentence of 12th January 1731.

SENTENCE OF BANISHMENT FOR COUNTERFEITING

GILLES HOCQUART, ETC.

Present *Maitre* François Mathieu Martin Delino, Senior Councillor in the Superior Council of this country, also *Maitres* Michel Sarrazin, François Hazeur, Charles Guillimint, Jean Crespin and François Estienne Cugnet, Councillors in the said Council, also *Maitre* Guillaume le Verrier, His Majesty's Attorney General in the said Council, summoned by us, in the capacity of judge and *Maitre* Nicholas Gaspard Boucault, King's Councillor and his attorney in the jurisdictions of the Provostship and Admiralty of this city and our sub-delegate therein, Commissioner deputed by us in this matter; there having been heard by us the criminal suit, specially investigated on the petition of the King's Attorney by our Commission, against François Pelletier and his accomplices accused of making counterfeit card money, prisoner in the prisons of this city. The first examination undergone by the said Pelletier before us the 14th November last, information laid the 16th of the same month, the writ of arrest the 17th of the same month, another examination dated the 18th, other information in addition to, and in continuation of, the foregoing, of date the 20th and 21st of the said month, re-examination of witnesses and their confrontation with the accused on the 22nd, examination undergone by the said Pelletier at the bar of the Court in the presence of the judges, the 25th of the said month, interim judgment the 25th of the said month, declaring that, before proceeding to the final judgment, the said Pelletier should be put to the test ordinary and extraordinary, examination at the bar undergone by the accused the 27th November, comprising also the official minute of the test and the final examination made of the said accused after he was withdrawn, together with the findings of the said King's Attorney-General of date the 11th of this month, to whom the whole was communicated, the report of the said Commissioner having been heard and everything duly considered,

WE by deliberation of Council, for amends for the cases mentioned in the suit, have banished the said Pelletier for ever from the whole of this colony and have enjoined unto him to observe his banishment under the penalties set forth by the Ordinances: WE DECLARE his goods situate in the country of confiscation, escheated and confiscated unto the King or to whom it shall be proper, and on those not subject to confiscation there shall be taken for His Majesty the sum of fifty livres fine to which we have sentenced him: and meanwhile, we order that the said Pelletier be kept in prison until the next ships, on one of which he shall be embarked, either for the West Indies or for old France, there to undergo his banishment.

Done at Quebec the twelfth of January, Seventeen hundred and thirty one:

[Signed] HOCQUART, BOUCAULT, DELINO, SARRASIN, HAZEUR, GUILLIMINT, J. CRESPIN, CUGNET, VERRIER and LOUET, Deputy registrar, *with paraph.*

Copy

[Signed] HOCQUART.

And the said day the present judgment was in presence of the said Sieur Boucault, reporting Commissioner, read and pronounced to the said François

Pelletier in the Court of the *Conciergerie* of the Palace, he being bare of head and kneeling upon his knees, by me, the undersigned deputy registrar.

Signed BOUCAULT¹ and LOUET² with *paraph.*

Copy

Signed HOCQUART

Note:—The said Pelletier was embarked for the Indies.

COMPLETION OF ISSUE OF 400,000 LIVRES OF CARD MONEY

Marly, 8th May, 1731.

TO M^{rs} DE BEAUHARNOIS AND HOCQUART.

Sirs:

I have received with the letter you wrote me on the 23rd October of last year,³ the seven official minutes of the issue of card money, amounting to the sum of 400,000^{ll}, and comprising 63,337^{ll} 10^s contained in the official minute you sent me last year.

By means of this issue, the sum of 400,000^{ll} ordered by the King's ordinance of the 2nd March 1729⁴ is completed. It ought to be more than sufficient and I am explaining to M. Hocquart by the letter I am writing him about the accounts of the expenditure of the colony, that there are goods and funds much

¹ Nicolas Gaspard Boucault came to Canada in the capacity of secretary to the Intendant Bégon who arrived in 1712. In 1721 Boucault was acting as secretary or assistant to Attorney General Collet who was making a survey of the seigneuries for a special report thereon. He returned to France in the autumn of 1726, apparently along with Bégon. There he sought to secure the position of King's Attorney at Quebec then falling vacant. He was ultimately successful and was appointed to the position on April 20, 1728, his commission being issued 18th May. He returned to Quebec in September of the same year. On 30th November, 1729, having been selected and appointed by Hocquart as a sub-delegate or deputy for the whole province, he was appointed by a special edict of the Intendant. Such an appointment was deemed necessary by Hocquart in order to relieve him of much judicial work of a minor nature, as is explained in the preamble to the ordinance making the appointment. On the 27th March, 1736, he was appointed particular or special lieutenant general to the admiralty in succession to Sr. de L'Épinay, deceased. This position he still held in 1747 when he went to France, where he petitioned for leave of absence for two years. He resigned the position of lieutenant general to the admiralty in 1750 but retained the other until 1757. Like many other officials of the period, as intimated by Bigot in his exculpatory memoir, he was engaged in trading and fishing enterprises, especially the latter, which involved him in somewhat prolonged disputes as to grants on the Labrador coast. He seems, however, to have been a very upright and faithful officer of the law. In 1754 he prepared a very interesting and instructive memoir on Canada compiled from various original sources in addition to his own personal knowledge. This has been published by the Provincial Archivist of Quebec, Mr. Pierre Georges Roy, in his Report for 1920-21.

² Jean-Claude Louet was a notary at Quebec but had received his commission from the Intendant Bégon, 22nd March 1717. He came to Canada from the neighbourhood of Rouen. He also held, as we see, the clerical position of deputy registrar in the Department of Marine at Quebec. Apparently in 1737 he was stricken with paralysis, and in the spring of 1738 was granted a pension of 400 livres. He died the following year, 1739.

³ See p. 615.

⁴ See p. 589.

more than sufficient to meet the extra expenditure, the obligations of the S^r La Nouïllier and the refunds to be made for the hemp remaining in the stores of Quebec. Thus I find it difficult to persuade myself that you have taken it upon yourselves to issue cards beyond the 400,000^l, His Majesty having very expressly forbidden you to do so. I wrote to you about it and I refer to what I stated to you on that matter. I may add that the 400,000^l are not to be exceeded without His Majesty's orders under any pretext nor for any cause whatsoever.

I have approved your action in withdrawing the notes the S^r La Nouïllier had issued for the payment of expenses before the issue of the cards and you acted very correctly in annulling (by an ordinance) those that may be outstanding. It seems probable that, if any remained, they would have appeared since the arrest of la Nouïllier.

The bills of exchange amounting to 250,000^l drawn by the S^r Baue against the expenditure of the present year were promptly paid when due by M. de Selle. His Majesty will approve of the same sum being drawn for, this year, on the appropriations for 1732, observing what has been prescribed as to the distribution of it. They shall be paid as promptly as those of this year and there is room for believing that this punctuality will give to the card money the same credit as coin. I shall hear of it with pleasure.

You will be very careful to give heed, when renewing this money, to having the old burned for the same amount as shall be issued and to sending me the official minutes along with those of the issue.

[Not signed]

REASONS FOR EXCESS ISSUE OF CARD MONEY. CARDS RETURNED FOR BILLS OF EXCHANGE

Canada: 25 October, 1731

Messrs de Beauharnois and Hocquart.

My Lord:

We are in receipt of the letters you did us the honour of writing to us on the 16th December, 1730, and the 8th May last,¹ the first by way of England in the month of July and the second by the King's ship.

M. Hocquart is giving you a very detailed account of the reasons that have compelled us to make 60,000 livres of card money in addition to the 400,000 livres ordered. He has made you acquainted with the state of the funds in the month of May last, by which you will see that we should not have been able, My Lord, to avoid making this additional amount of money in providing for the pay of the troops and the wages of the workmen employed on the fortifications of Montreal. There is no fear of this additional amount diminishing the credit of this money, which is regarded in this country in the same light as hard cash, and which has even been preferred to it this fall by several private individuals who have been able to get bills of exchange only with card money. If, on this occasion, we have contravened the King's orders, it has been only for the good of his service and we hope, My Lord, that after you are informed of what has occurred, you will approve our conduct. There have been

¹ Preceding document.

drawn on the treasurer general in office next year, 230,948^l 7 of bills of exchange, in accordance with the detailed statement we have the honour of presenting to you. It was necessary in order to be able to draw this sum, to wait until the very last sailing and that M. Hocquart should make advances to several Government contractors. Even then it does not amount to the 250,000^l, according to the permission you gave us. For the 230,948^l 7 of bills of exchange there have been returned only 136,489^l 9^s 8 of card money, the remainder having been in orders on the Treasurer. There is every appearance that fewer cards will be brought in again next year; the private parties who are the holders keep them for the domestic trade of the colony and for living expenses: it is the country people who keep the most of them. You will easily discern, My Lord, that M. Hocquart will have a great deal of trouble carrying on the Service from now until next year with these 136,489^l 9^s 8^d. However, since you forbid us to make any we shall conform to your orders and do our best to prevent the Service from suffering.

From the account given you this year of the affairs of the S^r La Nouiller, of the state of the stores and of the Chest of the S^r Bauve, you will be, My Lord, in a position to appropriate the funds for next year and to make the arrangements you deem meet for the liquidation of the extra expenditures of the preceding years: we shall await your orders.

You will find hereto attached another return of the bills of exchange drawn on M. de Selles for the supplies sent to Ile Royale this year, amounting to 12,728^l 3 net for this outlay, the vouchers for which have been sent to the said S^r de Selle by his agent.

A further return is made of the bills of exchange drawn on the commissary of stores for food supplies at Quebec to the crew of the King's ship *Le Heros* with the statement of this same outlay, amounting to 3,628 18^s 3^d. We pray you, My Lord, to have all these bills of exchange paid when due.

We shall be very careful, when renewing the card money, to have old ones burned to the same amount as may be issued and to send you the official minutes of destruction and issue.

[Signed] BEAUHARNOIS, HOCQUART.

Quebec, 25th October, 1731.

REQUEST FOR SOLS MARQUEZ

Quebec 28th October, 1731.

My Lord:

I pray you to provide that in the funds to be sent out next year there may be comprised 6,000 livres of *sols marquez*. This small change will be very useful in the country by aiding the circulation, since the cards of 7^s 6^d are too high for the ordinary use of the inhabitants and for making change at the Treasurer's.

I am with deep respect, etc.

HOCQUART.

CENSURE OF COLONIAL OFFICIALS FOR EXCESS ISSUE OF
CARD MONEY: CONDITIONS ON WHICH NOTES, ETC.
MAY BE TAKEN FOR BILLS OF EXCHANGE

Compiègne, 6th May, 1732.

TO MESSRS DE BEAUIHARNOIS AND HOCQUART.

Sirs:

I have received the letters you wrote me on the 25th October¹ and 13th November of last year, with the papers attached to them and have given an account of them to the King.

His Majesty had counted so confidently on your precision in carrying out his orders that he was very much surprised to learn that you had exceeded them and made an issue of 60,000 livres of card money beyond the sum of 400,000 livres, to which by his ordinance² he had fixed this issue. He is very much dissatisfied with your conduct and with the little prudence you have manifested in this proceeding, you having exposed yourselves to the penalties imposed by the ordinance establishing card money in Canada. If there had been war in the colony and this additional amount had been indispensable, either for some undertaking or for the defence of the country, you would be in some measure excusable, but having made it without necessity and with the single purpose of an extreme punctuality in payments, which could have been made at the periods when sufficient proportions of the funds had returned, I have been unable to justify you to His Majesty. I have just secured that no ordinance shall be issued making void this sum of 60,000 livres of card money; this, upon the assurances I gave that it would be withdrawn and burned on the receipt of this despatch, and that in the future you would not fall into the same error, as you assure me by your letter of the 25th October. I can not recommend you too strongly to carry out exactly His Majesty's orders on this point and to send me in reply to this the official minute made for the full amount of these 60,000 livres of money.

The bills of exchange amounting to 230,848¹¹ 9^s drawn to the account of the expenditures of the present year, were duly paid by M. de la Thuillerie³ when due: this must more and more give credit to the card money.

I was surprised that there was so little eagerness to take the bills and that for those drawn M. Hocquart was obliged to accept nearly 100,000 livres of receipts. His Majesty has approved what he did on this point and as he is determined to allow 250,000 livres of bills of exchange to be drawn each year, only with a view to procuring funds in advance for the expenditures and also for encouraging trade, he finds it good that when card money is not brought in for the whole or a portion of this sum, the receipts for expenditures⁴ should be received, care being taken, however, not to take these until after you are assured that no [card] money will be brought to the Treasury for bills of exchange. If you even

¹ P. 623.

² P. 589.

³ M. Mousle de la Tuillerie was one of the Treasurers General of the Marine alternating with M. de Selle, the latter dealing almost entirely with the appropriations for Ile Royale, but sometimes for Canada as well.

⁴ See note 1, p. 605.

decide that it would be more convenient not to draw for all the items and that the remainder should be made up by sending cash, His Majesty will approve and the remittance will be promptly made, but it is useless for you to propose to issue card money beyond the sum of 400,000 livres because His Majesty will not allow that except in an absolute necessity, which one may regard as an impossible event as long as peace lasts.

The bills of exchange, amounting to 12,728¹¹ 3^s, which were drawn on M. de Selle for shipments of 700 quintals of flour and of 537.9 quintals of peas made to Ile Royale, were punctually paid, as also the 3,628¹¹ 18. 3 drawn on the Commissary of Stores for the food stuffs supplied at Quebec to the crew of the King's ship *Le Heros*.

You will find hereto attached the statement of the funds ordered for the expenditure of the present year,—amounting to 359,022¹¹ 3^s 11^d—which is forwarded by M. de la Tuillerie, as you will see by the official minute of embarkation which will be sent from Rochefort by the ship *le Rubis*: You will see that His Majesty has continued the fund of 20,000 livres for building the wall at Montreal and that he has also ordered 26,085¹¹ 13^s 11^d both for last year's outlay on fortifications and repairs, and for that on the erection of the fort at *Pointe à la Chevelure* and on the roof of the Palace. I continue to advise you to observe in the expenditure in general every economy possible.

His Majesty has not deemed it wise to appropriate the fund of 21749¹¹ 12^s 6^d that you asked for the expenses which you note as having been incurred the last two years owing to the war with the Foxes, for two reasons:—the first, that he had no grounds for being satisfied with the statement that you sent of this outlay, which was very much abbreviated and which, like your letter, gives no reason for this outlay, and the second, that the building of store-houses ought to be charged to the proceeds of the profits on the sales of stores and goods.

I send you also the statement of expenditures authorized on the Western Domain, amounting to 115,680 livres.

I am to repeat to you, Sirs, that no excuse for the issue of new cards will be accepted and it would have required but little, in view of what happened this year, for all that were issued to have been cancelled and for new ones to have been provided in place of them, while, at the same time, the power to sign them was taken away from you. Such a want of confidence could not have been pleasant to you: it is however what would have occurred if I had not answered for your exactitude in obeying the most explicit orders I might send you.

[Not signed]

RATING OF EIGHTEEN AND TWENTY SEVEN DENIER PIECES

Ordinance enacting that the coins of 18 and 27 deniers shall be current in trade indiscriminately, for 24 deniers: 12th September, 1732

CHARLES, MARQUIS DE BEAUHARNOIS, Commander of the Military Order of St. Louis, Governor and Lieutenant General for the King in the Province of Louisiana and in New France.

GILLES HOCQUART, Knight, Councillor of the King in His Councils, Intendant of Justice, Police and Finance in New France.

His Majesty having had a considerable amount of money sent to this country, consisting of coins of eighteen deniers and twenty seven deniers, in order to add to the small change which card money necessarily requires, and to improve the circulation, the which coins circulate in France indiscriminately for twenty four deniers, and His Majesty's intention being that they may have the same value in Canada:

We order that, reckoning from the day of publication of the present ordinance, the coins of eighteen and twenty-seven deniers, otherwise called new and old sols, shall be current in trade indiscriminately for twenty-four deniers and that they shall be received on this basis in payment for goods delivered to, and sold from, the King's stores, as well as in the till of the agent of the Treasurers-General, in those of the Domain and of the Indies Company.

And shall be read, published and posted up this present, as at Quebec, so at Montreal and Three Rivers, in the customary manner. We order, etc.

Done at Quebec, the 12th September, One thousand seven hundred and thirty two.

[Signed] BEAUHARNOIS and HOCQUART

[Signed] HOCQUART.

RECEIPT OF 6,000 LIVRES IN SOLS FOR PURPOSES OF SMALL CHANGE

M. Hocquart. 9th October, 1732

My Lord:

M. Mouffe de la Tuillerie has had forwarded to his agent in this country the 6,000 livres of *sols marques* which I requested of you, My Lord, last year for convenience in making change and for aiding the circulation. I see by the official minute of shipment that mention is made of only two sol pieces although the shipment in question is composed of new and old sols, which were current in Canada, the first for 27 deniers and the others at 18 deniers. I proposed to the Marquis de Beauharnois to issue, subject to your good pleasure, a joint ordinance for giving to all these pieces of money, indiscriminately, the same rating as in France, which we did.¹

I thus rendered unnecessary an official minute of overrating or under-rating of coins in the treasurer's chest. The circulation of old sols has been increased because in returning them to France there will no longer be found thirty per cent profit.

.....
[Signed] HOCQUART

Quebec, 9th October, 1732.

¹ See preceding document.

THE COLONIAL OFFICIALS PROMISE TO WITHDRAW THE
EXCESS ISSUE OF CARD MONEY

Messrs de Beauharrois and Hocquart.

9th October, 1732.

My Lord:

We received the letter you did us the honour to write to us the 6th May last,¹ on receipt of which we would have had the 60,000 livres of card money burned, which we had made beyond the 400,000 livres authorized by the ordinance of the 2nd March, 1729,² if those 60,000 livres had been in the treasury. They shall be burned as soon as card money is returned for bills of exchange on the treasurer-general in office in 1733, and we will send you the official minute of their destruction, by the merchant vessels. The dissatisfaction of His Majesty with our conduct on that occasion does not permit us to justify ourselves any longer: however, in addition to the reasons we submitted last year for issuing it, we have the honour of assuring you, My Lord, that this additional issue has in no way lessened the credit of card money, and that without it M. Hocquart could have provided for the expenses of the Service only with much difficulty, as you may perceive by the official minutes of what then remained in the treasury.

You may, My Lord, rest assured that after the prohibitions you enjoin on us, from issuing this money, we shall not presume to do so under any pretext whatever. We have good ground for believing that there will be less card money returned this year than in preceding ones, this money being treated as specie. The private persons who have it keep it for the domestic trade of the colony and for their own needs, so much so that M. Hocquart will be under the necessity of having orders on the treasurer received on the same basis as card money, without fear of exceeding the 250,000 livres of bills of exchange you permit us to draw. There can be no difficulty in having the receipts for the expenditures made payable in bills of exchange, for they are of a nature to be paid in card money, but have not been so paid on account of the lack of a sufficient quantity of this money.³ We beg that His Majesty will be convinced of our attachment to his service and of the special attention we devote to it; in this respect we believe we can justly say that no one in Canada has surpassed us.

[Signed]

BEAUHARNOIS.

HOCQUART.

Quebec, 9th October, 1732.

¹ P. 627.

² P. 589.

³ For the relations of the various kinds of paper coming into circulation see note 1, p. 605.

ORDINANCE MAKING ORDERS NOTES AND RECEIPTS LEGAL
TENDER

CHARLES, MARQUIS DE BEAUHARNOIS, Commander of the Military Order of St. Louis, Governor and Lieutenant-General for the King, and

GILLES HOCQUART, Knight, Councillor of the King in His Councils, Intendant of Justice, Police and Finance in New France and the Province of Louisiana:

Regarding what has come to our knowledge that, in the Government of Montreal, in the payments which are made to them divers persons refuse to accept orders, notes or expenditure receipts drawn on S^r Taschereau¹ and on S^r De Bérey² by M. Hocquart, Intendant, or by S^r Michel,³ directing commissary

¹ Thomas Jacques Taschereau went out to Canada, apparently in 1726, as secretary to the Intendant Dupuy. He seems also to have returned with him to France in 1728, his wife returned the following year. On April 8th, 1732, it is announced that he is going out again to Canada as agent of the Treasurers General of Marine. When he took over the office he declined to be responsible for the accounts of his predecessor, Sr. Bauve, who had held the position temporarily. In this attitude he was supported by the minister. On 1st April 1735 he was appointed a member of the Superior Council, having been recommended by Beauharnois and Hocquart. His patent was not sent out until a year later. In April 1736 his salary was increased by 600 livres on account of the extra work involved in managing the Domain of the West. This extra allowance was continued during 1737 and 1738. In 1736, also, he received a considerable grant of land. We find him in 1737 a member of Cugnet's ill-fated company of five, who, with much flourish of trumpets, took over the lease of the iron mines and forges of St. Maurice. The Intendant Hocquart had also a share in it, and had even thanked the minister for the privilege of investing. They became so deeply involved, however, that in May, 1743, the lease was cancelled and Taschereau and the others, with the exception of Cugnet, were accorded the privilege of becoming bankrupts, though still liable it appears for the special cash advances made by the King. Later the minister promised Taschereau possible relief from this obligation. In the spring of 1740 complaints began to come in from Montreal and the upper posts that the troops were being very inadequately and irregularly paid. The responsibility being largely attributed to Taschereau, he excused himself on the ground of being over-worked. In the spring of 1743 the minister indicated that an extra clerk might be provided for his assistance. In September 1747 he was described by Hocquart as aged and feeble and still burdened with work so that his accounts were getting behind; indeed, unless he obtained further assistance, the affairs of the Treasury were liable to fall into considerable disorder. This it may be inferred was rather a statement of fact than a prophecy. It appears that the increasing cost of living at Quebec, itself partly due to increasing extravagances in living on the part of official circles, encouraged by a fashionable set in growing numbers and influence, led to numerous applications to the treasurer, encouraged by the intendant, to make advances on their salaries. Taschereau, being of an accommodating disposition, weakly consented, with the result that the practice had been extended to a dangerous degree. This coming to the ears of the minister, he wrote, on 23rd February 1748, to Bigot, the new intendant, strongly deprecating this innovation and pointing out that the treasurer must be personally responsible for any losses which might be incurred. The sequel to all this was that, in the latter part of 1748, Taschereau's accounts were found to be in very bad shape. He died suddenly at Quebec 25th September 1749 leaving his accounts in arrears and the affairs of his office in much confusion. In his personal quality, however, he was acknowledged to be a strictly honest man.

² Sr. De Bérey was the deputy of the Treasurer residing at Montreal, where he made payments for the government in the usual way under orders issued by the intendant or his deputy, also at Montreal. He was supplied with card money for the making of certain payments, but, as we have seen, the amount of card money available was quite inadequate to the needs of the service, hence the orders on the Treasury, or the vouchers or notes exchanged for them, were required to pass into circulation and discharge the functions of money until redeemed in bills of exchange. Some light is thrown on the situation at Montreal from details incidentally connected with the great fire in 1734, which consumed an important part of that town and among other houses

of the Marine at Montreal, and give preference to card money, which, at bottom,

that of the deputy treasurer De Bérey, which was also his office. Everything appears to have been lost including some 678 livres of card money, the amount remaining in the treasury of a sum of 12,000 livres which had been sent up in card money from Quebec. There was also consumed an indefinite amount of vouchers and orders which had doubtless been redeemed in cards or notes. To the surprise of the minister, however, no definite information could be obtained as to the amount of this paper which had been lost. De Bérey was recompensed for his personal losses through the fire, and still held the position of deputy treasurer in 1738.

³ Honoré Michel, Sieur de Villebois, de Saint-Michel, de la Rouvillière, was chief commissary and deputy of the intendant at Montreal from 1730 to 1747. He was born in the district of Toulon and we find him there in January 1727 as chief clerk in the service of the Department of Marine. From this office he appears to have passed directly to the appointment of Commissary of Marine and deputy intendant at Montreal, in March 1730. His installation in office is reported by Hocquart to the minister 14th October of that year. One of his first official acts was the issuing of an ordinance of 15th November 1730, declaring it to be a penal offence to purchase clothing from soldiers. His numerous subsequent ordinances would indicate a vigilant attention to his duties, ranging from the protection of *curés* against the insolence of the populace to enforcing *corvée* labour on the highways. Like Varin, in his earlier years in office, he was much commended by the Intendant Hocquart, in his despatches to the minister, for ability and industry in the discharge of his functions. On April 7th, 1733, were issued royal letters patent granting to him as Commissary of the Marine serving at Montreal, admission to the Superior Council with the right to a seat and vote after the first councillor, when the intendant was present, and, in the absence of the intendant, to act as President of the Council. Under instructions from the minister we find him occupying this rank and discharging these functions in 1736-7 while Hocquart was absent in France. The King was much pleased with his services at this time and granted him a special allowance of 3,000 livres. This was also apropos of his marriage, duly approved by the minister, with Mlle. Bégon whose father, the Chevalier Bégon, then held the legal position of Lieutenant of the King at Montreal and was afterwards governor of Three Rivers. It is true that Michel had personally petitioned for a special grant in view of occupying the position of intendant at Quebec, and had incidentally suggested that in case Hocquart should not return to Canada his claims to succeed him as regular intendant should not be overlooked. There being a great dearth in Canada in the years 1736-7, ordinances were issued by the intendant and his deputy laying a strict embargo on the export of wheat or flour from their respective districts. In the spring of 1738 seed grain had to be distributed by them among the poorer farmers. A similar dearth occurred in 1743 followed by similar official action. In September 1740 Michel took up with Hocquart the complaints of the officers and troops at Montreal and the dependent posts at not receiving their pay and allowances more promptly. As we have seen, the Treasurer, Taschereau, excused himself on the ground of over-work (see note 1, p. 635). A very active and enterprising official such as Michel, whose powers were necessarily so extensive and whose exercise of them was not neglected, was very likely to develop friction with such of his colleagues as jealously guarded their *amour-propre*. Hence, by 1744 his relations with several other officials at Montreal such as the governor, the chief judge, etc., had reached such a degree of friction as to impair the public service. Evidently Michel had written to the minister complaining of these difficulties, for the minister, writing to him 6th April 1744, endeavours to placate him promising possible promotion the following year, but declining to grant him higher rank and authority in Montreal. Hocquart reports to the minister the existing difficulties, while he counsels Michel in the spring of 1745 to show due respect for the judge, Sr. de Monrepos, whose feelings should not be disregarded under the haughty bearing of the deputy intendant. The question of relative authority between them was ultimately settled, so far as the court was concerned, by a lengthy ruling, the substance of which was, that the deputy intendant had precedence in rank and office and therefore in public ceremonials at Montreal, but in strictly legal matters the judges have an independent function to perform in the discharge of which they should not be interfered with (see *Série C¹¹ I*, vol. 85, p. 348). Such a ruling might dispose of formal differences but could not necessarily achieve personal reconciliation. In the spring of 1746 the minister informed Michel that he intended to appoint him to another position in France and he must therefore return thither on the first opportunity. Beauharnois and Hocquart did not relish this outcome of the disputes and sought to avoid the loss of their most efficient and reliable officer. Awaiting further instructions they retained him in the colony. This brought a severe rebuke from the minister, 23rd January 1747, while at the same time he doubted

is the same thing, since it is only the value of similar vouchers on orders. This distinction has no foundation, being made only by ill-informed persons, and it being necessary to provide a currency of wider range for the benefit of the domestic trade of the colony, His Majesty's purpose being that the said vouchers, notes or orders may be received as card money for conversion by the Treasurer of the Marine into bills of exchange on the Treasurer-General, at the time of the usual distribution of bills of exchange,

We order that the said notes, vouchers and orders shall continue to be received, as they have been up to the present, in the tills of the Treasurer of the Marine, of the Company of the Indies and of the Domain, and in the King's stores in payment for goods delivered therefrom, and that they shall be in like manner received in transactions between private persons, in the same way and just as card money, without distinction. We forbid all private persons to refuse them in payments that may be made to them, under penalty of discretionary fine: And the present ordinance shall be read and published in the customary manner, in the three towns of this colony and everywhere where need shall be, so that no one may be ignorant of it. We order, etc.

Done at Quebec, the 18th March, 1733.

Signed: BEAUHARNOIS HOCQUART

By My Lord

Signed: DELAFONTAINE¹

By My Lord

Signed: DE VALMUR.

the possibility of retaining for Michel the position for which he had destined him. He must, however, be sent back at once as he still hoped to find a position for him in France, and had secured for him an additionnal gratuity of 3,000 livres. We learn from other sources, however, that he had been selected, early in January 1747, for the position of Commissary Intendant of the colony of Louisiana. When he was appointed the position was raised to that of Commissary General. He went to his new post in 1748 and died there 18th December 1752.

¹ Jacques de la Fontaine de Belcour came out to Canada in 1726 as secretary to Governor Beauharnois. In October 1732 he sent a memoir to the minister, Maurepas, setting forth certain abuses prevalent in Canada in connection with the functions of the notaries and bailiffs in the matter of contracts, marriage settlements, and other legal instruments drawn by the notaries and preserved in their private offices. These were often found, either from carelessness or fraud, to be very defective in form or wanting in essentials, thus resulting in much confusion in family affairs, vexatious law suits and loss of property. Sr. Fontaine presented a plan for the establishment of a central bureau of inspection and registration for the more important legal instruments affecting property and civil rights. With much deference and politeness he indicated that, incidentally to the realization of such an important reform, he would be willing to undertake the task of carrying it out as head of the proposed central bureau (see *Série C*¹¹ I, Vol. 58, p. 88). In the title to this memorial Sr. Fontaine is referred to as a member of the Superior Council, but this was evidently a subsequent addition to the document, probably when being filed, as he was not then a member of the Council. He continued to be favoured by his patron, the governor, and in 1733 was granted by special ordinance the exclusive privilege for nine years of catching seals as also porpoises along a certain portion of the north shore of the St. Lawrence. Being recommended by the governor, supported by the complacent intendant, for a seat in the Superior Council, the nomination was accepted by the minister and the King, 1st April 1735; the letters patent for his appointment to the Council being issued in April of the following year. Just prior to this he had been married to the daughter of the late Sr. Bissot and had shortly afterwards entered a claim to rank with the heirs of his father-in-law. Being in an acquisitive mood at that period, he obtained confirmation of a grant of a seignury at the exit of the Chambly River from Lake Champlain. Like

62,000 LIVRES IN COIN TO BE SENT TO CANADA

Versailles, May 6, 1733.

TO M. DE SELLE

You will find hereto attached, Sir, a statement of the funds to be sent to Quebec both for the expenditures in Canada during the present year and for the reimbursements to be made in the colony for the items detailed in the said statement: by it you will see that the bills of exchange drawn on you against the expenditures of this year being deducted, as also the former payments that you made and that remain to be made for salaries and the stores and goods that are to be sent from the store-houses of Rochefort to Quebec by the King's ship *Le Rubis*, there will remain to forward to the colony for payment in full, 62,263¹¹ 8: 1. His Majesty's desire is that this sum be sent in money by this same ship. I am giving the necessary order to M. de Beauharnois, Intendant at Rochefort. I think you have sufficient funds at this port to provide for it, but if that is not the case it will be necessary for you to take proper measures for providing for it elsewhere. This ship will be ready to leave on the 20th of this month and it is important to His Majesty's service that it be not delayed.

With regard to the King's Establishment, amounting to the sum of 114,464¹¹, 14, 6, for payment of expenses on the funds of the Domain, it is not necessary for you to make any remittance to Canada. I shall give you in time the necessary orders as to this item, and for the present it will suffice for you to send a copy of the said Establishment to your agent at Quebec. I am addressing the duplicate to M. Hocquart and instructing him as to what he is to do about these expenses.

ORDER FOR THE ISSUE OF AN ADDITIONAL 200,000 LIVRES OF
CARD MONEY*Another Ordinance by the King on the Subject of Card Money, dated
12th May, 1733.*

BY THE KING.

His Majesty having, by his ordinance of the second of the month of March, one thousand seven hundred and twenty-nine,¹ and for the reasons therein contained, ordered that there should be issued in Canada, the sum of four hundred

many other grants, however, without public registration, after an extensive law suit with a fellow official, Pean, the seignury was proved to have been previously granted to another. In 1739 he endeavoured to convert his nine years' fishery lease on the St. Lawrence into a life tenure, but his overtures were rejected with considerable emphasis both that and the following year. Acquainted, however, as he evidently was with French official refusals, he wisely persisted in his petitions, with the result that he was able in 1745 to begin a new line of petitions for the conversion of his now life tenure of the fishery into an inheritance for his wife and children. On October 28th, 1743, his patron, the governor, recommended him to the minister for the judicial position of Lieutenant General of the Prevoté of Quebec to replace André de Leigne. The minister replied, however, the following March, that it was not possible to pass over the superior claims of Sr. Daine for this position. Sr. Fontaine remained in Canada throughout the transition of the colony from French to English possession and died at Quebec, 18th June 1765.

¹ P. 589.

thousand livres of card money, in denominations of twenty-four livres, of twelve livres, of six livres, of three livres, of thirty sols, of fifteen sols and of seven sols six deniers, he has had the satisfaction of learning that the introduction of this money, which had been desired by all classes in the colony, had really produced there the benefits expected of it. But His Majesty, having taken into account the representations made last year by both the Governor and Lieutenant General and the Intendant and by the merchants of the country, on the actual condition of the colony, recognizes that the said sum of four hundred thousand livres is not sufficient for the various transactions of domestic and foreign trade, both on account of the withdrawal from circulation of part of this money, which the well-to-do people of the country retain, owing to its good standing, and because the colony is every day becoming capable of a larger trade. He judges it necessary for the well-being of the country in general and for the benefit of trade in particular to order a new issue of card money and he has the more willingly decided so to do because by that action he will respond to the desires of all classes in the colony: for which, wishing to provide, His Majesty has ordered and hereby orders as follows:

Article 1. In addition to the four hundred thousand livres of card money issued pursuant to His Majesty's ordinance of the 2nd March, one thousand seven hundred and twenty nine, which shall continue to circulate in Canada in accordance with the said ordinance, there shall be issued the sum of two hundred thousand livres of this money, in cards of twenty four livres, of twelve livres, of six livres, of three livres, of thirty sols, of fifteen sols, and of seven sols six deniers, the which cards shall be stamped with His Majesty's arms and written and signed by the Controller of the Marine, at Quebec.

II. The cards of twenty-four livres, of twelve livres, of six livres, and of three livres, shall also be signed by the Governor and Lieutenant General and by the Intendant of the said country, and those of thirty sols, of fifteen sols and of seven sols six deniers, shall merely be paraphed by them.

III. The issue of the said two hundred thousand livres of card money may be made at different times, and there shall be drawn up for each issue four official minutes, of which one shall be sent to the Governor and Lieutenant General, another to the Intendant, the third shall be deposited and registered in the office of the Controller of the Marine at Quebec, and the fourth sent to the Secretary of State for the Department of the Marine.

IV. His Majesty forbids the said Governor and Lieutenant General and the said Intendant and the Controller to write, sign or paraph a greater sum, for any reason or under any pretext whatsoever, and [he forbids] everyone to counterfeit the said money, on pain of being prosecuted as counterfeiters and of being punished as such with all the rigour of the ordinances.

V. His Majesty desires that the said card money which shall be issued pursuant to the present ordinance may circulate in the colony for the value written upon it, that it may, in consequence, be received by the store-keepers established in the said colony in payment for powder and for the stores and goods sold from His Majesty's stores, by the agent of the Treasurers-General for payment for the bills of exchange that he may draw on them, each in the year during which he holds office, and generally in every payment whatsoever, which may be made in the country, of whatever kind and of whatever nature it may be.

His Majesty commands and orders the Marquis de Beauharnois, Governor and Lieutenant General of New France, and S^r Hocquart, Intendant of the said country, to see to it that the said ordinance is carried out, the which shall be registered in the office of the Controller of the Marine at Quebec.

Done at Versailles, the twelfth May, one thousand seven hundred and thirty three.

[Signed] LOUIS.

And lower down [Signed] PHELYPEAUX

And sealed with the small seal.

The above declarations concerning the issue of card money, of date the second of March, one thousand, seven hundred and twenty nine and the twelfth of May, one thousand, seven hundred and thirty three, were registered, the Attorney General having been heard, according to the order of this day, by us, Councillor, King's Secretary, Chief Registrar herein, at Quebec the first of October, one thousand seven hundred and thirty six.

[Signed] DAINE.

INSTRUCTIONS AS TO THE DISPOSAL OF THE NEW ISSUE OF CARD MONEY

Memorandum from the King to the Marquis de Beauharnois, Governor and Lieutenant General for His Majesty in New France and M. Hocquart, Intendant in the said country.

.....
His Majesty has caused to be examined the representations made jointly by Messrs the Marquis de Beauharnois and Hocquart, by the latter separately, the S^r de Greysac,¹ syndic of the merchants, in the name of all, and by the Bishop of Samos, Coadjutor of Quebec. He recognizes the critical situation in which domestic trade and the colony in general finds itself, owing to the withdrawal from circulation of a portion of the 400,000 livres of card money, which well-to-do people retain and which they do not put into trade. That is a convincing proof of their good credit, and is most pleasing to His Majesty. He could have wished however that this sum might have sufficed both for the domestic trade and the other transactions of the colony, but since it is otherwise, and as it can be remedied only by an increase in the card money, his solicitude for everything that may concern the good of trade in particular and the well-being of the colony in general, has decided him to order a new issue of 200,000 livres of this money. He is having forwarded to S^{rs} de Beauharnois and Hoc-

¹ The formal recognition of the syndic as a regularly appointed representative of a district, such as Quebec or Montreal, to voice the desires and sentiments of the people before the Council, had been discontinued after the full development of the functions of the Council. The syndic, however, as the voluntarily elected representative of special interests, chiefly those of the merchants, was fully recognized by the government and his representations given very serious consideration. Sr. de Greysac had represented the desires of the merchants directly to the minister, and the minister, on 6th May 1733, had answered him directly, acknowledging the receipt of his memorial in the name of the Quebec merchants and stating that he was communicating his intentions on the subject through the governor and intendant, as here given.

quart, the ordinance¹ he has issued on this point. He will explain to them the use to which he wishes this sum to be put and they shall conform themselves strictly to his plans.

.....
 With regard to the 150,000 or 155,000 [livres] that will remain from the 200,000 of the new issue, His Majesty's purpose is that S^{rs} de Beauharnois and Hocquart postpone deciding on the amount to be expended until, on the account they render, His Majesty orders its employment.

He thinks that this sum could be usefully employed in putting Quebec into a position where a surprise attack would not be feared, there being no probability of a long and regular siege.

.....
 For the rest, if they consider that it would be better to use a part of this fund in some other works or activities useful to the country, they are to give account of them in detail and await likewise His Majesty's orders for their execution.

He very expressly forbids them to use up in any expenditure, the remaining amounts of new cards until they have received his orders; it will suffice for this year to issue them to the amount of 200,000 livres for the payment of the flour to be sent to Louisbourg and for the loan of 10,000 livres to S^r de Francheville,² and with regard to the remainder, His Majesty wishes that their issue be postponed until he has ordered the special application of them. He will accept no excuses for not carrying out this order if [S^{rs}] de Beauharnois and Hocquart should disregard it.

Done at Versailles 12 May, 1733

[Signed] LOUIS.

and, lower down: PHELYPEAUX.

¹ See p. 641.

² Francois Paulin de Francheville, a merchant of Montreal and one of the heirs of the seigneurie of St. Maurice at Three Rivers, had discovered that there was considerable bog iron ore on the seigneurie and in that neighbourhood. He sought authority to employ the royal prerogative to exploit this important natural resource. His wishes were transmitted to the minister by the governor and intendant, 28th October 1729. They strongly supported his petition representing that such a development would be very much in the interest of the King as well as of the colony in general. On 25th March, 1730, the privilege petitioned for was granted in the name of the King and was also announced by the King himself to the governor and intendant in a memorandum of 11th April, 1730. The territory over which Francheville was given the right to operate included not only the seigneurie of St. Maurice and certain additional lands granted to him, but several other seigneuries in the immediate neighbourhood. It was specified in the grant that he was to develop these mines at his own expense. He appears to have formed a partnership with others in order to carry on the enterprise, and we find him bringing out from France, in the spring of 1731, two skilled workmen for the forges. Francheville soon found, however, that the undertaking was beyond the resources which he could command. He therefore petitioned for assistance from the Government. On 21st April, 1733, the minister informed him that he had been granted a loan of 10,000 livres to assist him with the iron works. This he was to repay in three years. On the 12th May of the same year the King, writing to the minister and intendant, expressed special interest in the undertaking. Unfortunately Francheville died at Montreal early in 1734. Although his partners expressed the intention of carrying on the enterprise they soon gave it up, when it was taken over by Cugnet and his partners (see note 1, p. 543). For a general history of these iron works see Benjamin Sulte, *Les Forges Saint-Maurice*, (*Mélanges Historiques*, Vol. 6, Montreal, 1920).

EFFECT OF COIN ON THE CREDIT OF THE CARD MONEY:
REQUEST TO HAVE NEW CARDS PRINTED IN PARIS*Canada* 15 October, 1733.*Messrs de Beauharnois and Hocquart.*

My Lord:

We have received the letter you did us the honour of writing us the 12th of May last, with the statements of expenditures to be made in Canada during the present year, the funds for which have been remitted by means of the bills of exchange drawn last year, of the surplus of 4,534^l 19^s 6^d remitted in excess in 1731 and of the 7,680^l 18^s 4^d paid to S^r Hersan for payment in full for the supplies furnished by him for the uniform of the military officers: thus the remittance made in money, comprising the repayment of the price of the stores and goods sent to Rochefort, is 57,148^l 18^s 10^d, which shall be used, along with the card money coming in, for the payment of expenditures ordered: we cannot at present give you an account of the circumstances in which the Treasurer will find himself after the bills of exchange are drawn. We shall do so after the departure of the King's ship.

Whatever credit card money may have today, it was to be feared that this sum of 57,148^l 18^s 10^d of ready money might discredit it by the preference always given to hard cash. However, owing to the care S^r Hocquart took to distribute it impartially and without ostentation just as card money, it caused no disturbance. We know how important it is to maintain the credit of this money. It is very probable that the collection of coins in the Treasury chest might impair it, and consequently it is more expedient to convert a greater amount of card money into bills of exchange than to send coins here. Therefore S^r Hocquart will draw, if possible, the 250,000 livres of bills of exchange that you permit him to draw and even a few more if possible. The ten thousand livres which you have been good enough to grant as a loan to S^r Francheville, and the thirty to thirty-five thousand livres of card money for the purchase of supplies for Louisburg, will increase the circulation a little but we shall only do that which is absolutely necessary in these two cases, according to your designs. We trust your Lordship will allow us to take this opportunity of representing to you that the issue of the 200,000 livres of this new money and that of the 400,000 livres, which must soon be replaced since it is so used up that it will soon not be recognizable, will consume an infinite amount of time that might be much more usefully spent in the business of the colony: we earnestly entreat you to have made and printed at Paris the 600,000 livres of cards, of the same appearance as the present ones with the same signatures, if you deem it meet, or with some such other design, difficult to counterfeit: we would also include here the two new designs you were good enough to send us two years ago.

We add a memorandum of the amount of each denomination of card necessary for circulation, in case of your approving, My Lord, as we entreat you, that these cards should be made and engraved at Paris. S^r Varin, Controller of the Marine, would, at the least, have to employ five continuous months of his time in writing and signing 235,000 cards, and we little less. You will have no

difficulty in understanding, My Lord, that the business of the colony, which engages us virtually all the year does not permit us to attend to this work. The first objection that may be offered is that heretofore Messrs de Vaudreuil and Bégon were able to support it; but besides the fact that the greater part of the card money of their time consisted in denominations of 100 livres, of 50 livres, and of 40 livres, they had not by any means as much business as we have today, and it does not suit the trade of this country for the cards to be of such large sums. It is, moreover, to be observed that the first card money had so little credit that the circulation of it was accomplished more easily, everyone hastening to get rid of a money the credit of which had fallen, owing to the excessive amount of it distributed. It will be impossible for us to fulfil all the tasks with which we are charged, if you are not good enough to take from us the work of the preparation of the 200,000 livres ordered and of the 400,000 livres to be replaced.

This plan will not hinder us keeping in reserve the amount you may order; official minutes will be drawn up for that portion placed in circulation, as well as for the destruction of the 400,000 livres, according as it is necessary to replace the card money which has become worn out or unfit for use.

We have received the Statement of Expenditures for the current year, chargeable to the Domain. S^r Hocquart will conform to the instructions that you have been good enough to give as to these payments.

[Signed]

BEAUHARNOIS
HOCQUART

Quebec, 15 October, 1733.

REFUSAL TO HAVE THE CARDS PRINTED IN PARIS

Versailles, 13th April, 1734.

TO MESSRS DE BEAUHARNOIS AND HOCQUART

Gentlemen:

You are right in thinking that too much care cannot be given to preserving the credit of the card money, and M. Hocquart has done well to distribute the funds sent in specie for the expenses of the colony during last year, impartially and without ostentation,¹ just as with that money. It was to be feared that this coined money would have injured such credit as it had. M. Hocquart will take the same care on similar occasions.

His Majesty has not approved the proposal you made, to have 600,000 livres of this money engraved at Paris, that is to say, 200,000 livres for the new, which was ordered last year and 400,000 livres to replace the old. Carrying out this plan would appear to be subject to many inconveniences; and moreover it would appear that it is not as difficult as you imagine to have the preparation of these cards done at Quebec. You will already have issued forty or forty-five thousand livres both for the loan granted S^r Francheville and for pro-

¹ See preceding document.

visioning Louisbourg: the hundred and fifty or hundred and sixty thousand livres remaining of the new issue ordered can be made easily enough. And in regard to the replacement of the old ones, as it will be done only little by little, you will have time for it all. You will learn, however, through the King's Commissary of Stores what His Majesty's plans are as to the application of this new money. I have nothing to add to what is laid down for you in this connection.

.....

[Not signed]

REPLY TO HOCQUART'S ARGUMENTS FOR AN INCREASED
ISSUE OF CARD MONEY.

Versailles, 12th May, 1734.

TO M. HOCQUART

.....

The arguments contained in your letter,¹ which preceded the proposition that you should be permitted to issue card money for the sum of 120,000 livres, in order to have an increase of funds in the Treasury and to carry out your duties with greater ease, appeared to me, and I can not refrain from expressing it, most extraordinary. With regard to the first, which concerns the orders withdrawn, the question of their credit does not arise, because, as they come back to the Treasury when they are paid, no matter in what manner, they are equally discharged on the current list of expenses, and consequently the requirements of the service [are] less considerable.

As to the explanation you offer and which you indicate has been the ground of your anxieties, which is that if anyone happened to find out that if the 400,000 livres of card money were returned to the Treasury along with 200,000 livres of orders, there could, nevertheless, be drawn only 250,000 livres of bills of exchange, this would change, and perhaps extinguish, the confidence of the public in the card money, for which it might suppose that funds are not provided in its entirety. That is the explanation you make, and you say at the same time that the public is hoarding the card money and that only a modest amount of it is brought in for bills of exchange, so that to make up the 250,000 livres you are permitted to draw, you allow the orders to be taken. What has occurred in this matter, ought assuredly not to cause you fear, because to give ground for this, card money would have to be in the greatest discredit. We are far from even thinking of that, but, even so, if it should so fall out, it would not be necessary to accept the orders: you would have the means, through the bills of exchange, of retiring 250,000 livres of this money, and as to the 150,000 livres remaining, you could, with the resources from the stores and what comes in each year, from sales, retire them easily: and, with reference to the orders, which you consider as a complete loss to the holders if one were to refuse to receive them for bills of exchange, you have not noticed that with the same cards that you would have retired, you would be not only in a position to cause them to be paid, but also to provide for current expenses. I confess to you that your reflections on that point surprised me and, I repeat, they are most extraordinary. I may add that they might contribute to bring about the discredit which suggested them.

¹ *Série C¹¹ I*, Vol. 60, p. 110; Hocquart to the minister, October 24, 1733.

After what I have remarked to you in the preceding, you may judge that I am very far from permitting you to make an increase of 120,000 livres of card money:—for which I see no other reason than that of putting you into a still easier position. The King very expressly forbids you to exceed the issue he has allowed, under whatever pretext and for whatever reason. If you were to disregard this, H. M. would be displeased with it and I could not hinder the unfortunate measures that he would not fail to take against you. I am very sure that you will not expose yourself to them; for the rest, it must be your business to obtain returns in such a manner as to enable you to meet the claims of everyone.

I cannot accept the excess of 90,186^l 13^s 4^d which you indicate to me as arising in 1731, as this proceeds only from what the sales from the stores of that year failed to yield. I had already instructed you to make it up from those of 1732 and I was glad to learn that you would make the receipts and expenditures of these two years balance. I take this opportunity to counsel you to commit yourself only to expenditures absolutely unavoidable, and in this way you will not exceed the funds ordered.

.....
I have given orders to M. de la Tuillerie to remit 6,000 livres in *sols marqués* as you requested, and it will be sent by the ship *Le Rubis*.

I shall conclude this despatch by emphasizing for you what has already been prescribed by H. M's order on the subject of the distribution of 250,000 livres of bills of exchange, which you have permission to draw each year on the appropriations of the following year; his purpose, is, as always, that the card money that may be returned is to have the preference, and that the orders are to be received for bills of exchange only in the case of not sufficient of this money being returned to take up this amount of 250,000 livres.

[Not signed]

I.

CREDIT OF THE CARD MONEY AND OTHER PAPER

M. Hocquart. October 10, 1734.

My Lord:

I have received the letter you did me the honour of writing me on May 12th last.¹

.....
Finally, My Lord, I agree that I would be able to conduct the Service more easily if I had had the power of disposing of the King's credits in favour of his service: but you know that I had not, since a large part of these credits is and may be considered to have been made in favour of M. La Noullier, of Messrs Bégon and Dupuy, to whom you are good enough to give time to account for them, and also in favour of the Treasurers-General who do not even remit the salary of their agents.

All these special credits amount today to the sum of seventy or eighty thousand livres: they have been due for several years and would procure me an equal sum in cards in the Treasury Chest; by means of them and of those being returned each year for their equivalent in bills of exchange, I would be

¹ The preceding document.

in a position to pay, regularly and in current coin, the officials and troops and the most pressing expenses. This I now can do only in orders.

It was only as a matter of chance that I expressed to you last year¹ some anxiety on the subject of the credit of card money in the case of any one discovering that funds were not held against it in its entirety; but at the same time I have the honour of assuring you that its credit always continued to stand good. The confidence of the public continues, and I pray you to be persuaded, My Lord, that I am incapable of ever giving occasion by any indiscretion or otherwise, for the discredit of this money. I beg of you to rely on me completely.

I must, also, My Lord, warn you that the public has the same confidence in the orders as in the card money, and if I were to make any discrimination the discredit of the one would drag down the other, because at the height of trade in the autumn, payments are made indifferently in orders or in cards and it would be dangerous to give another impression to the merchants. But, however that may be, I shall not exceed the 250,000 livres of bills of exchange without complaints coming to you, from somewhere or other, about the preference given to orders or to card money. Thus, My Lord, since you do not judge it *à propos* to make a new fund of 120,000 livres of card money, which would prevent the orders from circulating at large, since I would be in a position to have payment made by the Treasurer in proportion to the expenditures, I shall insist no more. But permit me to believe that by means of this increase, the circulation of coin would be wider and would procure considerable advantages both for trade and for those who are in the King's pay.

.....
 M. De La Tuillerie has remitted the 6,000 livres of *sols marqués* as you directed him. I beg you, My Lord, to order shipment of a similar amount next year.

[Signed] Hocquart

.....
 Quebec, October 10, 1734.

II.

M. Hocquart. November 1st, 1734.

My Lord:

I have the honour of addressing to you nine statements of the bills of exchange drawn this year on the Treasurers-General, both for the expenditures of the Domain and for those of the Marine, and on the Commissary of Provisions, amounting altogether to 405,320^{ll} 16^s 3^d, according to the extract attached hereto, to wit:—

.....
 267,252^{ll} 9^s on M. de Selle, to the account of the expenditures of next year, for the equivalent of the orders and card money returned to the Treasury this fall, in which sum is included the salary of the General and 8,000 livres of mine.

¹ See p. 653 and *Série C*¹¹ I, Vol. 60, p. 110.

I must let you know that there have been returned to the Treasury about 300,000 livres of orders and 82,000 livres in card money, with the result that I was obliged, in the distribution of bills of exchange, to have a fifth deducted from the holders, which was given back to them in card money; this will apprise you that there remains hardly any of this money in the Treasury, for the everyday needs of the service from now until next year. Only 209,000 livres of orders came back to the Treasury last year.

.....
 An excess appeared, of about 30,000 livres beyond the funds appropriated for the fortifications of Montreal; this excess could not be paid in card money of the new issue, because, when the Marquis de Beauharnois and I received your orders, we hastened the work on these fortifications, the orders for expenditure for which were sent out and circulated among the public proportionately; this I could not avoid, on account of the impossibility I experienced of paying them in card money, the General having remained at Montreal until September 8th, and consequently he was not in a position to proceed with me (I was on my return to Quebec) in the issue of the quantity of this card money ordered to carry out this service. I shall have these thirty thousand livres replaced in the Treasury, without delay.

All these special needs have produced the extraordinary quantity of orders which have been returned and to which it is convenient to add several other expenditures made in the upper country, both against the Foxes, besides those of which I have just spoken, and for the party sent by M. Péan to the *Oüiatanous* [Ottawas], the details of which I cannot send you this year. I shall do so next year.

.....
 It is with pain that I have the honour of rendering you an account of a small mishap which occurred to the card money and the orders in October, on account of the withholding of one fifth. What happened is as follows:—

The ships from France arrived very late, some at the end of September, so that the drawing of bills did not commence until the first days of last month. I had specified from the fifth to the fifteenth for returning the card money and the orders to the Treasury, but the last day having expired, on representations made to me by several of the chief exchangers, I postponed the time limit until the twentieth: it was all the more reasonable to do so, because by the said day, the fifteenth, not 220,000 livres had been returned, including only ten to fifteen thousand livres of cards; some of the Montreal exchangers had not yet come down and it was just to consider them. On the 21st I stopped the statement of allotment of bills of exchange, in conformity with His Majesty's intentions: it was time to do it in order to be able to send off these bills and put myself in a position to render an account of them to you. I know that if I had given a delay of two days more, there would have been brought in at least 100,000 livres of card money, in addition to the 82,000 livres: the reduction, in that case, would have been a third instead of a fifth, and although this reduction of a fifth is small, regard being had to the 450,000 livres of card money scattered through the colony, and to the 300,000 livres of orders, it created a bad effect: I was informed of the murmurs it caused on the part of many merchants, above all, on the part of the foreign merchants who did not even expect this last reduction, from the example of preceding years, and they were obliged to leave the fifth of their funds at Quebec in cards. This money was traded in, from the 20th October for bills of exchange at ten and twelve per cent loss. I do not doubt but that next year there will

be returned to the Treasury a much greater amount, on account of the increase of 200,000 livres of new issue; in consequence a much greater reduction will have to be made, which will occasion another and more dangerous reverse than that of this year, unless you are good enough to give me orders for preventing it.

May it please you, My Lord, to allow me the honour of pointing out to you that this mischange justifies my reflections of last year¹: I confess that the funds from the King's stores offset the 273,000 livres to which the excess expenditures of preceding years have amounted, and which have been met in card money, but at the same time these funds are dead and can only serve as a sort of security for this sum, without my being able to help out the one with the other. The 127,000 livres remaining from the 400,000 livres and the bills of exchange which I am having drawn in 1735, are in truth, advances, but they being absorbed and more by the same or similar items which composed my memorandum of October 24th, 1733¹, by the extraordinary expenditures of this year and by the excess on the account of 1732, I find myself not in a position to have the expenses of next year paid in current coin, because what comes back to the King of these advances, by means of the sales, comes back to the Treasurer's Chest only in new orders and not in card money.

You instructed me, by your letter of May 12, last², to give preference in the distribution of bills of exchange to card money, and that orders were not to be received for these bills except in the cases where they did not bring enough of the card money to take up the sum of 250,000 livres: on this I have the honour of representing to you that the execution of this order, taken literally, would have absolutely discredited the orders, the credit of which it is just as necessary to preserve as that of the card money. You will observe that up to the present, it is the foreign and resident merchants who are the holders of these orders, since private individuals, in whose names daily expenditures are ordered, finding no money in the Treasury, take them to these merchants, who give them their equivalent, partly in goods they may need, and the rest in card money. Now if I give the preference to this money when bills of exchange are to be drawn, it would come about in future that the officials and other private individuals, the first holders of these orders, would no longer be able to satisfy their needs except at an excessive price, owing to the discredit of these orders, and that would occasion a process of ruinous note shaving against them. The King's service would feel the effects of it too, because the foodstuffs and commodities I am obliged to have purchased, could be got only at very high prices. One may say the same thing as to the wages of day-labourers, which would go up. All these reasons will show you that if I were to give the preference to card money, over the orders, this preference would cause an increase of expenditure to the King and would do infinite harm to the colony; for, supposing, once more, that there was returned to the Treasury, as it might happen, 250,000 livres of card money, orders could not be accepted at all. I would, indeed, have them paid then to the merchants who held them, in the card money that had come in, but they would not be able, that same year, to make any use of these cards for making their returns to France.

The facts which I have just exhibited to you, My Lord, are certain and I believe the consequences are also quite certain. To avert them, I see no other expedient than that of permitting me next year to draw bills of exchange for a greater sum than that of 250,000 livres, that is to say, 100,000 or 150,000

¹ See p. 653 and *Série C*¹¹ I, Vol. 60, p. 110.

² P. 653.

livres more, on account of the increase of 200,000 livres in the card money and of the quantity of orders that are annually in public circulation, owing to lack of money to retire or pay them. This increase of bills of exchange will be a real advantage that the King will create, his service and the colony's trade will experience the benefits, without intention on my part of making other expenditures for that purpose than those ordered and the unavoidable ones. I believed it my duty to warn you, My Lord, of all I have just brought to your attention, although you have already disapproved of my reflections of last year. I entreat you to be persuaded that I am too vividly aware of the consequences to impart this to any one whatsoever: there is only my own secretary, of whom I am sure, and myself who know the contents of this despatch. I have even written the first copy with my own hand.

[Signed] HOCQUART.

OUTLINE OF THE HISTORY OF CARD MONEY: DISCUSSION OF ADVISABILITY OF INCREASING THE AMOUNT ISSUED

MEMORANDUM ON CANADA

America, 1734. December 31.

THE DOMESTIC TRADE of Canada existed for about thirty years by the sole means of a card money which was current just as gold or silver coinage.

There was formerly in Canada a company of merchants and citizens which managed the Domain and the beaver trade in the name of the colony.

In the course of the war of 1689, this company experienced losses and had need of help to sustain itself and the [Governor] General and the Intendant of New France, informed as to its condition and of the necessity for sustaining it, issued card money in the King's name and loaned it to it, to sustain its trade: that is what gave occasion for the circulation of this money.¹

The credit and advantage that the circulation of this money procured for trade, induced the Governor and Intendant to have some of it made for paying part of the expenses of each year.

As the vessel which brought the funds necessary for paying the expenses ordered usually arrived only towards the end of the month of August or the first days of September, they had recourse to this expedient, but for several years they were careful to withdraw each year and to burn the cards that had been issued the year before in advance, and that had been redeemed from private individuals for bills of exchange drawn on the Treasurer of the Marine, who entered upon his term of office in the year following: which bills he charged on the funds he had to forward for the expenditures ordered during his term in office.

Things went on for a long time on that basis, but after the succession of Philip V to the Crown of Spain, the war which followed and which was waged as actively in Canada as in Europe, having occasioned extraordinary expenditures,

¹ This is not an accurate account of the first issue of the card money, even under Champigny, as may be found by reference to the various documents relating to that period, including the operations of the Company of the Colony and its relations to the government. See pp. 69, 91, etc.

these were paid with card money, the issue of which was increased proportionately.

From this increase resulted the difficulty of finding funds. Commencing from 1705, only a portion of what was ordered for the expenditures was given to the Department of the Marine: that prevented the Treasurers from paying the bills of exchange and from remitting funds to Canada, they being scarcely able to provide, with the use of credit and what they actually received, for the most urgent expenditures of the Marine in the Kingdom.

The Service in Canada did not suffer by this difficult situation; the practice in vogue of issuing card money provided for everything necessary, but as it was necessary to supplement the usual funds, of which only a part was remitted from France, and to make up for the unusual expenditure which the continuation of the war caused in the country, the total of this money became so considerable that it began to fall into discredit and the traders in France whom the risks of the sea discouraged from the trade of Canada, withdrew from it all the more because they no longer had, as returns for their cargoes, the resource of bills of exchange on the Treasurers of the Marine, these latter being no longer in a position to pay them. In 1713 means of remedying this bad condition were sought. The most natural which presented itself was to withdraw this card money, or to lessen it by a reduction in rating and to have it received for securities on the *Hotel de Ville* of Paris. But as discretion in carrying out the scheme was allowed to the Governor-general and to the Intendant, these plans failed, they gave their reasons, which were approved, and the Intendant, having proposed to withdraw it, at a loss of one-half, by bills of exchange to be drawn and paid at Paris in money, this plan was deemed the more timely and the least expensive to the holders of the card money, who, having profited from the discredit into which it had fallen, had made considerable gains. As it was estimated at that time that there were about 1,600,000 livres outstanding, it was decided that 320,000 livres should be withdrawn each year at a reduction of one-half, and that for this sum there should be furnished bills of exchange for 160,000 livres payable in 1715 on M. Gaudion, one of the Treasurers-General of the Marine, who would pay them in ready money by means of the funds that M. Desmarests, then Controller General, promised to have remitted to him from the Royal Treasury. In execution of this arrangement, the Intendant had not only 320,000 livres of card money withdrawn but also another sum of the same amount. He furnished bills of exchange for 160,000 livres payable in March, 1715, and an equal sum in March, 1716. But funds having been lacking and the death of Louis XIV. having occurred, the sum total of the cards increased in proportion to the expenditures and their discredit increased to the same extent, so that the Council of Regency, after a new inquiry and the report made in connection with it, deemed it expedient to abolish this money and to withdraw it at the loss of a half, just as it had been decided in 1714: to which the part M. Law then had in the finances contributed very greatly.

There therefore was issued a Declaration of the King in the month of July, 1717,¹ which abolished the circulation of card money and ordered it to be paid at the loss of one half, but as they were not in a position to remit the total of the funds for the ordinary expenditures of 1716, and as they reserved for the expenditures of 1718 a part of those remitted in 1717, in money, only the first article of the Declaration was enacted;—that card money should be issued to meet the expenses of the last six months of 1716 and those of the first six months of 1717;

¹ P. 399.

and it was forbidden to issue it in the future under any pretext or to put it into circulation.

By means of this new issue there resulted from the operation 2,750,000 livres, for which amount M. Gaudion paid 1,375,000 livres in bills of exchange and there remained no more of this money.

Observation

It would appear from inspection of this minute that the holders of the card money especially must have lost much by the reduction of one half, and that the colony in general as well as domestic trade must have suffered much from the discredit of this money. It is, however, true that the owners of the cards gained by this transaction, owing to the enormous profits they had made on the sale of the goods which had brought them in these cards. The colony and trade profited from it through the fishing establishments and commercial enterprises which the ease with which cards were obtained gave them opportunity to undertake, as well as the number of houses they built and the amount of land they had cleared. Only the officers and servants of the King suffered, because the majority, having only their salary to live upon and being paid in card money, bought what was necessary for living and clothing at exorbitant rates.

It had been proposed at the time of the suppression of the former cards to introduce new ones into trade in order to aid the circulation, care being taken not to make this new issue as great as the preceding, but this plan was rejected.

They had in view providing assistance for the domestic trade in order to promote its exchange, since they had but this one medium, the metallic currency which was sent there returning to France the same year, or the little that remained being in the hands of people who kept it for their future needs.

What was foreseen, occurred: domestic trade suffered very much, as also the settler, who was always forced to sell his provisions to his disadvantage—on credit or in barter for other goods.

At last, as the result of reiterated protests and also with a view to providing for the reimbursement of the special expenses that had been incurred for the King's service, His Majesty determined in 1729 to order an issue of 400,000 livres of card money;¹ which was done, to the great satisfaction of all classes in the colony.

But as it is now capable of a more extended trade than it was in the past, complaints are made that this sum of 400,000 livres is not sufficient for the circulation. The merchants, as a body, are making representations to this effect, the Governor-General, the Intendant, the Bishop and all associations think the same, and represent that these 400,000 livres hardly circulate at all, being for the most part in the hands of people who accumulate them, either for purchases or for some undertaking.

From this lack of a circulating medium arises the distress which is wide spread throughout the country; artisans are not employed, or common labourers either, which condition affects all the people of the country and trade also, since these men not being employed, they are not in a position to share in the consumption of provisions, which would bring relief to those who are cultivating or improving their land, as well as to commerce which profits by exchange.

¹ P. 589.

The merchants and some of the settlers of the country who could undertake enterprises, either in the fisheries or in building ships and houses or in clearing land, are not in a position to make the most of their industry, because the card money which is the only kind in the country, is not circulating and is, as has been already said, in the hands of people who lay it by, to make their profit out of it.

There is reason to consider this statement as true. His Majesty, at the time of the issue of the 400,000 livres of this money, in order to give credit to it and to enable the trade of the Kingdom to profit by it, ordered that there should be furnished each year, beginning with 1730, the sum of 250,000 livres of bills of exchange payable in money by the Treasurer-General of the Marine at Paris.¹ The Intendant at the same time was ordered to deliver these bills of exchange only to those who brought cards to the Treasury to an equivalent value.

That was carried out in 1730. The cards being novel, they were returned to the Treasury to the extent of 250,000 livres in bills of exchange, which were drawn on the accounts of 1731 and punctually paid when due.

Whether this punctuality gave more credit to the cards, or whether due to the motives already explained as to their circulation, there were carried to the Chest of the Treasurer in 1731, only 113,000 livres of this money, and in 1732 only 63,000 livres, so that, in order not to prejudice the returns of the traders of the Kingdom, the Intendant was obliged to order that the orders for expenditure should be equally received for bills of exchange; and in spite of this convenience there were only 230,000 livres of them drawn in 1731 for 1732 and 225,000 livres in 1732 for 1733, instead of 250,000 livres each year, which only too well proves that the cards are being laid by and that there are not enough of them for the country's trade.

This was clearly foreseen, but fear of abusing the convenience of this expedient, whether for increasing the expenditures, or for avoiding annually remitting the funds appropriated, decided the Count de Maurepas to leave himself no choice in a matter so delicate, in order that he might not fall into the same situation as that in which they found themselves in 1714.

It has been stated above that the colony in general, the Governor General, the Intendant and the Bishop, asked an increase of card money.

The Intendant, in particular, represents that the country has need of help, that it can sustain itself only by the advances that the King makes; there are no other sources than peltries and bills of exchange for the returns which have to be made to France for the goods brought to Canada and consumed there. Persuaded of this truth, he had proposed in 1731² to have [vessels] built in Canada in order usefully to increase the expenditure, but as this scheme can not be carried out at present, His Majesty can make other useful expenditures, such as maintaining a greater number of troops, or having Quebec fortified.

The merchants represent, on their part, that the small amount of money that for some years has circulated in the colony, is causing a derangement there, as injurious to the settlers as to the merchants.

Debtors find it out of their power to satisfy their creditors, owing to lack of money, and are liable to see a stock of 10,000 livres sold for 3,000 livres and sometimes for less.

¹ P. 583. ² See in this connection, Hocquart to the minister, October 15, 1731 (*Série C¹¹ I*, Vol. 55, p. 153).

The lack of money stops ship-building and house-building, clearing of land, the fisheries and every other undertaking.

They propose, in order to remedy these evils, to make an increase of cards, and to this end to increase the expenditure by a sum of 600,000 livres, to be employed on the fortifications and in the building of ships (which they claim to construct more cheaply than in France) if, at their expense, there are sent good carpenters and a master ship-wright to manage for them and make the choice of timbers. This arrangement would result in a considerable saving.

All these representations tend entirely to an increase in money, of which an increase in expenditure is a necessary consequence. What appears certain is that the country cannot get along with 400,000 livres of money, but it appears also that the merchants propose too great an increase and that it would suffice to make it, at most, 400,000 livres.

The question is to know on what it may be used, for if His Majesty determined to make this increase, one would necessarily have to use it up in new expenditures, as it could not be applied to the ordinary expenditures without causing considerable injury to the trade of the Kingdom, since it would be necessary to suspend for two years the drawing of bills of exchange on France, at least always to remit the ordinary funds a year in advance.

The Intendant proposes an increase in troops and the fortification of Quebec.

.....
 The means proposed to bring about the increase in cards have been explained: the principal ones are the increase in troops and the fortification of Quebec, but both the one and the other can have effect but slowly, because it is not possible to use up more than 40,000 livres per year on the fortifications and because the increase in troops can take place only next year.

It appears, however, necessary to increase the circulation of money in Canada, to revive and promote domestic trade, building, farming, and the fisheries.

There are two ways of doing that.

The first, to authorize the issue, during this year, of at least 200,000 livres in card money and to order at the same time its employment, either for purchasing flour for provisioning Louisbourg, or on the fortifications, the building of ships, and the increase of troops—for the issue would become useless without its being employed, because the money would lie in the Treasury.

The second would be to send this year in cash a fund of about 250,000 to 300,000 livres to meet the expenditures of next year and to continue the same advance each year whilst this aid is necessary to the country and to trade.

This last project will provide equally well for the activity of trade, and this fund which will always be in the Treasury or used in paying ordinary expenses, will not lead to mistakes, whereas in adopting the scheme of increasing the issue of card money, the money will be used up in special expenditures, the necessity for which is not urgent, if one excepts the provisioning of Louisbourg, which is not a matter of great expense. Supposing then that in the course of one, two or three years, an increase of 400,000 livres of card money is determined on, and that it is employed in special expenditures which can be postponed, the King will be charged with this debt—which one day must be

paid—and His Majesty will thus deprive himself of a resource he could have at a later period, and in time of war for some enterprise in New France or for its defence.

To all the above it may be rejoined, that the facility for issuing card money may induce an increase of expenditure: one the more readily allows himself to do such things when he has such freedom and is less careful as to those which are proposed. This facility might control the Governor General and Intendant. Precise orders could be given forbidding all exceptional expenditure: but when a case in point comes up, as no one is on the spot to verify its necessity, it must be left to those who are charged with the Government and the administration of the finances in the colony.

All the disadvantage there may be in adopting the plan of remitting the funds in advance, is that, on this account, bills of exchange will not be provided, which makes one facility the less for the returns of the merchants trading from France to Canada. This external trade is only carried on during the months of August, September and October of each year, for, from the month of November to the end of June, the navigation of the river St. Lawrence is impracticable on account of ice. It is also during these three months that the beaver and other peltries are brought from the *pays d'en haut* to Quebec. The trade of France will suffer, then, the first year, from the want of bills of exchange on the Treasurer-General of the Marine, but there will be those drawn on the Company of the Indies for the cost of the beaver, which is a matter of 300,000 to 400,000 livres. There will be also the other peltries, which make up a total of 80,000 to 100,000 livres. And as some of the ships from France load flour at Quebec, as also salt fish and wood, which they carry to the French Islands, whence they bring sugars to France in exchange, they can still further increase this resource to their trade,—equally useful to the colony.

The years following the first despatch of funds in coin will see it spread through the colony, and as those into whose hands it may pass, will use it in the purchase of the cargoes of ships from France, this coin will return each year into the hands of the merchants, who will send it to France, and that will be a support for trade still more immediate than bills of exchange and more useful for the merchants.

It is also true that, by this process, the State will risk this coin, both in having it sent to Canada and in returning it to France. There are disadvantages in any scheme.

[Not signed]

COMPLAINT AS TO THE CURRENCY AT MONTREAL

M. de Beaujours. Montreal, 2nd October, 1735.

My Lord:

.....
 We never see coined money here,—the officers either. I am paid only once a year and that in bills of exchange and I am obliged to negotiate them for

cards and for notes of *Monsieurs de Lery*¹ on the fortifications. This forces us to buy dearer than with coined money, besides the difficulty there is in passing these notes for the trifles of which one has constant need. I do not know when things will be on a better footing, not yet having gone down to Quebec since coming to Montreal to arrange these affairs; moreover, there are things here

¹ *Sr. Chaussegros de Lery* was born in the district of Provence in France and sent to Canada in 1716 as an engineer, to design and superintend the construction of various fortifications and other public works. During a professional career in the colony extending over forty years, he was associated with practically all of the fortifications and most of the public works in Canada. Among these were the fortifications at Quebec and Montreal, including the walls surrounding the latter town, Niagara, Chambly, St. Frédéric, and Sault Saint Louis. Among the other public works which he designed or carried out were the pavilion of the Chateau of Quebec, and extensive repairs on the episcopal palace there. He designed the Court House at Three Rivers, and acted in an advisory capacity in connection with the iron mines and forges of St. Maurice. He was consulted also with reference to various other mining properties, notably at Baie St. Paul. In 1742 he drew plans for the new ship building yards on the St. Charles River at Quebec, and, two years later, for the dry dock to be constructed opposite the ship yard on the same river. He also modelled a plan in relief of the town of Montreal to be sent to the Home Government. He appears to have been, on the whole, a very capable engineer, though a subsequent governor, Duquesne, in 1753, with a good knowledge of his work, reported to the minister that he was better as a designer of works than as a practical engineer in carrying them out. The efficiency of his services in the colony was for a time considerably impaired owing to a violent quarrel with Governor Vaudreuil. The lady in the case was Mde. de Vaudreuil, who wished to have the chateau extended and embellished in keeping with the exalted position of its vice-regal occupants. But de Lery had already greatly exceeded the appropriation for these improvements, and was indeed afterwards censured on this account. He therefore refused to undertake the extra work. There resulted some more or less dramatic scenes in which much scornful vice regal language was hurled from a great height at the audacious engineer. But de Lery, being a native of Provence, reacted with unabashed insolence at a high temperature. Much official correspondence was required to restore working relations. Like most of the French officials in Canada, de Lery was very eager for honours and decorations, not to mention the more cosmopolitan craving for increased remuneration. As early as 1728 the minister declared that he could not accede to de Lery's repeated requests for honours and remuneration. There is no superior officer in the colony, he declares, who is so well treated as this engineer. It appears that the rank of captain had been given him to get over the difficulty of detached officers refusing to obey his orders in connection with the fortifications. After long and persistent importunity he secured the Cross of St. Louis, in 1741. By that time some of the older members of his numerous family required assistance. Hocquart, with his usual friendliness towards fellow officials, had always favoured the requests of the de Lerys, father and sons. When, however, Bigot succeeded, in 1748, there was a sharp reversal in the reports. The eldest son was relieved of his position as assistant engineer, admitting frankly, according to Bigot, that he was unfit for the position. The father himself is reported as no longer able to get about and his replacement is recommended. In the meantime the services of *Sr. Franquet*, engaged on the fortifications of Louisbourg, were to be utilized on his visit to Quebec for the winter. The minister replied in 1750 that de Lery Sr. could not be replaced at that time for lack of a suitable successor. *Sr. de Couange* would be sent from Louisbourg as assistant engineer, to replace the son. Bigot's aggressive activity and insistence on efficiency quite upset the easy going methods which prevailed in the latter part of Hocquart's regime. De Lery in particular resented the attitude of the new intendant, endeavouring to ignore him by declining to render to him the usual reports. For this he was sharply rebuked by the minister. He resented, also, the calling in of *Franquet* to furnish plans for the new fortifications at Quebec. In a letter to the minister, who returned a copy of it to the governor and intendant, he not only entirely disapproved of *Franquet's* plans but intimated that should they be accepted he must decline to carry them out. While they were considering what was to be done, should de Lery persist in his bad humour, he died, in 1756, and was replaced by *Sr. Pontleroy*.

having to do with the service on which it would be well to confer with the General; and the ships once departed there is no further remedy.

.....

[Signed] BOISBERTHELOT DE BEAUCOURS.¹

Montreal, 2nd October, 1735.

¹ Jean Maurice Josué de Boisberthelot (*also* Dubois Berthelot) de Beaucours (*also* Beaucourt) entered the service of the King as a marine guard in 1682. He went to Canada as a lieutenant in the land troops in 1688. In 1691 he was promoted by Frontenac to the rank of captain, being reported as a good officer and a brave man. In 1711 he was employed by Vaudreuil the elder in putting the defences of Quebec in a condition to resist an anticipated attack by the British after the capture of Acadia the previous year. In 1712 he was apparently recognized as chief engineer in Canada, since it was under that designation that he was appointed, in 1715, to succeed L'Hermite as chief engineer in Ile Royale. At the same time he was appointed lieutenant of the King for Ile Royale, a position which rendered him virtually assistant to de Soubras the commissary controller, discharging the functions of intendant but without full rank. On October 20, 1715, de Soubras announced the arrival of Beaucours and his family at Louisbourg. Beaucours set to work immediately on plans for the fortifications of Louisbourg and Port Dauphin. In his capacity as King's lieutenant he sent a general report on Ile Royale to the Council of Marine, November 19, 1717. In February 1722 Comte de St. Pierre, to whom had been granted the Island of St. Jean (Prince Edward Island) requested the minister to appoint Beaucours, then Commandant of Port Dauphin, as governor of the Island to succeed de Gottenville. The minister consented and he was appointed for two years. He quarrelled with St. Pierre's manager and their difficulties ended in a law suit. On his return to Ile Royale, in 1724, as King's lieutenant, he requested to succeed M. de Ramezay as governor of Montreal; but de Longueuil had precedence. He then applied for the governorship of Three Rivers, vacated by de Longueuil, but this again was promised to Chassaigne. The death of Longueuil in June 1729, revived his hopes. Chassaigne was promoted to Montreal and Beaucours succeeded to the governorship of Three Rivers, 1730, where he had general supervision of the iron mines and forges. In April, 1733, the minister announced to him that he was to succeed Chassaigne as governor of Montreal. Beaucours immediately petitioned for the honorary rank of post-captain of the navy. The Duke and Duchess de Lorges urged the minister not only to grant him the rank of post-captain, but to appoint him Lieutenant General of the King in the government of Canada, thus paving the way for the colonial governorship. The minister replied that the King was averse to the creation of any such position as Lieutenant General in Canada. It was at this period that the despatch, of which the portion here given in the text is an extract, was sent. In the portion omitted Beaucours tells how badly things are supplied at Montreal, referring particularly to the lack of proper housing for the governor, who is compelled to rent a merchant's establishment. The troops, too, are a bad lot; in fact most of them are mutinous, seditious, and incorrigible. Threats of punishment have little effect on them, since they simply desert to the Indians and cannot be recalled. Even the Jesuits have no control over them. As a sequel to the demoralized condition of the military establishment at Montreal, we find that, in 1742, he was severely rebuked on account of the lack of discipline among the troops, a detachment of which refused to obey orders and permitted the escape of two criminals convicted of passing counterfeit paper money. In October, 1738, he reported that the main walls of Montreal were completed with eight large and eight small gates, etc. His engineering interests were aroused by the problem of the annual ice shoves at Montreal, for which he advised certain protective works. Finding his position growing ever more difficult, owing to the clashing of official interests and the little prospect of any further promotions, he requested on several occasions to be relieved of office on a pension. In February, 1748, the minister announced that he was to retire on a pension of 3,000 livres, with a special gratuity of 600 livres additional. As he wished to remain in the colony he was allowed to draw his pension there. On his retirement he was found to have overdrawn his allowance by some 1,800 livres, which, being unable to repay, he was allowed as an extra gratuity. His salary as governor being inadequate to his needs his pension proved even more so, hence within a year Bigot reports his case to the minister as "formerly Governor of Montreal and a distinguished officer, who is reduced to poverty". Shortly afterwards he died at Montreal, 9th May 1750. Arrangements were made for a pension for the widow to be made payable in Canada.

REVIEW OF AMOUNTS OF CARD MONEY LATELY ISSUED AND EXPENDED

Versailles, May 15, 1736.

TO MESSRS DE BEAUHARNOIS AND HOCQUART

Gentlemen:—

I have received the letters you wrote to me on the 21st and 28th October of last year.¹

By the two official minutes of issue of card money which were joined to the first one, it appears that 30,000 livres of it was issued in October 1734, and in May 1735, a sum of 47,850 livres; adding to which the 50,250 livres which were issued in April 1734, the total of the cards issued of the 200,000 livres whose issue was ordered in 1732, amounts to 128,100 livres.

It is shown from the statement attached to the same letter of the expenditures made against these 200,000 livres of new issue that they amount to 175,809¹¹ 10^s 7^d.

Thus these expenditures exceed the amount issued by 47,709¹¹ 10^s 7^d, which I count on your having reimbursed by the issue of card money for this sum.

From another point of view it appears that what remains of these 200,000 livres to be made use of, ought to be more than sufficient for the completion of the walls of Montreal and of the fortifications of *Pointe à la Chevelure*.

.....
I have included the 13764¹¹ 0- 2^d, the amount of the repairs made in 1735 to the fortifications and Civil Buildings of the colony, in the same statement; and the bills of exchange that M. Hocquart drew for this sum have been paid. I council you anew to practice all the economy possible for this kind of repairs which occasions quite large enough expense every year.

[Not signed]

DEATH FOR COUNTERFEITING

M. Hocquart: 25 September, 1736

Extract

My Lord:

I have the honour to address to you a copy of the judgment I rendered on the second of July last, acting as a court of last resort with the legal number of colleagues, against the indicted persons, Louis Mallet and Marie Moore, his wife, inhabitants of the Parish of St. Laurent, Isle of Orleans, who were declared accused and convicted of the making and issue of counterfeit card money and condemned to the penalty of death, which they suffered the same day. All their goods [were] acquired by, and confiscated unto the profit of His Majesty.

.....

[Signed] HOCQUART

Quebec, 25th September, 1736.¹ See *Série C*¹¹ I, Vol. 63, p. 158.

CENSURE OF INTENDANT FOR OVER-ISSUE OF CARD MONEY
AND FOR EXCESSIVE EXPENDITURE

Versailles, 16 April, 1737.

TO M. HOCQUART:

I have had an account, Sir, of your letter of the 1st October of last year, together with the statement that you attached to it of the card money issued on the 200,000 livres whose issue was ordered and of the use made of it.

According to this extract, there had been issued up to the month of February, 1736, 196,193¹¹ 12^s 6^d of this money. There was 3,937¹¹ 10^s of it issued on the 17th October, according to an official minute attached to the letter you wrote to me along with M. de Beauharnois, so that the amount fixed by the King's ordinance of the 12th May, 1733,¹ is exceeded by 131¹¹ 2^s 6^d.

I do not understand whence proceeds this excess, which can have been made only by error. But however it may be, it will not do to let it stand, the King's purpose being that there should be no increase on the 200,000 livres fixed by His Majesty's ordinance. As I explain by the joint despatch to you and to M. de Beauharnois 131¹¹ 2^s 6^d of this money will have to be cancelled.

With regard to the expenditures made on this fund of 200,000 livres, I saw by the extract attached to your letter of the first of October, that you carried on it, first of all, 10,000 livres for the loan made to S^r Francheville² for the development of the iron mines, 2,000 livres for the advance made to S^r Desmeloize³ for

¹ See p. 641.² See note 2, p. 647.

³ Nicolas Marie Renaud D'Avène des Méloizes belonged to a distinguished French family and was born at Quebec 21st January, 1696. His maternal grandfather was M. Dupont de Neuville (see note 1, p. 75), through whom he obtained an appointment as ensign, July 1715. He afterwards went to France for a time, but returned in 1724, as we find his name on the list of passengers for Canada reported to the governor by the Navy Board, in June of that year. The same year he was promoted to the rank of lieutenant. In October 1732, the intendant informed the minister that he had been sent to France with despatches, and recommended him for promotion. While in France he seems to have become interested in the manufacture of tiles for roofing, and evidently considered that this industry might be established with profit in Canada; where so many fires were due to the dry shingled roofs of the houses in conjunction with wood fires on open hearths. Apparently he had applied to the minister for financial assistance, for, on April 20th 1734, the minister informed him that he had granted him a loan of 6,000 livres to assist in the establishment of his tile kiln. As usual in such pioneering enterprises in Canada, he found it very difficult to persuade skilled workmen to leave France and settle in the colony. In April 1735, the minister sympathized with him in this difficulty which had continued since 1733. In 1735, however, a workman with some knowledge of this business happened to come to Canada on his own account. He was engaged to direct the work and to instruct others, with the result that the foundations of the new industry were laid in the course of the summer of 1735. The first tiles produced were reported by the intendant as equal to those made in France; but the question remained, would they stand the Canadian winters? Only one third of the authorized loan for 6,000 livres, to be paid from the new issue of card money, was actually advanced, the remainder awaiting the winter test of the tiles. In October, 1736, the governor and intendant reported that only one per cent of the tiles laid the previous winter had been broken. They will, however, await another winter's test before advancing any further portion of the authorized loan. The King manifested much interest in the fate of the industry. He was pleased at the progress which was being made, but commended the caution of the governor and intendant. In the autumn

the establishment of a tile works and 33,763¹¹ 14^s 6^d for the cost and freight of 2,500 quintals of flour sent to *Ile Royale* for provisioning the stores of Louisbourg. I have no other remark to make on these three items, except that the first two are not to be regarded as actual [expenditures] since they will both come in again.

As regards the other items of expenditure contained in the same extract, that is, that of 64,289¹¹ 11^s 9^d for the fortifications of Montreal in 1734 and 1735, that of 57,506¹¹ 1^s 2^d for the construction of Fort *Pointe à la Chevelure* up to and including the year 1735 and that of 26,168¹¹ 2^s 8^d for the dyke made at Quebec, I confess to you that I can not avoid being annoyed at the considerable increases found in the expenditure on all these works; and you will see by the memoir of the King that H. M. is really very much displeased about it. It must however be provided for. But I explained to you personally and I repeat it to you here that H. M. will not permit any new issue of cards for it; and it can well be obviated and the deficiency supplied through the 12,000 livres which are to come back into the Treasury for the advances made to the late S. de Francheville and to S^r Desmeloize and through the fund of 17,250 livres assigned for the fortifications of Montreal which ought to be continued for that purpose, so much the more as the sum of the expenditures made in 1731, 1732 and 1733 for the expense of the repair of Fort *Pointe à la Chevelure*—the replacement of which I had believed myself able to assign to this fund of 17,250 livres—will be ordered by the Establishment of the King of the present year with the sum of the expenditures made for the similar repairs in 1734 and 1735. It is your business to arrange all these different items in conformity with H. M's intentions. I am persuaded that he will have grounds for satisfaction with the care you will give to the matter.

I have examined the plan you sent me of the annual expense of the repairs to Fort *Pointe à la Chevelure*, but as it is not permanent I did not judge it proper to provide a fund for these repairs. You will have to send me each year an exact account of the actual expenditure that has been made and the funds will be appropriated for it in the customary way. But I advise you above all to see to it with all the attention of which you are capable that there is no abuse of this expenditure and that it is made with all the economy possible.

[Not signed]

of 1737 the government officers reported very fully on the experience of the previous winter, which seemed to indicate that the tiles put on with nails proved more satisfactory than those laid in mortar. They encouraged Méloizes to give the industry another trial before giving it up, as he seemed inclined to do. The minister, writing to him in May 1738, says that since the damage done to the tiles was evidently due to the mortar he should not be discouraged. Also a memorandum from the King to the minister, in May 1739, says that the experiment with the pressed tiles gives reason to believe that the manufacture would be successful, especially if they were glazed. Whether Méloizes made any further efforts to put his industry on a paying basis is uncertain. No further advances of card money were called for, and in 1741 we find the minister granting him an extension of three years for the repayment of the original advance of 2,000 livres. Méloizes and la Martinière had been recommended by the governor and intendant to fill two vacancies in the Superior Council, but the King, in a memorandum of April 11th, 1735, stated that he did not think it advisable to grant the two vacancies in the Council to these gentlemen as their occupations, being military officers, were not suited to such positions. Méloizes died at Quebec, July 4, 1743.

COMPLAINT BY GOVERNOR OF MONTREAL THAT HIS NOTES
ARE NOT ACCEPTED AT QUEBEC

October 3, 1740.

My Lord:

.....
 A matter which is disturbing me very much is that there has been no money in the Treasury during the whole of the year: I was obliged to borrow from the merchants and, not being able to go down to Quebec to retire my bills of exchange, the holders of my notes are rebuffed as they are unwilling to give exchange to them, with the result that I am completely discredited and on the verge of lacking everything, both for means of life and dwelling, having no place whatsoever where a Governor might dwell. I believe I am the only French governor whose position is not provided with lodging and [mine are] very bad for the money.¹

[Signed] BOISBERTHELOT DE BEAUCOURS.

Montreal, 3rd Oct., 1740.

EVILS OF THE UNLIMITED ISSUE OF NOTES

The Marquis de Beauharnois 25 October, 1740

My Lord:

Many things are occurring here to which I most humbly entreat you to be good enough to give your attention. The quantity of notes is so great that the troops are suffering very much from them, as well as the public: of those issued from Montreal, signed *Michel*, the number can be ascertained, they being numbered and registered, but of those which are issued at Quebec signed *Varin*, one can learn nothing, this rule not being established. It is, My Lord, in consequence very easy to put as many on the market as one wishes and to make use of them for transactions which tend to nothing less than the colony's ruin; there is but one single voice as to that. You will recall, My Lord, the instruction you did M. Hocquart and myself the honour of giving us, on account of our having issued without orders, 60,000 livres of cards, and I would not today take the liberty of speaking to you of these notes without numbers, if it were not that M. Hocquart said last year to M. Péan² and to several others, that if the public

¹ For the background of these complaints see note 1, p. 677.

² Michel Jean Hugues Péan was a Knight of the Royal Military Order of St. Louis, Captain and Adjutant of the Marine Forces of Canada, and Brevet Major of the City of Quebec. He belonged to one of the most prominent families in Canada. His father, Hugues Jacques Péan de Livaudière, Knight of St. Louis, belonged to the *noblesse* of France, his title being formally recognized and registered before the Council at Quebec, February 1726. He acquired several seigneuries in Canada and was a very distinguished and trusted officer of the government of New France. He died Major of the City of Quebec, 25th January 1747. Being very ill and reported as dying, in July 1743, he naturally sought from the minister some provision for his son Michel, whom the minister duly promised to remember. In the spring of 1745 the son was appointed assistant to his father in the office of Town Major of Quebec. In January following he

refused them, he could not force it to receive them; if they are not receivable,

married Angelique Geneviève Des Méloizes, daughter of Nicholas M. Méloizes (see note 3, p. 681). She acquired much notoriety in the gay life of Quebec before its fall as the special friend of Bigot, through whom the complacent husband was supposed to have been admitted to a considerable share in the general plunder. Péan the younger, however, had no special need to depend upon others for his advancement, although the acquisition of his fortune was doubtless due to his association with the group which controlled the enormous expenditure of the last years of French rule. Personally he was an officer of exceptional ability and address, finding favour in the eyes of those in high positions though otherwise considerably at variance, such as the Governors La Jonquière, Duquesne, and Vaudreuil. On the death of his father, in 1747, the majority of Quebec did not pass to the son, but was given by the minister to the Chevalier de Longueuil. In 1756, however, Péan succeeded to the office of Brevet Major at Quebec. In the meantime the favours of the intendant and the governors were to some extent offset by minor enemies. The minister, writing to the governor, La Jonquière, 14 June 1750, announced that in response to his reiterated request for the promotion of Péan he has granted to him a commission as captain, but adds that he has been represented to him as guilty of many abuses in connection with supplies for the barracks, and if such is the case he must withhold the commission. Replying in the autumn of the same year the governor states that from all the information he can obtain Péan is not guilty of the abuses charged to him. La Jonquière died suddenly in March 1752, and was succeeded by Duquesne who, in the selection of his most trusted officers, resolved to be independent of the close corporation which constituted the advisory atmosphere of every new governor. As the result of personal observation on the part of the governor, three men were brought to the front whose practical achievements speedily justified their selection. These were Marin (see note 2, p. 735), Péan, and Le Mercier (see below, Montcalm to Belle-isle, April 12, 1759). Before the end of the year the first two were recommended for the Cross of St. Louis, but the judgment of the governor was doubted and Péan did not then receive the decoration. The following year, however, he received a large grant of land in the rear of the seigneurie of Beaumont. Marin had set out in 1753 on a difficult mission to bring into submission a number of restless Indian tribes in the region of the Illinois and Ohio Rivers, and to improve the communications in these parts. He and his Canadians had accomplished much before being overwhelmed with fatigue and disease and forced to return. In September Péan was sent with an additional contingent to co-operate with him, but as it proved to relieve him and continue the western section of the mission towards the Mississippi. In connection with these difficult operations Duquesne cannot praise too highly the excellent qualities of Marin and Péan. Of the latter he says "He is a prodigy in talent, capacity, resourcefulness and zeal" (see *Série C¹¹ I*, vol. 99, p. 41). They are represented as having saved French interests in the west, one sequel of which was Braddock's defeat a couple of years later. Meantime the accusations against Péan and others were still passing to France. Writing to Bigot, in June 1754, the minister mentions specifically a number of prominent officials, including Péan and Varin, who were supposed to be involved in the manipulation of the government supplies to their own great profit. Péan is understood to control the supplies of flour and vegetables. Bigot, after a professed personal investigation, reports such accusations to be malicious and untrue. Meantime Duquesne, himself the object of much attack, was disposed of, June 1755, and a native Canadian, Vaudreuil, succeeded as the last governor under French rule. Péan, however, was, if possible, more popular than ever, and in the spring of 1756 was at last granted the Cross of St. Louis, in response to the recommendations of Vaudreuil. In 1758 a number of the officials deeply involved in the commissariat scandals sought to escape the anticipated consequences by an early return to France. Among these was Péan, who, at the solicitation of the governor and loaded with his praises, was allowed to return in the autumn of that year, taking with him confirmation of the latest victories of Montcalm, before the reaction of the following year. Péan apparently undertook to offer advice to the new Minister of the Colonies, Berryer, but was severely rebuked. The minister closed his communication with the observation that he only wished he were able to give sufficiently prompt orders to put a stop to the calamities which a bad administration had brought upon the colony, or at least to administer punishment to those who have had a share in it. When the crash came, Péan, with Varin and others who had escaped to France, was thrown into the Bastille along with those brought from Canada. In the judgment of the Tribunal, rendered 10 December 1763, Péan was condemned to remain in the Bastille during pleasure and pending a further inquiry. In the end he was condemned to refund 600,000 livres, which he seems to have done

why put them on the market; if, from another point of view, they are actual expenses, what reason has the Intendant for not giving public credit to them, by giving them his *visé* and causing them to be registered.¹

[Signed] BEAUHARNOIS

Quebec, 25 October, 1740.

WILD-CAT SKINS AS CURRENCY AT NIAGARA

M. Hocquart

Quebec, 26 October, 1740.

My Lord:

In order to carry out the orders it pleased you to give me in one of the articles of the memoir of the King, on the subject of S^r La force² storekeeper at Niagara, I have the honour to address to you the balanced statement of his accounts from 1729 up to and including 1738, which was certified to on the 18th October of the said year by S^r Chevremont³ whom I had sent there. It appears by this balance that the said Laforce is found deficient by 127,842 *cats*, according to the method of counting among the traders. Cats are regarded at Niagara as currency, by means of which they determine the price of goods and that of

without much trouble, still retaining sufficient to enable himself and wife to retire to the country, and to offer occasional charity to some of their less fortunate Canadian friends. He died at Cangy in France, 21st August 1782.

¹ This brings out quite well the anomaly of being so very strict about the quantity of card money to be issued for the payment of current expenditures, while there is permitted a perfectly unlimited and unregulated issue of notes for the payment of the same expenditures, for simple lack of card money with which to meet them. This illustrates also the function of the notes as pointed out in note 1, p. 605.

² Sr. Laforce, Keeper of the King's Stores at Niagara for a number of years, may have come from the neighbourhood of Nicolet, where, in 1721, a certain Pierre Pepin dit la Force was captain of the militia in that seigneurie. At any rate, like many other officers of that and the following period, he had evidently been trading on his own account with the King's stores. In consequence, as stated in this despatch, his accounts revealed very serious discrepancies. On learning this the minister, in April 1741, instructed Hocquart to have him prosecuted, and about a month later an order of the King was sent for his arrest, which was apparently carried out. In consequence of such breaches of trust at several of the posts, the government determined at this time to change the system of conducting trade at various posts. In future the trading privileges were to be leased to the highest bidders. In the year following, 1742, the lease of the Niagara post was granted to Sr. Chalet.

³ Charles René Gaudron de Chevremont came to Canada with Governor Beauharnois, apparently in the capacity of an assistant secretary. On July 27, 1732, Intendant Hocquart granted him a commission as notary of the District of Montreal. At the same time he was employed as a clerk in the office of the Controller of Marine at Montreal, and was therefore quite conversant with the duties of the Keeper of the King's Stores at Niagara, and a very suitable person to be sent to investigate the condition of his accounts. With the assistance of the governor and intendant, Chevremont had endeavoured, in 1734, and on several subsequent occasions, to obtain a commission as writer or chief clerk. The minister promised frequently to do something special for him when opportunity should afford. In 1741, however, he was still expecting to receive a commission as writer. In a despatch of May 14, 1743, from the minister to Beauharnois, he refers to a Sr. Chevremont as taking charge of certain affairs for the minister in San Domingo. This may possibly be the same person as there appears to be no further trace of him in official matters in Canada.

peltries: for example, a blanket is worth eight *cats*, a pound of beaver two: so with other goods and peltries.¹

.....

[Signed] HOCQUART

Quebec, 26 October, 1740.

METHODS OF TRADE

MEMORANDUM ON THE TRADE OF CANADA. [1741]

Trade with Ile Royale.

.....

The purchasers first give notes which complete the bargain and which are always payable in money or in codfish. And when the captains wish to make up return cargoes for Canada, they negotiate the notes with those in the ships from France, who give them in exchange commodities from the Kingdom that are suitable to Canada.²

.....

[Not signed.]

EXCELLENT CREDIT OF CARD MONEY OWING TO EXCESS OF EXPORTS: NEED FOR AN INCREASED ISSUE

Messrs de Beauharnois and Hocquart, 25th October 1741.

My Lord:

There have been returned to the Treasury of the Marine this autumn 176,000 livres of card money and about 464,000 livres of notes and orders on the Treasurer. The bills of exchange that I have caused to be drawn amount, according to the various statements attached to another despatch, to 622,063¹¹ 13^s 7^d. The card money has been paid completely in bills of exchange as usual, and with regard to the orders, three quarters of these were paid in bills and the remaining quarter in money, so that there remains in the treasury after this transaction only the sum of about 52,000 livres, out of which I have taken 22,000 livres for the amount of the iron supplied to the stores on the last occasion, and which I intend for the support of the establishment at St. Maurice,

¹ In the report of the trade at Forts Frontenac and Niagara for the year 1741, the largest number of any variety of furs received was that of wild cats, the standard local value of which was 25 sols each. The numbers and the price will account for "cats" being the standard of exchange value at these posts.

² From the fact that none of the second general issue of the card money was put in circulation at Ile Royale, it has been commonly inferred that no paper money was in circulation in Ile Royale or Acadia. The notes referred to above, however, were in extensive circulation, serving to adjust the three-cornered trade extensively carried on at Louisbourg, especially from 1730 to 1745, and afterwards from 1749 to 1757. This trade involved supplies of grain, meat, lumber, and furs from Canada, disposed of apparently for military and naval supplies at Louisbourg and partly to France and the West Indies. In return the Canadian captains took manufactured goods from France, sugar and other West Indian supplies, and, in times of war, portions of the cargoes of captured British and colonial trading and fishing vessels. For the employment of ordinances and notes on Government account, see note 1, p. 605.

until I have received your orders. I have sent 15,000 livres to Montreal and there now remains in the treasury at Quebec, a like sum of 15,000 livres for current use. That, in general, is the situation in which I find myself and which I take the liberty of earnestly entreating you, My Lord, to be good enough to regulate.

The card money will always have the same credit whilst that which is returned each year to the Treasury is paid completely in bills of exchange: it has come to pass of late that in various payments it had the preference over bills of exchange, which is extraordinary and for which no reason can be given except this year's happy state of the domestic trade of the colony, as compared with that of France. The returns in peltries, food and provisions of all sorts, bills of exchange on the Cashier of the Company of the Indies and the Treasurers-General of the Marine must have exceeded by more than 300,000 livres, the value of goods imported this year; as I have the honour to state to you by another despatch, the merchants from France are overstocked, although they have sold their goods at a profit of ten and twelve per cent above that of preceding years. The surplus of exports remaining in the autumn is found in the hands of the resident merchants. These exports can only consist in peltries and bills of exchange, the other supplies having been sold during the course of the summer.

Several private individuals are under the necessity of sending their peltries to France and those of them who happen to be holders of bills of exchange, not being able to provide themselves with goods from the outside merchants, and still not being able to employ them in any way at present in the domestic trade of the colony, are seeking with a certain anxiety to convert them into card money. Such variations in trade have never before occurred in Canada, each year imports have exceeded or at least have been equal to exports: in both cases the credit of the card money will always be sustained and [it] can, in my opinion, support an increase of 200,000 livres: there is no risk of making one of 120,000 livres. I have the honour of proposing it to you in the joint letter. Supposing more than this amount had been returned this year, I would have been in a position to meet it in bills: the holders of orders and notes, would in truth have suffered a greater reduction, but without any damage to the credit of the [card] money. I have occasion every day to see the merchants; there is not one who does not agree on the necessity of making an increase, although the majority very confusedly comprehend the reasons that occasion it.

[Signed] HOCQUART

Quebec 25 October, 1741.

SCARCITY OF CARD MONEY—REQUEST FOR PERMISSION TO ISSUE 120,000 LIVRES

Messrs de Beauharnois and Hocquart 25th October, 1741.

My Lord:

We have the honour to report to you that the card money, during the course of the year, and particularly this autumn, has had such a well established credit in business transactions even after the distribution of bills of exchange, that several individuals, in various payments made to them, have preferred it to these bills. The colony's exports, according to the advices we are able to get

from the general statements of the merchants, having greatly exceeded the amount of goods from France, this state of affairs is not to be considered surprising. The merchants from France being stocked up, it necessarily follows that the surplus of exports remains in the hands of the people here: thus it has come about that a good number of these latter have been under the necessity of sending their peltries to France in the hope of finding a more advantageous sale. Other people here have sold their peltries for bills, with which they find themselves embarrassed as they can make no use of them, which results in their seeking at present, with a kind of anxiety, to exchange them for card money.

This money was introduced to make up the deficits from present and former expenditures and for the use of the domestic trade of the colony: it serves for payments to workmen and employees of every kind in the varied and new enterprises at present going on in this country, for the wages of *voyageurs*, purchases of provisions, etc. We may add that of 600,000 livres of money in Canada there is only about 200,000 livres in circulation; the conversion of which into bills of exchange ordinarily turns to the profit of the merchants of France; the surplus circulates in the colony or even is carefully hoarded by the inhabitants in their strong-boxes. It is true that the notes which M. Hocquart at Quebec and M. Michel at Montreal are under the necessity of distributing for the value of the acceptances sent in by the Treasurer, enlarge the circulation;¹ but beside the fact that these notes can not have the same credit as the card money, which has the seal of the royal authority and which is always paid in full

¹ The issue of so much new paper money at Quebec and Montreal, and which the governor and intendant are inclined to take as a matter of course, incidental to the extensive works being carried on, the minister takes much more seriously. In fact it is made the basis of a strong remonstrance in a general despatch on the subject of expenditures sent to Hocquart, 4 April 1741 (*Série B*, vol. 72, p. 86). With considerable detail he goes into the question of what he regards as the excessive expenditures of the colony. These have consumed not only the regular appropriations for the year, but the surplus from former years, also the whole of the flour sent to the King's stores and the whole of the issue of 400,000 livres of new card money. Not only is the card money exhausted, but there is put in circulation the receipts or certificates for the expenses incurred, or the equivalent of these in notes. These notes when issued at Quebec were signed by himself as intendant or by Varin as controller, and, when issued at Montreal, by the deputy Michel. Even the engineer is at liberty to issue orders for the work which he is having done. This paper is redeemed in bills of exchange or in card money, and when there is not enough card money, part of it remains in circulation. Things cannot possibly be permitted to remain in this condition, since there would result in the colony all kinds of financial disorder. The minister had thought at first of having more card money issued to take up this miscellaneous paper, but he realized that this would only make matters worse by encouraging fresh issues of it. He calls for an immediate return of all receipts and expenditures. He wishes to know whether an additional issue of the card money could be safely made without diminishing its value. He understands that only about 200,000 livres of the 600,000 livres of card money issued, is now in circulation, the remainder being hoarded as if specie. However, he does not like to risk another issue, and suggests that perhaps it would be better to send coined money for any additional requirements. To support fully the credit of the card money there should be in the King's stores sufficient goods to cover the outstanding cards. At present the outstanding cards greatly exceed the value of the stores. For the future the stores must not be diminished and no new paper money issued, except in times of crisis. No other parties are to be permitted to issue any thing but certificates of work done, but no orders on the Treasury. Full and exact accounts of the expenditure, etc., must be sent. The reply of the intendant to this is in the despatch of 30th October 1741, given at p. 697.

in bills, it is difficult for the majority of the inhabitants, who do not know how to read, to recognize the exact value of these notes: neither their size nor shape tells this, whereas they can judge, at the first glance, the value of the card money in its sub-divisions of 24 livres, 12 livres, 6 livres, and so on for each is differently shaped; this is not a matter of indifference.¹

M. Hocquart has the honour to inform you by another despatch of this date,² that there remain in the chest of the Treasurer only about 30,000 livres, of which 15,000 livres have just been sent to Montreal; the rest remains at Quebec. With such a slender fund it is not possible to keep up the Service without much difficulty. We entreat you, My Lord, to make arrangements and to give the orders you think most suitable in order that after the distribution of the bills of exchange, there may remain in the Chest of the Treasurer at least 250,000 livres in card money for current expenses. M. Hocquart will submit to you the proposals for this: one on which we find ourselves in accord and which forms the subject of this letter, is the issue of another 120,000 livres of new money. This increase can only tend to the general good of trade: there is no risk to be feared of its credit diminishing and as we entertain the hope that you will approve, we shall set ourselves after the departure of the vessels to make this increase; the new cards will not, however, be distributed until after we have received your orders:—which we pray you to address to us on the first opportunity.

[Signed]

BEAUHARNOIS

HOCQUART

Quebec 25th October, 1741.

ORIGIN OF THE PAPER "NOTES"

M. Hocquart

30 October, 1741

My Lord:

I have received the letters you did me the honour of writing me, on the 4th April and the 6th May last.³

.....

For five or six years, the excesses of expenditure having accumulated, together with the advances the Colonial Treasury has had to make each year, there remained each autumn only a little card money for the service of the following year. It would have been impossible for me to sustain it, if I had not had recourse to some expedient. That which appeared the most suitable to me and the least susceptible of abuse, was to have the Treasurer of Quebec and his agent at Montreal retire the receipts at the same time having them give their returns of the amount of these receipts, and on these returns, giving notes of every denomination, payable in the month of October, each year, to put the officials, workmen, purveyors and others whom the King owed, into a position to utilize the payments ordered them. These notes are signed by M. Michel at Montreal and, at Quebec, either by myself or by S^r Varin. As to the latter, he is incapable of abusing the confidence one gives him.

¹ See plates I to V, showing the shapes of the cards corresponding to the different denominations.

² See preceding document.

³ See *Série B*, Vol. 72, pp. 86, 190.

You know, My Lord, that I have been under the necessity of making several fairly long trips to Montreal and to Three Rivers, and consequently it has been impossible for me, at least at those periods, to sign all these notes at Quebec: Sr. Varin at first acted as substitute in my absence and the public always displaying the same confidence, I have since allowed him the same liberty of signing these notes, absent or present, in order to obtain greater expedition.

It is in the office of the Controller that the returns of the Treasurer are deposited. Sr. Varin was brought in to verify them, to stamp these notes and to register them, which he has done exactly, as I have been in a position to verify each year after the departure of the ships, when it was a question of this verification, of handing over the returns to the Treasurer, and of retiring and burning all those notes he had given back to me for an equivalent. This is a long and tedious piece of business, in which I took a month continuously last year with M. de Lanne,¹ and with still more detail for the agent of the Treasurers, in arranging all these notes under the titles and references indicated by the returns. Signing these notes occupies me for an endless amount of time in the course of the year. I regret it only because I could use it much more usefully in other departments of the Service. Two clerks in my office are busy all year writing them out. However that may be, I am going to continue to make use of the same expedient. I alone will sign the notes, but I hope, My Lord, that you will give me other and easier means for carrying on the Service.

The confidence of the public in every kind of paper is so great here that it suffices for it to be signed by any official of the Treasury whatever, in order to have people respect it, I say it in spite of myself, as a document, payment

¹ Armand Laporte de Lalanne was an important official of the Department of Marine, later with special jurisdiction over the colonial section of the Department. On 13th May 1740, the minister, writing to the governor and intendant, announced that with a view to affording Sr. Laporte de Lalanne special opportunities for thoroughly qualifying himself for the duties of the Bureau of the Colonies, in which he has served for several years, he is having him visit some of the more important colonies, beginning with Canada, where he will remain for a year. He therefore expects them to afford him the necessary facilities for becoming acquainted with the details of the local administration, thus rendering his visit as profitable as possible (*Série B*, vol. 70-1, p. 246). On the same date the minister wrote separately to the intendant Hocquart, whose functions were of special interest to the visitor, requesting him to assist Laporte in every way to learn the details of Canadian finance including the King's stores. The following year Laporte will go up to Montreal to investigate conditions there, where also he is to afford him every assistance possible (*ibid.* p. 247). On the 9th October 1740 Hocquart replies to these letters, announcing the arrival of Laporte and his immediate entrance on his duties. He indicates that he is making a very good impression, both as to his abilities and his agreeable disposition. He will afford him every opportunity to understand the conditions in Canada, alike as to the details of the office work and as to practical operations carried on in the establishments, and at the St. Maurice forges. While in the colony Sr. Laporte did not neglect his own interests. He evidently desired to secure a grant of one of the more profitable fur trading posts, hence we find, on April 17, 1744, the minister writing to the governor and intendant that the lease held by de Ramezay of the post of Alepémigon having expired, the King has been pleased to grant it to Sr. Laporte de Lalanne, Commissary of the Navy, serving in the Bureau of the Colonies, as a mark of approbation of the services he has rendered, particularly as the result of his visit to Canada. His son, Armand, who also entered the Colonial Department, appears to have succeeded to the duties of his father. He figures prominently in connection with the relations of France to the revolted American Colonies.

for which may be demanded just as if it were a formal order for payment. Thus it has come to pass sometimes that purveyors in place of bringing the certificates of their purveyance to the Commissioner of the Marine at Montreal or to the Outfitting Offices at Quebec to have the order of payment attached there, have found them negotiable without difficulty and the merchants have taken them for ready money.¹

The same thing has happened in the case of the Treasurers' returns, which they do not always return to my office.

With regard to the expenditures on the fortifications and on repairs, some years ago, I requested the Engineer to facilitate the issue of small certificates to the workmen and contractors, for what was due them. These workmen, in the beginning, used to present these certificates, according to rule, to the Commissioner of Montreal, who *viséed* them; they have since dispensed with this formality.

May I have the honour of assuring you, My Lord, that in the different arrangements that I have been forced to make for sustaining the Service, no abuse has occurred, at the utmost, some errors in calculation of little consequence. Three unfortunate soldiers tried to counterfeit notes: they were prosecuted. They had succeeded so badly that it had no consequences. The card money itself even can be counterfeited just as easily.

There is nothing I wish as much, My Lord, as to see this multiplicity of paper abolished. I earnestly entreat you to put me in a position to meet the needs of the Service by getting money into the Treasury. The nature of this country demands it. Public servants and private individuals are poor. All have extreme need of their wages and salary. Purveyors are not in a position to await their payment. It would appear indispensable that there should be found in the Treasury each year, after the distribution of bills, sufficient funds in card money for paying the expenses of the following year: the 120,000 livres will not suffice for that.

If you were not agreeable to appropriating the amount of the excess expenditures again, when it has been determined and I have acquainted you with it by the schedules I shall send you, I should this autumn have been under the necessity of giving back to private persons a portion of their notes, owing to lack of money to meet them, if I had not taken it on myself to draw bills of exchange for some items for which I am not in the habit of drawing them. Such is the account for the expenditures on Fort St. Frederick; if I had not acted in that way, I would have lost all credit.

I have had the honour of proposing to you jointly and separately² that you should permit us to make an issue of 120,000 livres of new card money. I am persuaded there would be no risk in making more but the importance of taking no risk in such a delicate matter prevents me from proposing to you to make a larger increase.

If in the event of the proposed increase not being enough, on the account I shall have the honour of sending you, you will be able to give us what orders you may judge *à propos*. Whilst waiting, I entreat you to have the funds appropriated in specie for the excesses of expenditure up to and including 1739, and for those that are certain to be found on the budgets of 1740 and

¹ Here the Intendant himself maintains that documents representing claims on the Treasury are readily taken, even when their form is very imperfect, yet when Desautiers, the syndic of the merchants, represented such practices as indicative of an abuse, incident to the use of such documents as a substitute for money, the governor and intendant claimed that such uses of the paper were very rare (see note 1, p. 705).

² See pp. 693, 697.

1741, according to the schedules I shall have the honour of sending you next year. I shall then be in a position to hold the treasuries of the colony under the strictest rules; I have the honour of promising you that I estimate that there will be found by means of this arrangement, a fund of 200,000 to 250,000 livres of card money in the Treasurer's Chest next autumn, with which I may face the Service for next year.

The great detail into which I have just entered on this item of finance would appear to indicate a great confusion: I would unquestionably have fallen into such so as never to be able to get myself out again if I had not closely supervised, and caused to be supervised, the transactions which depend on it.

By means of the regulation in number and value of the notes emitted, I flatter myself that you will do me the justice of believing that in circumstances as embarrassing as those in which I find myself, I have done all for the best; I have kept up all parts of the Service, without ceasing to bring to bear all the economy practicable, notwithstanding the murmurs and ill-founded complaints of those who do not wish to act justly themselves.

.....

I return to the agent of the Treasurers. In the first years of my administration, when there was card money in the Treasury, I made an inventory of the Chest each month, and I sent you official minutes; since funds have been lacking, I have not been in a position to continue this. It is not that a capable treasurer can keep just as good order with paper which is as good for receipts and expenditures as specie, but S^r Taschereau,¹ whom I nevertheless have grounds for thinking a dependable man, is not trained in the operations that it would be expedient to follow for that, he has not been brought up to finance as a profession: he is indefatigable in his work, he draws up an infinite number of special schedules, he keeps a separate register of the returns that he delivers. In vain might I wish to demand from him registers of receipt and expenditure, such as accountants ought to keep, of whatever nature may be the funds that are entrusted to them. When, ten years ago, the matter of appointing a treasurer in the place of S^r Bauve was under discussion, you will recall, My Lord, that I represented to you how necessary it was for the Treasurers General to engage an agent in Canada who was versed in finance and that to get such a person it was expedient, it was necessary to give him at least 3,000 livres salary.

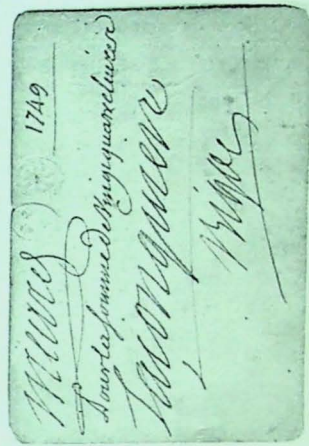
They put in S^r Taschereau at 2,000 livres, from whom I receive no aid with the account that I have to render to you. I can not, My Lord, hide it from you. By the audit of this Chest that I made in short form in the month of March last with M. de la Porte, the receipts and expenditures balanced within a little.

[Signed] Hocquart.

Quebec, 30th October, 1741.

¹ For his quality as a treasurer, see note 1, p. 635.

PLATE V.



Card Money of the later issues.—Monnaie de carte mise en circulation plus tard.

PETITION FOR A FURTHER ISSUE OF CARD MONEY

3rd November, 1741.

TO HIS LORDSHIP, THE COUNT DE MAUREPAS,
Minister and Secretary of State.

The merchants of the city of Quebec, petitioning through Pierre Trottier Desauniers,¹ their syndic, most humbly point out to your Grace that the lack

¹ Pierre Trottier Desauniers was a native of Canada and had been in business there from 1702 at least, becoming both wealthy and influential. He was engaged in the fisheries and fur trade on the north shore of the Gulf, extending into the district of Labrador. In 1738 he petitioned for a land grant at Esquimaux Bay and River on the north shore of the Gulf, near the western entrance to the straits, for the establishment of a porpoise fishery. After due consideration the minister replied in April 1742 that the proposals for discovering and exploiting the *Baie des Esquimaux* are not new. Srs. Fornel, Daine, and Foucault had claimed its discovery and made plans for the exploiting of that region. As, however, they had not followed them up it may be quite proper to transfer their rights to Desauniers, but not perpetually as requested by him. He evidently developed his privileges, for, in 1743, we find him, in association with Sr. Brouange, engaged in both the fisheries and the fur trade in this region, then recognized as part of Labrador. Desauniers was also engaged in trade and shipping between Quebec and Louisbourg, and possibly as far as the West Indies. In a memorandum from the King to the governor and intendant, of May 1st, 1739, His Majesty expresses pleasure at learning that the Srs. Philibert and Desauniers, merchants of Quebec, had constructed ocean going vessels of two hundred and two hundred and forty tons. As to Desauniers as syndic of the merchants of Quebec, we find that, on October 6, 1740, the chief merchants of the city of Quebec assembled at the intendant's palace, and, in the presence of Intendant Hocquart and on the authority of an ordinance of the Royal Council of State of 11th May 1717, they had elected Sr. Desauniers as their syndic who may present in their name such representations as are necessary for the advantage of their trade, and they requested the Intendant to approve of their choice. This was done, Desauniers accepting the duties of the office and promising faithfully to discharge them. An edict of the intendant was accordingly issued signed by himself and sixteen of the most prominent merchants of Quebec (see *Edits et Ordonnances* Vol. II, p. 554). The views of the merchants on the paper money of the colony, as presented above by their Syndic Desauniers, had been previously set forth on September 8th as part of a long memorandum presented by the syndic to the governor and intendant (see *Série C^{II} I*, vol. 75, p. 3.) This dealt with a number of very interesting problems affecting the merchants of that time, several of which are as vital and unsolved to-day as they were then. The complaints of the merchants, however, were fully analysed and criticised in parallel columns by the governor and intendant, though chiefly the work of the latter. One of the most important issues dealt with was that of the pedlars or travelling hucksters and the parish or country store keepers, both of whom, it was claimed, seriously and unfairly diminished the trade of the merchants of the towns. This grievance, however, was pretty thoroughly refuted by the intendant, who claimed that these country dealers were discharging very necessary and useful functions. That, indeed, it would be very greatly to the general benefit of the colony if half of the retail shop keepers, numbering over a hundred in Quebec alone, were forced to leave the towns and become active producers in the country. With reference to the paper money, they set forth, though in less concise form, most of the grievances complained of in the above document. One interesting feature, however, is the concrete presentation of the relations to each other of the certificates, receipts, and orders put in circulation; each being, however, but one phase of the same transaction. If, for instance, supplies are delivered to the King's stores amounting to 500 livres, for these the vendor presents an account which is certified by the store keeper or other purchasing authority. Then the vendor makes out separately a receipt (*acquit*) for that amount and has it certified before a notary. These two documents he then presents to the Controller or Treasurer for payment. But the Treasurer, being commonly without means of payment until the autumn at least, simply furnishes him in the meantime with an order (*ordonnance*) on the Treasurer. These three documents must be presented together in the autumn, although they may circulate through several hands in the meantime, and

of circulation of the card money makes trade in this country more and more impossible from year to year; the notes or ordinances which have been given currency owing to the lack of this money can not take its place. The inhabitants of the colony do not willingly accept these notes because, not knowing how to read, they fear being deceived over them, and are desirous of exacting their payment in cards, whose value they easily can tell by their shape alone. The currency of these notes presents practical difficulties in buying the necessaries of life and for daily expenses. They will not make exact change without much trouble, they tear very easily, as they are held especially by country people and day laborers; finally, they are subject to forgeries, [which are] very dangerous for those who do not know how to read. Their refusal by the country people occasions their refusal by the merchants [trading with] the upper country, because the most of their trade is with the country people, from whom they buy the provisions which are sent out of the colony. These inconveniences are causing a very considerable injury to trade, which can be sustained only by the circulation of a money familiar to everybody and the currency of which is convenient in small payments. This is what obliges the merchants to have recourse to the authority of your Grace, in the hope that it may please you, My Lord, to grant them a new issue of cards which may suffice to meet the expenditures of His Majesty in this colony, and they will redouble their prayers for the preservation and prosperity of Your Grace.

[Signed] DESAUNIERS.

NEW ISSUE OF CARD MONEY

Ordinance of the King for a new issue of 120,000 livres of card money in Canada. 27th February, 1742.

BY THE KING

His Majesty having judged it necessary for the well-being of the trade of Canada to order an issue of 400,000 livres of card money, to have currency in that colony for the amount indicated in the ordinance published to that effect

this will explain why they are indifferently referred to as receipts or orders. For minor payments for labour and simple supplies, the notes (*billets*) were used as substitutes for card money, although without its special legal sanction and prior claims. Now Desauniers, on behalf of the merchants, claims that each of the three separate papers, the certified account, the certified receipt, and the certified order, may be used separately, for a time at least, in temporary payment of creditors. Thus the delivery of 500 livres of goods to the King's stores may enable an individual to pay off 1,500 livres of debt. In the observations on this statement the intendant declared that such use of the government paper was exceptionally rare, since the merchants, as a rule, knew very well the process of payments by the government and were not likely to be deceived. Yet we have seen from Hocquart's own statement that such was the credit attached at the time to every form of commercial paper, that even uncertified claims against the government were readily accepted and put in circulation (see note 1, p. 701). The merchants, however, in thus emphasizing the objectionable possibilities of the existing system had simply the same end in view as the Intendant, namely, that, as Desauniers puts it in this same document "The merchants should demand immediately that all the expenditures which the King incurs in the colony should be paid in card money, and that, on the 25th of October of each year, it should be received and paid, without any reduction, in bills of exchange issued by the Treasurer." The reduction here referred to applied to the temporarily lower value or discount on those receipts which were not redeemed in the autumn, and had therefore to be left over until the following autumn.

on the 2nd March, 1729,¹ he has been informed that this money which had been desired by all classes in the colony, there produced the benefits expected of it, but that the sum of 400,000 livres was not sufficient for the different transactions of domestic and foreign trade, both owing to the lack of circulation of a portion of this money, which persons in the country in easy circumstances stored up on account of the sound credit it had acquired, and because the colony was becoming every day capable of a larger trade: thus on the representations made to His Majesty, it seemed to him necessary to increase this money by 200,000 livres and it was for this that he provided by a second ordinance, of the 12th May, 1733.² But His Majesty having given heed to new representations which were made last year by the Governor General and Intendant of the colony as to the circulation of this money, he recognizes that the 600,000 livres that have been already issued pursuant to the said ordinances are not yet sufficient for the different transactions of domestic and foreign trade;—the progress of which is responding more and more every day to the attention which His Majesty is giving it; hence he deems it necessary to raise the amount of card money to 720,000 livres, and to order, to this end, a new issue of 120,000 livres; wishing to provide for which His Majesty has ordained and hereby ordains as follows:—

Article One.

In addition to the 600,000 livres of card money issued in execution of the ordinances of March 2nd, 1729 and May 12th, 1733, the which shall continue to have currency in Canada, in accordance with the said ordinances, there shall be issued the sum of 120,000 livres of this money in cards of twenty-four livres, twelve livres, six livres, three livres, one livre ten sols, fifteen sols and seven sols six deniers, the which cards shall be stamped with the arms of His Majesty and written and signed by the Controller of the Marine at Quebec.

Article Two.

The cards of twenty-four livres, twelve livres, six livres and three livres shall also be signed by the Governor and Lieutenant General and by the Intendant of the said country: and those of one livre ten sols, of fifteen sols and of seven sols six deniers shall be only paraphed by them.

Article Three.

The issue of the said 120,000 livres of card money may be made at different times, and there shall be drawn up for each issue four official minutes, of which one shall be handed to the Governor and Lieutenant-General, and another to the Intendant, the third shall be deposited and registered in the office of the Controller of the Marine at Quebec and the fourth sent to the Secretary of State for the Department of Marine.

Article Four.

His Majesty forbids the said Governor and Lieutenant General and Intendant and the Controller to write sign or paraph a greater sum for any reasons or under any pretext whatsoever, and he forbids all persons to counterfeit the said money on pain of being proceeded against as counterfeiters and of being punished as such according to all the rigour of the law.

¹ P. 589.

² P. 641.

Article Five.

His Majesty desires that the said card money which shall be made in execution of the present ordinance may have currency in the colony for the amounts thereupon written and that it may be, in consequence, received by the storekeepers established in the said colony, in payment for powder and for the stores and goods which may be sold from His Majesty's stores, by the agent of the Treasurers-General for the payment of the bills of exchange which he may draw upon them, each in his year of office, and generally in every form of payment which may be made in the country of whatever kind or nature it may be.

His Majesty commands and orders the Marquis de Beauharnois, Governor and Lieutenant General of New France, and Sr Hocquart, Intendant of the said country, to see to the carrying out of the said ordinance, the which shall be registered in the office of the Controller of the Marine at Quebec.

Done at Versailles, the 27th February, 1742.

REASONS FOR THE NEW ISSUE OF CARD MONEY

Versailles, 27th February, 1742.

Duplicate

TO M. HOCQUART

By the letter I am writing, Sir, to you and the Marquis de Beauharnois as to the proposal you made to increase by 120,000 livres, the card money established in the colony, you will see that H. M. has been pleased to grant this increase. The difficulty you stated as being experienced in trade on account of the small amount of money in circulation is one of the reasons which have determined H. M. to increase it; but it is particularly for restoring easy conditions in the colonial treasury and thus putting you in a position to restore order there that he has been induced to do it. It must be your business to justify the assurances I have found it possible to give to H. M. as to the special attention you would bring to bear on this. You must realize that, after such help and by means of the arrangements I have made in addition, in regard to the finances of the colony, and with which I shall make you acquainted by the King's ship it will be difficult to find reasons for not having effectively provided for it if, contrary to my expectations, the confusion that reigns in the finances of the colony were not to end. I explained to you last year my intentions as to what you have to do about it. I will let you know by the King's ship what I have judged meet to add to it. I shall only have to await the result of the consideration you bring to these arrangements and which I rely upon in advance, on account of your zeal for the good of the Service which I have always recognized.

[Not signed]

CREDIT OF THE CARD MONEY

My Lord:

.....
 We received the letter you did us the honour of writing to us on the 27th February last,¹ to which was attached the King's ordinance² for the issue of

¹ The preceding document.

² P. 707.

120,000 livres of new card money; consequently we began to prepare 42,000 livres of it according to the two official minutes hereto attached, of the 27th August last and of the 8th of this month: you may, My Lord, judge of the credit of this money by the small quantity which has been returned each year to the office of the Treasurer. There was returned the last time only a sum of 142,313^l 12^s 6^d, for which M. Hocquart caused bills of exchange in full to be drawn in the usual way; as long as the same system is observed, this money will preserve its credit. The country being absolutely destitute of gold and silver coins it does not appear surprising that the majority of the common people of the towns and rural districts lay it by to use in the domestic trade of the colony, in addition to the fact that here as everywhere, close and miserly people are found who do not circulate that which they can hold.

As to the application of the 120,000 livres, these shall be used according to your designs, 32,581^l 17^s 6^d to make good the excess which occurred in the expenditures of the colony in the year 1739: the remainder will serve to pay in part that which occurs in the expenditures of the years 1740 and 1741.

M. Hocquart has declared the extra expenditure of 1740 as 28,981^l 13^s. It is with pain that we announce to you that of 1741 which amounts to 103,169^l 14^s 10^d. There were made, however, only necessary and proper expenditures in that year, as you will recognize by the detailed statement that M. Hocquart is submitting to you which, in so far as he finds it possible, enters into the explanations that you ask on this subject. Although there does not appear to us to be any thing to fear for the credit of the card money in increasing it by another 80,000 livres, the matter is so delicate that we will not propose this increase to you for the present. We believe that it is more certain, and that it would be better for the Service if you were good enough, My Lord, to appropriate a fund in specie to complete the making good of these extra expenditures. After the departure of the ships we shall finish issuing the 78,000 livres remaining of the 120,000 livres of card money ordered.

.....
 [Signed] BEAUHARNOIS HOCQUART

Quebec, 20th October, 1742.

DISPOSAL OF THE REMAINDER OF THE CARD MONEY AUTHORIZED

Quebec, 30th October, 1742.

My Lord:

.....
 There remained so little of the card money in the Treasury last year even after the bills of exchange were drawn, that I was soon under the necessity as usual of issuing notes equivalent in value to the greater part of the orders for expenditure for the current needs of the Service: M. Michel was in the same situation: You may rest assured, My Lord, that I shall distribute only the least possible quantity of them: 491,000 livres of them were returned this autumn and only 142,000 livres of card money, so that there remained of this last, after the distribution of the bills of exchange, only about 80,000 livres: a portion has

already served to meet the current and extraordinary expenditures; I have sent 6,000 livres to Montreal, 15,000 livres to St. Maurice to provide for the development of the smelting works there, and today I am setting aside ten [thousand] others in order to lay in certain stores of wheat to provide for the subsistence of the troops and for the need of the inhabitants of the towns: it is the most pressing service under the present circumstances. There remain at present not more than 20,000 to 25,000 livres of money in the Treasury.

We have had to issue the remainder of the 120,000 livres of new money ordered by His Majesty, which I shall reserve for the payment of workmen and of the troops and for making purchases of wheat, so far as I can procure it. This sum will be husbanded with care for these different services, but I shall be none the less forced to issue notes from now to next year. I had the honour to propose to you last year, My Lord, to provide a fund in specie for the extra expenditures. I again take the liberty of pointing out to you that it is not possible for me to restore order in the office of the Treasurer, otherwise than through a current money.

.....
 [Signed] HOCQUART

BASES FOR THE CREDIT OF THE CARD MONEY

Versailles, May 8th, 1743.

TO MESSRS DE BEAUHARNOIS AND HOCQUART

Gentlemen:

By the letter you wrote to me on the 20th October last,¹ I see that of the sum of 120,000 livres by which the card money is to be increased in consequence of the ordinance of the King which I sent you on the preceding 27th February, you have as yet issued only 42,000 livres, the official minutes of which you send me. You will doubtless have issued the remainder after the departure of the ships and I shall await your despatch of the official minutes of the issue of these also.

What remains of this sum of 120,000 livres after reimbursing the excess of expenditure on the budget of 1739 ought to serve for reimbursing also the extra expenditure in the budgets for 1740 and 1741, but as it will not suffice for reimbursing these various amounts, I am specifying in a private letter to M. Hocquart, the funds he is to use to complete them. It is however of extreme importance to stop this kind of extra expenditure. I appreciate the fact that there must be certain articles on the King's Establishment of Colonial Expenditures for which the funds ordered do not suffice, but there are also several others on which a bonus might be found, and it appears certain that these bonuses would balance the extra expenditures if all those who have a share in the expenditures devoted to their economizing all the attention they should. It is not possible that there are no abuses. It is to seeking out their causes and removing them that you are both to apply yourselves. And as I have noticed that for several years, the extra expenditures have been found chiefly in the expenditures of various kinds that are occasioned by the Indians, I can not avoid particularly recommending the Marquis de Beauharnois to redouble his

¹ P. 711.

care against there being useless ones made and to see that necessary ones are decreased as much as possible. I count on the zeal I know him to possess, that he will afford me opportunity of perceiving a favourable change in all these items.¹

To come back to the card money, you must not consider that it is solely for reimbursing the extraordinary expenditure that the King has decided to extend it to 720,000 livres. The chief motive of H. M. has been to facilitate the course of trade in the colony and that will always be an object which will enter into consideration in the transactions that may occur in regard to this money.

It is not enough, however, to ensure its increase that simply the need for circulation requires a larger amount of card money. The essential point is to maintain its credit. For that, it is absolutely necessary to hold its equivalent in certain and liquid assets which will serve to pay all the cards on their presentation. There is no other way to insure safety and confidence.

It was on that principle, also, that the King decided, as I have explained to you several times, on fixing at 400,000 livres the first issue of cards, which was made in 1729.² The goods which were then in the stores and which were assigned as security for this money, were much more than sufficient, with the drafts that M. Hocquart makes from one year to another, to give credit to this money. According to the last inventories he has sent me of the stores, these goods stand reduced to about 230,000 livres, and yet the cards are almost doubled. It is true that the drafts made each year on the Treasurers-General of the Marine have increased, but a portion of those which form the basis of this increase is used up in advance and consequently is not to be regarded as a real fund for the card money. In a word, if success has been attained in establishing the credit of the cards, it has been only by the exactitude with which those which have been presented each year to the Treasury have been paid, and this credit can only be sustained by the same means. One cannot then

¹ The curious refusal of the French authorities to frankly face the actual financial conditions of the colony, was obviously responsible for the growing inflation of the secondary paper money in circulation, even during the intervals of peace, not to mention the practically uncontrolled expansion of it during periods of war. The minister and the King were constantly deprecating the increase of expenditures beyond the appropriations for each year, while at the same time they allowed the governor and other officers to undertake enterprises and incur obligations for the financing of which the intendant must provide or find himself and the treasury discredited. At the same time, the intendant was refused any regular means of payment in the way of specie or an adequate amount of card money. He thus had to resort to expedients which involved very complex book-keeping and an immense rush of clerical work within a week or two at the close of navigation. As instanced in the above document, practically every official declares that much the largest and the most uncontrollable portion of the expenditures is involved in keeping the Indians in an attitude favourable to the French, while they are stirred up to attack the English, whether in peace or war, from Acadia to the Great Lakes and beyond. As the only alternative recognized in Canada was the hostility of the Indians towards the French, horror of the very possibility of this was sufficient to induce in Canada a readiness to bankrupt the mother country, rather than risk it. The lack of resolution to strictly limit the expenditures, on the one hand, and, on the other, the refusal to properly pay for them when incurred, produced an atmosphere of unreality and double dealing which soon proved ruinous, alike to the colonial financiers and the official morale in New France. Proof of this is abundant in the sequel.

² P. 589.

give too much attention to avoid getting into a position in which the cards could not be paid: and to increase them too much would be to expose one's self to this.

Thus to decide on the new increase of 80,000 livres, of which you write, it would not suffice, as I have observed to you, for it to be necessary for the facility of trade in the colony. That necessity admitted, it would still be necessary to be assured of the security for this new obligation, with which the Treasury would be charged. And it is on the above that you must base all the plans you have to make on this matter.

In closing, it is without doubt, unnecessary to urge the circumspection with which you must conduct yourselves in this regard.

[*Not signed*]

REDUCTION IN THE RATING OF SOLS IN ILE ROYALE

*Ordinance of the King in regard to the Circulation of old sols in Ile Royale.¹
Versailles 20th June 1743*

BY THE KING

His Majesty being informed that since the reduction in the rating of old sols ordered by decree of his Council of State of the 1st August, 1738, there are each year considerable imports of them made into the colony of Ile Royale where they have kept the same value as they had before the said decree, and that the individuals who are circulating them are afterwards refusing to receive them otherwise than on the basis of the said reduction; and wishing to put an end to a debasement of the currency which is so harmful to the inhabitants of the said colony, His Majesty has ordered and hereby orders as follows:—

Article One.

The old sols, as well as the coins denominated 30 deniers shall not be current in Ile Royale for any payments save at 18 deniers each, and the half pieces of thirty deniers at 9 deniers.

2.

The new sols, issued pursuant to His Majesty's edict of the month of October 1738, shall be current in the said colony for 24 deniers each and the halves in proportion.

3.

In payments of 400 livres and less, which may be made in the colony there shall not be included of necessity more than 10 livres of these baser coins, nor more than one fortieth in payments above 400 livres.

4.

His Majesty forbids any base foreign coins to be offered or accepted in the said colony, under the penalties provided by the regulations made on that point.

¹. An identical Ordinance for Canada was enacted on March 30, 1744. See *Série B*, vol. 78-1, p. 167.

5.

His Majesty commands and orders the Marquis de Beauharnois, Governor and Lieutenant General, and S^r Hocquart, Intendant, of New France, S^r Du Quesnel,¹ his Commandant, and S^r Bigot,² Chief Commissary at Ile Royale, the

¹ Jean Baptiste Louis Le Prevost du Quesnel was a post-captain in the French navy. In 1737 he was sent in command of the King's ship *Jason* to convey to Quebec the equivalent of the annual appropriation for Canada, in the shape of supplies, munitions and other stores, to the extent of 370,524 livres. He had also to take over a number of salt smugglers to be disposed of for various terms as penal labourers, and thereafter to become regular colonists. He conveyed, also, a number of skilled workmen for the iron and copper mines. Having to winter at Quebec he made certain proposals with reference to the erection of a structure on the heights above Levis across the river, which might serve as a sail loft for the storing of extra sails and rigging, and also as a temporary hospital for sailors who might fall ill. These suggestions were afterwards transferred by the minister to M. de la Jonquière. It appears from the detailed instructions furnished to the captain that, as part of the ship's stores, there was included quite a bin of wine and brandy, not merely for the ordinary supply of the ship's officers and crew, but as a fund to be employed in the purchase of various supplementary supplies of fresh provisions and delicacies to relieve the more spartan fare from the ship's stores. Special precautions, however, were taken to prevent this privilege from leading to frauds on the King's revenue. In 1740 Prevost du Quesnel was back in France, and when it was learned that M. Forant, the Governor of Ile Royale, had died suddenly on the 10th of May of that year, he was selected to succeed him, his commission being dated the 8th September. He was not, however, appointed to the full rank of Governor, but simply that of Commandant. Bigot was still associated with him as Administrative Commissary or Acting Intendant. Quesnel received his instructions 18th September, in the form of a memorandum from the King. In this the history of the colony was briefly outlined, the original interest in the Island being entirely in its fisheries and incidental trade. But, after the loss of Acadia, it was selected as the chief French stronghold. The fortifications of Louisbourg were begun in 1718. Quesnel is to avoid being drawn into conflict by the English, whether over the Island of Canceau or other portions of Acadia. Should, however, the King become involved in war with the English, he must do everything possible to put Louisbourg in a state of defence, thus precluding a surprise. He was sent out from France in a merchant vessel, which made a rapid passage for he left after October 10th and on November 7th reports his arrival at Quebec. In putting Louisbourg in as complete a state of defence as possible the Commandant met with many difficulties and trials. He found it impossible to secure there the equipment or men he considered necessary. The commissary stores were frequently inadequate. The island itself could not produce many provisions, hence the Acadians of Nova Scotia and Ile St. Jean (P.E.I.) were appealed to. Canadian supplies were irregular, especially when there was a dearth in the colony, as in 1742. Supplies in French vessels from France or the West Indies were very uncertain, hence prices fluctuated very greatly and speculation ran high. All the officials, according to Bigot, including himself, took part in the gamble. On several occasions they sought relief from the British American colonies, but this was condemned alike from France and Canada. At the same time the lack of vessels with which to convey supplies from legitimate sources caused the minister to relax the orders sufficiently to permit of the purchase of a number of British colonial ships. There was trouble also with the troops in garrison, some of whom were Swiss mercenaries, a number of whose officers, profiting by official French example, were turning an honest penny by selling liquor to the rank and file. Vexed with the worries of his situation, Quesnel petitioned the minister, in August 1743, to transfer him to the Governorship of St. Domingo. This was not granted, however, and in May of the following year he learned that France had declared war on England. After a strenuous summer with no lack of quarrels within and alarms from without, Quesnel died suddenly, 9th October, 1744, leaving to the King's Lieutenant, Duchambon, the thankless task of surrendering Louisbourg to the British officers the following year.

² For note on Bigot see note 2, p. 765.

officers of the Superior Council of Louisbourg and others whom it shall concern, to see to the execution of the present ordinance, the which shall be registered in the said council, and read, published and posted up, where need shall be.

Done at Versailles, June 20, 1743.

SOLS MARQUES TO BE LEGAL TENDER FOR ONLY ONE
FORTIETH OF ANY PAYMENT

Ordinance of Messrs de Beauharnois and Hocquart fixing the proportion of sols which may enter into any payment. 5th October, 1743

On the petition to us presented by S^r Pierre Trottier Dezauniers in the name, and as syndic of the merchants of this city setting forth that the ship owners and merchants of France who have trading interests in this colony, clearly perceiving everything that might benefit them without subjecting them to the resulting drawbacks, though detrimental to the merchants of this country, have bethought themselves of introducing considerable sums in old *sols marqués*, which are not received in France according to the Decree of the King's Council of State of the 1st August, 1738, for more than 18 deniers, but which they give in payments at two sols each, and that, as bills of exchange are not drawn for this money and it is moreover a dead weight in a country where trade is only too profitless on account of the few funds there are, it appears to the said petitioner that private people cannot, without injustice, be forced to receive a payment in this money, in which there would be 25 per cent certain loss if one wished to export it, that the least tolerance in this regard would entail endless consequences if the introduction of these *sols marqués* were permitted on the ground that they are at present in circulation within the colony, where there are already many more than are necessary for convenience in making change in payments. For these causes the said S^r Dezauniers in the said capacity requests that it might please us to pass our ordinance enacting prohibition against having more than one fortieth of this coin enter into any payments that may be made. Considered also a printed copy of the said Decree of the King's Council of State of the said day, August 1st, 1738, attached to the said petition, We, subject to the good pleasure of His Majesty and until it shall be otherwise ordered, have provisionally ruled that, counting from the day of the publication of our present ordinance, there may enter into payments generally, which may be made in this colony, only the fortieth part in *sols marqués*, which shall continue to be received on the basis on which they at present have currency in this country, which also shall hold good in payments that may be made to the coffers of the Treasurer of the Marine in this country, of the King's Domain and of the Company of the Indies. And our present ordinance shall be read, published and posted up wherever need shall be and copies of the same sent to the jurisdictions of Quebec, Three Rivers and Montreal, there to be registered and likewise read, published and posted up, so that no one may claim to be ignorant of them.

We order, etc.

Done at Quebec, etc.

[Signed] BEAUHARNOIS and HOCQUART

GOOD CREDIT OF THE CARD MONEY: ITS INCREASE
DESIRABLE

Messrs de Beauharnois and Hocquart.

My Lord:

We have received the letter you did us the honour of writing us on the 8th May last.¹

Herein is enclosed the third and last official minute of the issue of 78,000 livres of card money to complete the 120,000 livres ordered by the King on the 27th February, 1742,² which sum may serve to reimburse the extra expenditure remaining from the expenditures of the years 1739, 1740 and part of 1741. M. Hocquart will reply by a letter of his own to what you have mentioned to him touching the payment in full of these extra expenditures. Each of us in his own domain is bringing to bear, My Lord, all the attention you could desire in order to avoid or lessen these extras. The critical circumstances in which the colony has been situated for three years past have contributed to increase them considerably, on account of the dearness of provisions and the necessity there has been of treating the Indians well and sending them away satisfied.

When things have improved we hope the expenditures will diminish more appreciably; already the presents to the Indians are smaller by a half this year than last: the returns M. Hocquart has sent you prove this; M. de Beauharnois will hereafter try to decrease them still more, making only those that are unavoidable.

Although there is today 720,000 livres of card money in the colony, it is astonishing to note the small amount of it in circulation; there was returned to the Treasury this autumn only the sum of about 200,000 livres, for which bills of exchange were rendered by the Treasurer, as usual. 430,000 livres of notes, receipts, or ordinances were returned for which there were also given bills of exchange, with the exception of three tenths which were paid in card money. The credit of this money is so well established that after the distribution of the bills of exchange, which finished today, several of the holders of these bills are at present seeking to exchange them or trade them for equal value in card money, to which they give the preference because of the convenience it affords in the domestic trade of the colony. If you think, My Lord, that, to maintain this credit, it is absolutely necessary to hold a reserve equivalent to all the cards in sure and liquid assets which will serve to pay it all on its presentation, we shall not propose to you to make an increase in this money. But, judging the future by the past, there is no fear of so much of this money being presented in the autumn as to cause us to apprehend that we should be unable to pay all that was presented in bills of exchange. In any case, the funds in goods in the stores cannot, in our opinion, be regarded as capable of liquidating the card money, because, either these goods are already designated for the service, or they are to be sold to produce extraordinary receipts. Their sale can be made only according to the needs of trade which become evident only successively and from one time to another. For the rest, these goods which last year amounted to only about 230,000 livres, amount this year to 285,000 livres without reckoning those at the posts.

Taking this view, we foresee, My Lord, no drawback to making an increase of 100,000 livres of card money, to aid the movement of domestic trade

and also to meet the excess of expenditures; we await your orders, to which we shall conform.

[Signed] BEAUHARNOIS HOCQUART

Quebec, 29 October, 1743.

REDUCTION OF THE OLD SOLS TO EIGHTEEN DENIERS

Ordinance enacting that old "sols marqués" shall be received in future only for eighteen deniers each. January 30th, 1744.

CHARLES, MARQUIS DE BEAUHARNOIS, ETC., GILLES HOCQUART, ETC.

On the representations made to us in the month of October last that the difference in currency rating of the old *sols marqués* in Canada as compared with their value in France must cause considerable injury to the external trade of the colony if not provided for by us, we enacted in consequence, by our ordinance of the fifth of the said month of October last,¹ and for the reasons therein contained, that dating from the day of its publication, there could enter into payments only one fortieth of this money. Since we have been informed that this difference is causing considerable injury to the domestic trade of the colony and particularly to that part of it which is concerned with the subsistence of people,

We, subject to the good pleasure of His Majesty, have ordered and do hereby order that, dating from the day of the publication of the present ordinance, in the three towns of the colony, the old sols shall in future be received in all private payments and in the King's receiving offices at the rate of only eighteen deniers each. We order, etc.

Done at Quebec, January 30th, one thousand seven hundred and forty four.

[Signed] BEAUHARNOIS and HOCQUART

Countersigned and sealed

Copy: [Signed] HOCQUART.

NO INCREASE IN CARD MONEY FOR THE PRESENT

Versailles, March 24, 1744.

TO MESSRS DE BEAUHARNOIS AND HOCQUART:—

.....
The obligations H. M. has assumed by the institution of the card money which exists in the colony are very considerable, and the funds appointed for its payment are not sufficient to permit of the new increase which you propose to make in this money. This increase moreover is not necessary to put M. Hocquart in a position to make good the excess which occurred in the expen-

¹ P. 723.

ditures of 1741 and 1742, by means of the funds he is permitted to use for it. And although, on the other hand, one might conclude from what you have pointed out as to the credit maintained by that money, that this increase would not lessen it, yet such an undertaking involves too many considerations to decide on it without carefully estimating the consequences. However it may be, it is useless for you to insist on this increase for the present.

[*Not signed*]

REDUCTION IN THE RATING OF OLD SOLS

Duplicate

Versailles, March 30, 1744

TO MESSRS DE BEAUHARNOIS AND HOCQUART.

Gentlemen:

I am sending to you, with another despatch, the ordinance made to put a stop to the injury done to the inhabitants of Canada by the circulation of old sols which has been going on in the colony¹. But when this ordinance comes to you, there may be in the coffers of the agent of the Treasurer General or in those of the Domain a certain quantity of sols whose reduction would be of importance for these two Chests. H. M's. intention is therefore that this ordinance is not to be made public until after M. Hocquart has verified the condition of the Chests and has been able to distribute, in payments made for the expenses of the Service, the old sols that may be found there.

I am, Sirs, etc.

REMARKS ON THE REDUCTION IN RATING OF OLD SOLS

My Lord:

We have received with the letter you did us the honour of writing us on the 30th March last,² the ordinance of the King which was attached to it¹ and which reduces the rating of the old sols to that at which they circulate in France. It was published on the 13th of this month at Quebec and will likewise be [published] at Montreal and at Three Rivers. It was not necessary to take any precaution as to its publication; we found ourselves, in the month of January last, under the necessity of making this reduction, according to the ordinance we together enacted, subject to His Majesty's good pleasure, on the 30th of the said month (a copy of which is enclosed).³ The discredit this baser money was beginning to show, owing to another ordinance of the 5th of the preceding October,⁴ had made it extremely common; everybody sought to get rid

¹This ordinance is identical with that of June 20, 1743, applying to Ile Royale, q.v. (p. 719). ²The preceding document. ³P. 727. ⁴P. 723.

of it under the supposition that with the first mails we should receive the King's orders for a reduction. Gradually the Treasurer's Chest became so full of it that only with difficulty could it be got rid of. We took the most suitable time for avoiding all inconvenience. On the thirty-first of the same month, before the publication, M. Hocquart instructed M. Varin to go and ascertain the condition of the different Chests at Quebec, which was done in three official minutes, and at Montreal by M. Michel according to two other official minutes, all enclosed.

We have, My Lord, the honour of addressing to you another official minute of the issue and withdrawal of 2,625 livres of card money.

[Signed] BEAUHARNOIS HOCQUART

Quebec, 17 October, 1744.

TWO SOL PIECES

Versailles, March 31, 1743.

TO M. HOCQUART

.....
 I have given orders to M. de Selle to send to his agent at Quebec, the 3,000 livres in pieces of two sols, for which you asked in order to facilitate the payments of that agent.

[Not signed]

RENTS, ETC., WHEN PAYABLE IN MONEY OF THE COUNTRY

Definitive judgment, rendered between the S^{rs} Gourdeaux, owners of the fiefs of Beaulieu and Lagrosardière in the Island of Orleans, and S^r Noel, farmer, owner of several pieces of land in the said fiefs, which requires the latter to pay 21 years' arrears of "Cens et rentes" with a reduction of one quarter:—13th April, 1745.

GILLES HOCQUART, ETC.

.....
 40. One hundred arpents in area of a piece of land known as Dufort, charged with one sol, card money, per arpent: it is public knowledge that following the Declaration of the King enacting the reduction of one quarter in the rating of the cards, the *cens*, *rentes*, and other obligations, preceding this Declaration, which were not stipulated as payable in money *Tournois*, money of France or money *Paris*, underwent the same reduction: the title which involves the Dufort land consists in an agreement as to sixty out of the hundred arpents of which this land consists: this agreement not specifying that rents are payable in money *Tournois*, they are to be paid in cards; if sixty of these hundred arpents, which make up this same land, are payable in cards, can one presume

that the other forty arpents are payable in money *Tournois*, at least when no title which justifies that is produced? As to the land of Jean de Paris, it is true that it at first paid ten sols per arpent of area, but S^r Gourdeaux, Senior, reduced this rent to twelve deniers, which, not being stipulated money of France, *Tournois* or *Parisis*, ought to be reduced a quarter; the said Noel produces four agreements which justify this conclusion.

.....
 The said Noel would be willing to pay the *cens et rentes* he owes to the plaintiff with a reduction of a quarter, based, as he states, on the declaration of the King which ordered the reduction of the cards by a quarter: he says that the *cens et rentes* and other obligations previous to one thousand seven hundred and fourteen and to the declaration of the King, which were not stipulated as being in money *Tournois* or *Parisis*, have undergone the same reduction.

This may be admitted, but this reduction has an effect retroactive only to the institution of cards in this country, but not to a time well before the institution of this money, or to a time at which money had in this country the same rate and value as in France, as there are grounds for presuming it to have had for the years 1652, 1653 and 1659¹: and it is easy to recognize that it was in these years that the major part of the land that the said Noel holds, was granted to his ancestors.

.....
 And after having this day heard the parties afresh, in our court, having considered the declaration of the King, given at Versailles, March 25, 1730,² enacted in interpretation of that of July 5, 1717³, by which (giving interpretation to Article 9 of this said declaration and disregarding the ordinances of Messrs Bégon and Dupuy, former Intendants in this country, of the 21st June, 1723, 16th November, 1727 and 13th January, 1728⁴) it is ordered that the *cens, rentes, rents* and other debts contracted before the declaration of the 5th July, 1717, and wherein it shall not have been stipulated money of France or money *Tournois* or *Parisis*, shall be paid in money of France with a deduction of one quarter, which is the reduction of the money of the country into money of France, and that those wherein it shall have been stipulated money *Tournois* or *Parisis*, shall be paid on the basis of money of France without any reduction: everything considered and provided that, in the titles of the lands the said Noel possesses in the fiefs of Beaulieu and of Lagrosardière, it is not expressed money *Tournois* or of France or *Parisis*,

We order that all the *cens et rentes* in money provided in the said titles shall be reducible by one quarter.

.....
 Done at Quebec, April 13th one thousand seven hundred and forty five.

[Signed] HOCQUART.

¹ See, however, the regulation by the Council of the values of the coins for Canada, March 20, 1662, in which it is stated that the rating in the colony is to be increased one fourth over that in France, as was formerly the practice. See p. 5, and note 1, p. 5.

² See *Edits et Ordonnances*, Vol. I, p. 524.

³ P. 399.

⁴ See *Archives de Québec: Ordonnances des Intendants*, Vol. 7, p. 485, Vol. 9, pp. 224, 274 (Public Archives transcripts).

PAYMENT OF CERTIFICATES ISSUED IN ACADIA FOR
SERVICES TO THE FRENCH CAUSE BEFORE
THE TAKING OF LOUISBOURG¹

Messrs de Beauharnois and Hocquart

Quebec, 12 September, 1745.

My Lord:

.....

The Acadians have not extended their plantations since they have come under English dominion; their houses are wretched wooden boxes, without conveniences, and without ornaments, and containing hardly the most necessary furniture; but they are extremely covetous of specie. Since the settlement of Ile Royale they have drawn from Louisbourg, by means of their trade in cattle and all the other provisions, almost all the specie the King annually sent out; these coins never appear again, they are particularly careful to conceal them. What object can they have except to secure for themselves a resource for an evil day? Already many of them have caused inquiries to be made whether they could find lands here to settle on, and whether they would be admitted to enter on them. We have avoided all answer.

.....

To return to Acadia; M. Hocquart will inform you by one of his despatches of the amount of expense which the party commanded by Si ur Marin²

¹ Translation revised from New York Documents.

² Sr. Paul Marin de la Malgue was born at Montreal 19th March 1692. At the age of about 30 years he was an ensign of marine serving at one of the western posts, Chaguamigon, on the northwest coast of Wisconsin in the western end of Lake Superior. Like most of the officers at these posts, he shared in the trade with the Indians carried on there. From 1721 to 1725 we find his name appearing regularly in the annual list of permits for a canoe of merchandise in charge of four men, to be sent from Montreal to the post of Chaguamigon. In 1726 he was in charge of a convoy of canoes for the western posts; and for the next fourteen years he appears to have been employed partly in personal trade and partly on Government missions among the most westerly of the Indian tribes having relations with the French. He thus acquired a thorough knowledge of the Indian character and of the uncertainties of Canadian politics, in which were involved not only the natural rivalries between the chiefs and troops, but the intrigues of the rival French and British agents and traders. In 1740 he brought down to Montreal representatives of new and powerful western tribes, the Sioux and Puants. In the following spring the minister, in a despatch to the governor, expresses the hope that Marin may be able to re-establish peace among the western Indians; but he has heard that he is much more absorbed in his own trading interests than in the matters of state confided to his care. Having learned more to the prejudice of Marin, in a despatch to the governor, of April 1742, the minister orders his recall from the command of the post of Baie des Puants (Green Bay), Lake Michigan. Apparently, however, the governor pacified the minister and he was not recalled. For the following year he is reported as having brought together and reconciled the Foxes and Sakis, whose rivalries and conflicts had been the occasion for most of the troubles with the other tribes. At the outbreak of the war with England the importance attached to the defence of Louisbourg and the possible recapture of Acadia, led to the selection of Marin, in the latter part of 1744, to lead an expedition against Acadia, composed of Canadians and western Indians, with the expectation of some co-operation on the part of the local Indians and Acadians. This it turned out had been carefully arranged for through several of the French missionaries in Acadia, especially the Abbe Le Loutre, q.v. The result was that when Marin and his party, having left Quebec early

has occasioned. This officer was afforded in the province all the assistance it could furnish by means of a letter of credit given him by M. Hocquart, engaging to pay at Louisbourg or Quebec, in specie or bills of exchange, all the amounts stated in the receipts for supplies which he gave, signed by him and Sieur Lignery,¹ major of the detachment. The Acadians gladly agreed to this plan,

in June 1745, appeared in the centre of the English Acadian country around the Basin of Minas, practically all of the Indians and Acadians declared for the French, except a few of the latter in the neighbourhood of Port Royal, where it was said they were for a time overawed by the immediate presence of the British troops. Marin not only met no resistance from the Acadians, but was gladly welcomed and plentifully supplied with provisions and stores, for which he paid partly in money and partly in notes and certificates, as indicated in the above despatch. In the midst of his operations in Acadia, Marin was hastily summoned, 16 May, 1745, by courier from the Commandant of Louisbourg, to come at once to the relief of that place. When reached, however, he was on his way from Minas to Port Royal. Various delays by water and land greatly retarded his return march, and before he could reach Louisbourg it had surrendered to the English. Marin's report on his expeditions and on the general situation of Acadia is included in a long and important despatch of Beauharnois and Hocquart, of 12 September, 1745 (*Série C¹¹ I*, Vol. 83, p. 1). He says the Acadians living in the English territory are entirely on the side of the French and will take up arms for the French cause whenever they can be supplied with munitions of war and be protected from the consequences of their treason to the British, should such an expedition fail. Such few Acadians as might hesitate to join the French arms could be easily brought into line through menaces and force. In this report he also refers* to the extreme miserliness of the Acadians, which results in every coin they obtain disappearing into their hoards, never to be seen again. This characteristic is the subject of frequent comment in the correspondence between the Treasurers of the Marine and the Intendants of Louisbourg, who explain in this way the continual disappearance of the supplies of coined money sent from France and paid over to the Acadians of Nova Scotia for provisions, etc. The fall of Louisbourg having rendered Marin's expedition to Acadia relatively fruitless, he was next directed against the New England frontier. Even in the French records of the time he had a reputation for exceptional cruelty. As, however, in the case of many others with similar training and experience, his long association with Indian methods of warfare had evidently caused him to look upon the destruction of all enemies, regardless of age and sex, with equal indifference. He set out on his way into the New England settlements on December 1st, 1745. The atrocities committed by his irregulars did much to burn into the New England mind a fixed resolution that at all costs the Canadian menace must be removed. In March 1748, Marin attained to the rank of captain, a promotion withheld so long by the minister, who was doubtful of his integrity in the public service. So, also, when Governor la Jonquière, in June 1750, recommended him for the Cross of St. Louis, it was rather brusquely refused. In 1752, however, Governor Duquesne renewed the application and Marin was granted the coveted decoration early in 1753. In 1750 he was once more employed among the Indians of the west, having been sent to establish the Sioux post (now Sault Ste. Marie) in order to interrupt communication between the English and the northwestern Indians. In 1752 Duquesne, encouraged by the home government, planned a formidable expedition to the Ohio to construct forts, establish a regular highway on the overland portage from Lake Erie to the Ohio, station garrisons, and take permanent possession of the country in the name of the French king. The news of this movement in time of peace caused great excitement among the middle and southern English colonies, and led to the outbreak of the final struggle between France and England in America. As leader of this expedition Marin was selected as the most efficient of all the French leaders, alike on account of his natural ability and his great experience and success in the management of the Indians. Marin certainly justified the confidence of the governor. Although then a man of sixty years of age, he was still remarkably active and vigorous. He threw himself into the enterprise with an energy and determination which ignored all obstacles and difficulties. In achieving the task assigned to him he sacrificed both himself and most of his men. In returning to the minister the Cross of St. Louis, which Marin had never received, Duquesne announced his death, which occurred on the 29th October, 1753. It took place at Fort Duquesne where also he was buried. His death was regarded by the governor as an irreparable loss to the colony at a very critical period.

¹ Marchand de Ligneris (also Lignery or Lignierie) was an officer of distinction who saw much service in various parts of North America and in connection with the final struggle between France and England. He was apparently a son of Sr. de

Now Louisbourg being no more, they find in their hands certificates of which they cannot make any use, as bills of exchange cannot be issued in their favour. It struck us that this will cause them much anxiety. We have given them assurances that all would be punctually paid next year, at Quebec. In order that we keep our word with them, 'tis necessary that you be pleased to cause eighty to one hundred thousand livres in silver to be remitted hither for the payment of services of this nature, already or hereafter to be rendered.¹ Otherwise, future difficulties must be expected which would cause the Acadians to look upon us as real enemies. 'Tis even fitting that, without being obliged to have recourse to this country, those in the King's fleet entrusted with funds should satisfy, if occasion present, the expenses in question, in the proportion of 6^{ll} the rating of

Ligneris, Commandant at Michilimackinac in 1721, and afterwards Governor of Three Rivers, who died in 1733. In 1731 de Ligneris junior was granted leave to return to France on private business. After his return to Canada he was one of the Canadian, French and Indian contingent sent in June 1737 to assist M. de Bienville, Governor of Louisiana, in his war with the Chicacha (Chickesaw) Indians. This campaign not proving decisive, a second and more extensive expedition from Canada, in which de Ligneris again served, went down in the early spring of 1740. After his return later in the year he married the daughter of M. de la Gauchetière, an officer in the Canadian service, whose influence with the minister procured for his son-in-law, the following year, a full pay appointment as an ensign. He continued to be employed in connection with the Indian posts of the west, where he was evidently closely associated with Marin. When, therefore, the French and Canadian expedition to Acadia was organized in 1744, with Marin in command, it was natural that de Ligneris should be selected as his chief assistant. He had charge of the supplies and made the payments for those collected from the Acadians. It was he, therefore, who issued the notes or certificates which were left in the hands of the Acadians after the fall of Louisbourg, and to which reference is here made. After his return from Acadia he was once more employed among the Indians of the western posts where he evidently gained the approbation of the French authorities. Being strongly recommended by the governor, he was granted the rank of captain, in 1751. In 1752 he was in command at Fort Onyatanon on the Wabash in the Illinois country south of Lake Michigan. He was afterwards employed on many important missions, as to New York to arrange for an exchange of prisoners. He corresponded with Governor Clinton and Sir William Johnson. He was also the last French commandant of Fort Duquesne, having taken command there in 1756, in which year, also, he received the Cross of St. Louis. This was supplemented the following year by a pension of 400 livres. In October 1758, learning of the approach of the English in strength, he abandoned Fort Duquesne, destroyed what arms and stores he could not remove, and, burning the fort, fell back, first on Fort Machault, at the junction of the Riviere aux Bœuf (French Creek) and the Ohio. From there, July 5, 1759, on orders from Canada he retired towards Niagara and arrived there July 24th, only to find Sir William Johnson engaged in an attack on the fort. Before he could effect a junction with the other French forces he was attacked, defeated, and taken prisoner.

¹ No card money was issued in Acadia during the second period of its employment in Canada after 1729. As may be observed, however, from this and subsequent documents, certificates and notes were freely issued for supplies, especially among the Acadians of Nova Scotia, where they circulated as money, subject to a discount, however, varying with the prospects of their ultimate redemption. When Louisbourg fell, payment was promised either at Quebec or from the vessels of the French fleet. According to a report submitted by Hocquart, 31st October, 1745, the total amount expended locally by Marin's expedition was 93,325^{ll} 13s 2d. This was supplementary to the provisions sent from Quebec after the fall of Louisbourg, amounting to 233,499 livres. Those provided for consisted of about one hundred and twenty French, and between five and six hundred Indians, subsisted for four or five months. Bills of exchange on France were drawn to cover 70,000 livres of Marin's expenditure leaving 23,325 livres as represented by the notes issued by Ligneris who acted as paymaster for Marin. These were still in the hands of the Acadians after the withdrawal of Marin's expedition. A considerable portion was afterwards redeemed by Bigot from that portion of D'Anville's fleet at Chibouctou (Halifax). See note 1, pp. 779-83.

the écu in France for 8¹¹ 8^s, the rating of the écu in Acadia, and should take up as many certificates as will be offered. This punctuality will maintain the King's credit.

[Signed] BEAUHARNOIS
HOCQUART

REQUEST THAT SUPPLIES FROM ACADIANS BE ARRANGED
FOR THE FRENCH FLEET¹

Messrs de Beauharnois and Hocquart. 4th Nov. 1746.

ABSTRACT, in form of a Journal, of whatever occurred of interest in the colony connected with Military operations; also of the various news received since the departure of the ship *St. Roch*, Captain Petrimoulx, which sailed for France the first of December, 1745.

August 27.

M. Hocquart sends by this courier 1,000 dollars to M. Guillimin,² for the wants of the detachment.

¹ Translation revised from New York Documents.

² Sr. Guillimin, here referred to, was a son of Sr. Charles Guillimin, a prominent citizen of Canada appointed to the Council at Quebec, 13 May, 1721, and was brother to Guillaume Guillimin, another son of the former, who was also appointed to the Council at Quebec, first as an assessor, in 1741, and afterwards as a full member, 24th March, 1744, in succession to his father who had died. After the loss of Louisbourg and the retirement of the forces under Marin, it was learned by a despatch from France, 24th January, 1746, that the King had ordered another French and Indian attack upon Acadia to be fitted out at Quebec, to co-operate with the local Acadian and Indian forces in Nova Scotia and to be supported by a powerful fleet and marine force from France. The Canadian contingent was to be composed of about three hundred Canadian and Abenaki Indians, to be joined by the Micmacs of Acadia, the whole to be under the command of Sr. St. Pierre, an experienced Indian leader. The French Canadian contingent, amounting to about six hundred and eighty, was to be under the command of Capt. de Ramezay, a member of the well known family of Montreal, and with whom St. Pierre and his Indians were to co-operate. Sr. Guillimin was appointed commissary of the expedition and organized at Quebec the details of the equipment and stores to be provided. Both St. Pierre and de Ramezay were provided with letters of credit from the Canadian authorities, authorizing them to issue notes for the purchase of supplies from the Acadians, and which notes were to be redeemed either at Quebec or in Acadia as circumstances should determine. The purchase of the supplies and the issue of the notes naturally formed part of the duties of Guillimin as commissary. St. Pierre and the Indians from Quebec went overland by the St. John River route, while de Ramezay's contingent went down by sea and carried with it most of the provisions and equipment furnished from Quebec. Among the stores taken were iron stoves and bar iron from the St. Maurice forges, to be exchanged with the Acadians for supplies, it being explained that specie could not be procured at Quebec. The Indians reached Beaubasin in June, while the Canadian contingent arrived at Bay Verte in the latter half of July. The whole expedition then set out for Port Royal via Beaubasin and Minas. Meantime the governor at Quebec, becoming alarmed by rumours of intended British attacks upon Quebec and Montreal, sent in haste to recall de Ramezay and his forces. This, of course, brought dismay to the Acadians who, having once more, as predicted by Marin, joined or supported the French forces, were naturally apprehensive of the punishment which their open rebellion would bring upon them at the hands of the English authorities. The Acadians, therefore, repeated their tactics towards Marin, becoming increas-

October 14.

Two more couriers have arrived from Beaubassin; they bring us, at length, the agreeable tidings of the arrival of the fleet at Acadia; we are sent copy of a letter from M. Bigot, Intendant of the fleet, to M. le Loutre,¹ missionary priest

ingly reluctant to bring in provisions and especially to take in exchange for them the paper money of the French commissariat. Guillimin was therefore forced to report to the intendant at Quebec, 13 August, that he was finding it increasingly difficult to procure supplies from the Acadians, who objected very strongly to the paper money. In consequence, he explains, de Ramezay has had to resort to strong measures with them, and had issued a formal order to compel the Acadians to furnish provisions. Hocquart, as we see from the above despatch, managed to get together 1,000 Spanish dollars (*piastres*) which he sent to Guillimin. This small amount of specie had temporarily a good effect. But when it was found that the promised French fleet was not forthcoming, while de Ramezay was returning to Quebec, the Acadians became quite panicky and were correspondingly disinclined to aggravate their treason in the eyes of the British authorities. De Ramezay, in severely criticizing the Acadians for their duplicity, expressed conviction that an adequate supply of specie would have assured him the necessary provisions. In the meantime Guillimin had returned to Quebec where he arrived October 7th. Just before leaving Baie Verte for Quebec, de Ramezay learned of the near approach of D'Anville's great fleet of two hundred and fifty vessels, which was to overwhelm the British in Acadia and Ile Royale. Part of the fleet put in at Chibouctou on September 20th. On one of the vessels was Bigot who soon got into touch with the priest Le Loutre (q.v.). Through his influence with the Acadians and the renewed possibility of defeating the British, coupled with the promise of ready cash not only for present supplies but for such paper money issued by Ligneris and Guillimin as might be brought to the vessels, the alleged dearth of provisions was forgotten and supplies for the French fleet were once more abundant. Unfortunately for French expectations, the destruction which the elements wrought in D'Anville's great fleet, both before and after its appearance at Chibouctou, postponed the annihilation of the British power at the gates of Canada.

¹ Jean Louis Le Loutre, born at Morlaix, September 26, 1709, was one of the most notable figures of the French period in America. He came to Ile Royale in 1737 as a missionary. After some service which is referred to in the correspondence of the minister with Governor Forant, and the Bishop of Treguier, as in the missions of Ile Royale, but which, as appears from other sources, was probably in Acadia or Nova Scotia, he was stationed in 1740 in Nova Scotia in the neighbourhood of Shubenacadie as a missionary. Although he had constant and intimate relations with the Acadians, yet it was more convenient for his peculiar line of action with reference to the British, to be designated simply as missionary to the Indians. In accordance with the Treaty of Utrecht the British authorities had permitted a number of French priests to reside in the country, to minister to the religious needs of the people, but with the mutual understanding that they would not use their positions to the prejudice of the British government. This was emphasized in a despatch from Maurepas, Minister of Marine, to Brouillan at Louisbourg, 16th April, 1737, in which he declared that the missionaries in Acadia were subject to the English government and must teach the people by word and example the obedience due to His Britannic Majesty. (*Série B*, Vol. 65, f. 452.) M. Forant, the governor of Ile Royale, had specially commended to the British governor of Acadia the priests le Loutre and Maillard, as entirely worthy of his confidence and respect. Maurepas quite approved of this arrangement but requested the governor to warn these missionaries to conduct themselves worthily towards the British authorities. Le Loutre, however, being of a restless disposition and ambitious to shine in the larger field of national rivalry, was soon deeply involved in plots and intrigues against the British interests in Acadia. Although profiting from his duplicity and intrigue, the French authorities found it difficult to approve of his conduct and he was warned that should his operations be discovered by the English, the French government must disavow any connection with them. When, in 1744, war was declared between the French and English, the fruits of his labours were revealed.

at Acadia, dated Chibouctou, the twentieth of September, wherein the former

Some of the French missionaries in the neighbourhood of Port Royal declined to violate their pledges and advised the Acadians to whom they ministered, to at least remain passive. Le Loutre, however, and most of the others, actually incited them to take up arms against the British (see *Série B*, Vol. 81, folio 64). It was their boast, confirmed by the experiences of Marin, de Ramezay, and Boishebert (see notes under these names), that nearly all of the Acadians of Nova Scotia were actually on the side of the French, awaiting only arms and military protection against the anticipated resentment of the British authorities to aid in driving the British from the country. See Le Loutre's statement on this subject 4th Oct., 1749 (*Collection de Manuscrit*, etc., Vol. 3, p. 546). Peace having been re-established in 1748, the British, to offset the restoration of Louisbourg to the French, resolved in 1749 to make a settlement at Halifax. Le Loutre wrote to the new minister, Rouillé, from Louisbourg 29th July, 1749, indicating the efforts likely to be made by the British to conciliate the Acadians and Indians and thus alienate them from the French cause. In view of this prospect he calmly proposed, during the period of peace, to return to Nova Scotia and, under the guise of ministering to the religious needs of the Acadians and Indians, to devote himself to so stirring up the Indians in particular as to ensure perpetual attacks upon any English settlements which might be attempted, especially in the neighbourhood of Halifax, to the end that it might be utterly impossible for the English to maintain themselves in any part of the country. Should the English accuse him of complicity in these plots he would stoutly maintain that he had nothing whatever to do with them, and that they were entirely the work of the Indians themselves. "Such Your Highness is the resolution which I intend to follow out in the interest alike of the state and of religion" (*Collection de Manuscrit*, etc. Vol. 3, pp. 473-9.) The sequel proved that this was no idle boast on his part, as may be learned from the early history of Halifax and especially of the other English settlements made or attempted during the period of nominal peace, between the Treaty of 1748 and the outbreak of the final struggle in America. For these services le Loutre was applauded and rewarded by the French authorities who succeeded Maurepas. Their only complaint was that his reckless zeal tended to compromise the French government during the period of peace. They also complained of the exorbitant prices which he allowed for British scalps. On one occasion as much as one hundred livres each were charged for eighteen British scalps. The Bishop of Quebec, under whose ecclesiastical jurisdiction the missionaries of Acadia came, strongly disapproved of his taking part in these intrigues, holding such action to be quite beyond his proper sphere. Le Loutre's activities were naturally the subject of much resentment on the part of the English authorities and eventually led to a price being set on his head. It cannot be denied, however, that if the successive French military expeditions for the reconquest of Acadia had been as well supported from France or Quebec as by the Acadians under the direction of le Loutre and other missionaries, the British would doubtless have been driven from the province and le Loutre would have been a national hero. As it was, the Acadians justly complained that on more than one occasion they were forced to play the role of unsuccessful rebels, and being left to the discretion of the British authorities without support or justification, were ultimately the chief sufferers from every unsuccessful rebellion. The only alternative which le Loutre could offer them in their unfortunate situation was that they should leave the British territory and pass to either Ile Royale (Cape Breton) or Ile St. Jean. This, however, the great majority of the Acadians were very loath to do. Quite a number, however, were induced to settle on the lowlands between the Bay of Fundy and the Gulf of St. Lawrence, to which the French government had set up a claim and to maintain which they built a fort at Beausejour. To protect the adjoining lands from high tides le Loutre proposed to build dikes with water gates (*aboiteaux*) and for which he asked assistance from the government to the extent of 50,000 livres. To provide a portion, if not the whole of this, he proposed the issue of a special local metallic currency to avoid the issue of paper money, to which, from experience, the Acadians were very much averse, owing to the difficulties of getting it redeemed when the French retired from the country after each unsuccessful expedition. He proposed therefore that the government should establish a branch mint, apparently at Beausejour, to issue a special coinage for local circulation and which, under the classic device of overrating, would be induced to remain in the district. The minister promised to consider the request for assistance towards the construction of dikes, but declined to establish a special currency. On the contrary it was required that claims in Acadia should be settled at Quebec, the object

informs this missionary that the fleet commanded by the Duke d'Enville had anchored in Chibouctou on that day; he requests him to procure for him at least some fifty beeves for the wants of the fleet, for which he will pay cash; he asks him to come to Chibouctou and to give notice to the inhabitants of Acadia, who may be in possession of notes for supplies furnished the detachment of French and Indians who have sojourned there, to send in said notes to Chibouctou, where he will pay their amount.

[Signed] BEAUHARNOIS HOCQUART.

EXCESSIVE AMOUNT OF BILLS DRAWN IN 1746

VERSAILLES, January 23, 1747.

TO M. HOCQUART.

The first concerns the issue of bills of exchange which you made in 1746 on the Treasurers General of the Marine. I was very far from expecting them to be for amounts so considerable. It is difficult to imagine how the expenses have risen so high. I fear that, notwithstanding all the attention which I am persuaded you had given to the subject, there have been abuses. However that may be, I do not know whether these drafts can be met, and I am not without much anxiety on this account. But in any case, I must warn you that it will

being to delay their ultimate payment in France and thus relieve the already overburdened colonial treasury. Le Loutre was in France in 1753 and while there presented large claims for payments for supplies purchased by him from the Acadians and at Ile Royale and elsewhere. Before paying for some of them the minister requested an investigation by the commandant and commissary intendant of Louisbourg. They are so large, he says, that he suspects abuses in connection with them. When le Loutre returned to Acadia he resumed his activities against the English more vigorously than ever. In the early years of the final struggle in America, both before and after the declaration of war, the French had decidedly the advantage on both the eastern and western frontiers. There appeared, therefore, much justification for the assurances of le Loutre to the Acadians that a final resistance to the English possession of even the peninsula of Acadia would result in the defeat of the British and the restoration of the whole country to France, after which the rewards and punishments to be meted out would depend on the zeal shown in the French cause. Unfortunately for the Acadians they once more gave ear to such counsel. The British government, fully realizing its danger took measures to repel the encroachments. In 1755 it failed disastrously with Braddock but succeeded with Monckton, who captured Beausejour, and the expulsion of the Acadians followed. With the loss of Beausejour le Loutre abandoned the Acadians to their fate and making his way to Quebec, via the St. John River, he met with such severe reproaches from the Bishop on account of the results of his intrigues, that he took the first opportunity of returning to France (August). The vessel on which he sailed was captured by the English. Fearing the consequences of discovery he disguised his person and assumed the name Dupré (see *Série B*, Vol. 104-1, p. 117). He was identified however on reaching England, and was confined in a castle on the Island of Jersey where, despite various efforts to secure his release, but well supplied with funds from France, he remained until the peace of 1763. He then returned to France and was employed in connection with a series of more or less futile schemes to settle the Acadians who had been sent over from America. They were tried on public and private lands in France, on the Island of Corsica and in French Guiana, but all with little success. The government admitted that the ardent desire of the great majority of the Acadians was to return to Nova Scotia or Canada to settle down under British rule. After numerous unavailing efforts to secure for le Loutre a benefice in the church, the government, though still urging his case on the church, finally granted him, in 1768, a pension of 1,200 livres. He died at Nantes in the last days of September, 1772.

be absolutely impossible for the treasury of the Marine to support similar charges for next year. I was fully expecting that by means of all the goods which you received last autumn and of those which will be sent to you this present year, you would be able to meet the requirements of the service without exceeding the ordinary drafts. And that is why I shall enter into greater detail in replying to your several letters: Be good enough, however, to make your arrangements on the lines I am indicating.¹

.....

[Not signed]

BOSTON PRICES AND PAPER MONEY¹

JOURNAL OF OCCURRENCES IN CANADA; 1746, 1747

Abstract, in form of a Journal of the most interesting occurrences in the Colony, in reference to Military movements, and of the various intelligence received, since the departure of the ships in November, 1746.

.....

1747, May.

Evening of the 28th.

S^r Lagroix² left Boston on the 8th April with a passport from M. Shirley.

¹ The other sections of this despatch deal with quite different matters. In answer to the portion of it here given, and having reference to previous remonstrances of the minister on the same subject, Hocquart sends a despatch of 27th October, 1747 (given at p. 751), which fully recognized the enormous increase in the expenditure of the colony. Bills had been drawn that year to the amount of 55,392 livres, in exchange for card money, and to the amount of 2,669,358 livres for notes and receipts or orders. Incidentally this indicates the extent to which the later and unregulated forms of currency had absorbed the functions of the card money. He points out, however, what was also persistently urged by his successor Bigot, that he was not responsible for these excessive issues. They are almost entirely incidental to the military operations undertaken solely on the authority of the governor. He reminds the minister, also, that the government in France has ordered an aggressive policy towards their enemies, hence the natural result. The minister can see for himself, by looking up the detailed items, where the money goes. He then points out that the amount of card money then authorized, namely 720,000 livres, was wholly inadequate to the needs of the country. It has, indeed, an unquestioned credit and is hoarded as specie. He is compelled, therefore, to employ notes in place of card money, with promise of annual redemption in October. Were these assurances unfulfilled his credit would collapse utterly, and the King's service be brought to an end. He has dated the bills of exchange drawn that year as far in the future as possible, but even this deferment of the period of redemption has greatly disturbed the merchants (see below, p. 757, their memorial on the subject). As one result, the exchanges drawn by the Company of the Indies are being much preferred to the government exchanges, and considerable premiums are being paid for them. As another result, the prices of imported goods are now going up, some samples of which are given. He concludes by declaring that the minister alone, by his assurances of the prompt payment of the exchanges, can dispel the suspicion of discredit which has already crept in. In a previous letter to the minister, of 25th September 1747 (*Série C¹¹ I*, vol. 88, p. 36), he refers to the enormous increase in the work of his office, on account of the business coming in from the western posts where they have no coined money, card money, or notes, and hence resort to various devices. This is the source of much of the orders on the treasurer and the acceptances he has sent up, in addition to merchandise and some coined money which he borrowed in his own name.

² Sr. Lagroix was captain of a vessel in the service of Canada. On July 11, 1745, he had left Quebec in command of a schooner laden with provisions for the French forces at Ile Royale. On July 14, while off the entrance of the Little Brador, an inlet on the north shore of

He reports that goods are exorbitantly dear at Boston; the pound of bread is worth 3 shillings, which is equal to 12 sols of our money, and meat is one shilling dearer than bread. Paper money is so common and so discredited there that Lagroix assures us that, at the commencement of his captivity, he changed a dollar for 25 shillings, and at his departure he got 50 shillings for them.

[Not signed]

REVIEW OF CURRENT FINANCIAL CONDITIONS IN NEW FRANCE

M. Hocquart *Quebec, 27th October, 1747*

My Lord:

There have been returned to the Treasury from the 25th September up to the 10th of this month, 55,392^l 5^s in card money and 2,669,358^l 8^s of notes and orders. I was anticipating this return, regard being had to the expenditures that the circumstances of the war have occasioned. I join to my other despatches the money accounts relating to these expenditures: it is not my fault if they are so prodigious. I am none the less impressed with the embarrassment they will cause you, as regards the funds of the Marine, but if you are good enough to give heed to all the things that are done here, or if it were possible to detail them all to you, I am persuaded that you would render justice to my administration. I must, My Lord, repeat it to you, it is not I who order military operations, it is the Government which is responsible for them, and as for the share in them that concerns me, I have always acquitted myself with all the economy of which I have been capable; I would

Ile Royale, his vessel was captured by the British and taken to Louisbourg, then just recently captured. Here for a time he was held a prisoner on one of the British vessels in the harbour. He applied to Admiral Warren to be allowed to reside on shore, offering his formal parole to confine himself within the limits of the town of Louisbourg. On these conditions he was allowed ashore and granted other indulgences. After a time, however, he broke his parole and was on the point of escaping on a French vessel from the other side of the island, when he was captured by a search party sent after him. In consequence of the violation of his parole, although not suffering the usual penalty, he was strictly guarded not only at Louisbourg but at Boston, whither he was transferred with other prisoners. From there, the Governor of Canada earnestly desired his exchange, and when that was arranged he was given considerable liberty at Boston. He was thus able to report the effects of the great issue of paper money there, incidental to the financial sacrifices made by Massachusetts in the effort to drive the French power from America. In a letter from Shirley, Governor of Massachusetts, to Beauharnois, dated 18th March, 1746, he states that the letter will be delivered to him by Capt. Lagroix, a prisoner of war who has been released at Beauharnois' special request, and who is going to Quebec by way of Acadia. It appears that he with five other French prisoners was being exchanged for one English officer named Flow. He did not reach Quebec until the 24th May, 1747, bringing with him both Shirley's letter and others from de Ramezay, still in Acadia. Beauharnois, in his reply to Shirley, 26 July 1747, strongly condemned the conduct of Lagroix in having broken his parole, but declared that otherwise he had found him a man of good quality, and thanked him much for having consented to his exchange. Lagroix apparently died within the following year, since in September 1748 his widow was petitioning for assistance.

¹ Translation taken from New York Documents, Vol. 10, p. 100.

not, however, be at the trouble of justifying the Government if there were question of it.

.....
I return to the distribution of the bills of exchange which was made this year. I am, My Lord, in despair at having been able to carry out your orders only in part. In your goodness, hear my representations and I flatter myself that you will make them pleasing to His Majesty.

The expenditures by which the bills of exchange have been occasioned are real and the services have been rendered: that is proved by my various money accounts attached to my other despatches. The 720,000 livres of cards could not serve for the payment of these expenditures: for several years already they have been used for those of former budgets, in accordance with the accounts I have rendered to you. This money has had, up to the present, such credit that, in order to sustain it, I have not hesitated to pay the equivalent of what came in, in bills of exchange drawn at the nearest maturity; that was unimportant. For the remainder of the expenditures, I have had in the course of the year, only notes to distribute, bearing a promise to pay in the month of October. I have not been able to pay them otherwise than by giving to those who hold them, bills of exchange to meet the engagements I have entered into for His Majesty's service. If I had made any other use of them, all their credit would have disappeared in a moment and there would have remained to me no way of carrying on the service. If I needed only goods for sustaining it, the King's stores are well enough stocked to tide me over in my purchases from now until the arrival of the ships, at least if things do not get worse, but you know that it is not with goods alone that I can meet the different requirements of the service and moreover, even if I were in a position to meet a good deal by the sale of these, the situation we are in demands that we cut down our supplies as little as possible and, on this head, it is very necessary for you to abide by such economical arrangements as I am able to make.

In regard to the orders you gave me, I hesitated a long time as to whether I should take counsel. Secrecy was necessary. I considered, however, that I should take the Count de la Galissonnière into my confidence, as it was a question of general interest that would influence his conduct, above all as it touched the colony: it was not necessary for me to suggest anything to him, he soon perceived the distressing consequences that would result from the discredit of the paper and which would inevitably occur if I held strictly to your orders. Messrs. Michel and Varin, to whom I opened myself, were of the same opinion. We thought that His Majesty after all the efforts he has made to keep up this colony, would again deign to make others; by means of the various maturities of the bills, which I have put off as far as possible, I hope you will find resources to have them paid. Putting off the maturities has made the merchants extremely anxious. Several have imagined that the bills drawn on the Company of the Indies were surer and have made usurious bargains to get them in preference, others have purchased peltries with bills and these peltries have been sold at fifteen or twenty per cent above their ordinary value. Goods from France have again gone up in price. All these misfortunes, however, will be nothing if you are good enough to reassure the deputies of trade on the payment of our bills at their maturities. You are the only one, My Lord, who can ward off this beginning of discredit: if the private traders of La Rochelle or other maritime cities who trade in Canada

become distrustful, it is certain that they will not send out ships next year, or at least, very few.

.....

[Signed] Hocquart.

MERCHANTS' MEMORIAL RE DEFERRED PAYMENT OF
BILLS OF EXCHANGE

I

M. de la Galissonnière and M. Hocquart

Quebec, Nov. 6, 1747.

My Lord:

The merchants of Quebec have communicated to us by means of their syndic, a memorial or petition¹ which they have the honour of addressing to you, respecting the extended maturities which have been appointed for the bills of exchange.

The anxieties they disclose are not the only ones agitating them. They are concealing the fear they have that these bills will not be met as regularly as the interests of their commerce and of the colony demand, and it is for this reason that we have imparted to you our reflections, both jointly and individually.²

Will you have the goodness to reassure them and ourselves also, by inducing His Majesty to make new efforts on behalf of this colony, which abounds in good subjects.

[Signed] LA GALISSONNIÈRE³
HOCQUART

¹ See the following document. ² See note 1, p. 749, also the preceding document.

³ Roland Michel Barrin, Marquis de La Galissonnière, was born at Rochefort 10th November 1693. He entered the naval service in 1710 and served in the wars brought to a close by the Treaty of Utrecht in 1713 and the Treaty of Aix la Chapelle in 1748. After the Peace of Utrecht he was employed in the administrative service of the Department of Marine at Rochefort, having charge from 1716 of the equipment and despatch of the royal vessels sailing to Canada and Ile Royale. About 1721 he appears to have transferred to active service in the fleet, and in 1732 was an officer on the ship *Le Rubis*, in the service of New France. In 1737, with the rank of lieutenant, he was in command of *Le Heros* in the same service, and in 1739, again with his old ship *Le Rubis* sailing to Quebec. During the war of the Austrian Succession, which broke out in 1744, he was chiefly employed in convoying vessels for the Company of the Indies, and, notwithstanding the superior naval strength of the British, he was very successful. Being intimately acquainted with Canadian conditions, Galissonnière was offered the governorship of Canada in 1747, but declined, preferring active service in the navy. Another distinguished naval officer, the Marquis de la Jonquière, was then appointed. He was immediately afterwards captured by the English in a naval battle off the Spanish coast. Galissonnière was urged to take his place temporarily at least, and consented. The letters patent, conferring on him the government of Canada, were issued by the King, then at Brussels, on June 10th 1747. He was also furnished with copies of the instructions and letters to La Jonquière. Arriving in Canada 19th September, he found the intendant and other officers at Quebec so alarmed over the threatened invasion of the province by the English, that he was persuaded to recall de Ramezay and his troops from their Acadian expedition. During his administration of New France, La Galissonnière proved himself to be a very able but very aggressive and uncompromising governor. His various reports on the country, some of them quite lengthy, exhibit a comprehensive grasp of its natural resources and their possible ultimate development. But so long as they were menaced by the more highly developed and therefore more powerful English colonies, he could see no profitable French future for them. Thus the primary value of Canada to

II

TO MY LORD THE COUNT DE MAUREPAS,
Minister and Secretary of State.

My Lord:

The merchants of Canada have the honour very respectfully to represent to you that the long period for which the bills of exchange on the Treasury have been drawn this year are of infinite prejudice to the commerce of the colony, for the reasons which they take the liberty of setting forth to you.

France, at the time, was as an effective military base for men and supplies in the world struggle with England. Under these convictions Galissonnière regarded New France merely as a means of checking, and confining within the narrowest possible limits, British possessions and power in America. The very interesting series of reports made by Galissonnière on the French possessions in North America, in relation to the general interests and policy of France, culminated in the report of 1750 submitted by him, together with Silhouette, after his return to France in 1749. This is a very comprehensive account of the resources and possibilities of all sections of New France, from Ile Royale to Louisiana, and how they could be utilized to frustrate or even completely destroy the British power in America (*Série C¹¹* I, vol. 96, p. 175: given also, in English, in Broadhead, vol. X, p. 220). In the detailed administration of Canada he showed the same uncompromising determination as in other fields. He had very drastic schemes for dealing with the wayward and irresponsible *coureurs de bois*, most of whom he would have transported to the West Indies. He had excellent plans for the development of agricultural colonies in the neighbourhood of Detroit and in the Illinois country, with suggestions for a meat packing industry in the neighbourhood of Chicago, whereby the inexhaustible buffalo should aid in feeding the French armies in Europe. He proposed, also, the establishment of a printing office at Quebec, which was rather favourably regarded by the minister, and this may have given rise to the belief of the Swedish traveller, Peter Kalm, then visiting Canada, that such an establishment had been actually in existence for a short time. His ingenious attempts to dispose of those portions of the Treaty of Utrecht, confirmed by the Treaty of Aix la Chapelle, which were seriously detrimental to the French interests in Acadia, the Iroquois country and the Ohio Valley, when made known to the English, brought prompt remonstrances from Governor Shirley of Massachusetts and other English governors. These conditions indicated that the peace just established would be of short duration and industriously occupied, as Galissonnière recommended, in preparing for the next war. Meantime, however, Galissonnière was urging the ministry to relieve him, as soon as possible, from the governorship of New France. This was accomplished when La Jonquière was free to take over his deferred duties and pass to Canada. Galissonnière returned on the same ship which brought out La Jonquière, but was required to visit Louisbourg and report on its fortifications and the general state of the colony. He reached France about November 1st, 1749. Steps were already being taken to form the Commission, provided for in the Treaty of 1748, for considering the disputed boundaries, etc., between France and England in North America. On December 15th, Galissonnière received his commission as a member of the Board, his French colleague being M. de Silhouette (q.v.). The English representatives were Governor William Shirley and William Mildmay. Considering the personnel of the Commission and the views to which they had committed themselves in advance, any prospect of a settlement through it was remote indeed. Shortly after his appointment as commissioner, Galissonnière's intellectual attainments and varied scientific interests were recognized by his election as a member of the Academy, on which the minister congratulates him, April 30, 1752. After the resumption of open war, Galissonnière, in April 1756, commanded the squadron which convoyed the French troop ships on their way to attack the Island of Minorca. It was in this connection that he defeated the English squadron under Admiral Byng, and which resulted in the historic trial and execution of that officer, "pour encourager les autres". The victor, however, did not long survive. He had undertaken the command in disregard of his physician's advice, and he died at Nemours, 26th October, 1756, on his return to Paris to report the results of the campaign. On November 14th an order from the King directed his heirs to return to the Department of Marine the instructions and orders, with all papers, maps, plans, etc., given to Galissonnière, in connection with the campaign in which he had been engaged, or otherwise relative to the service of the King.

It is to be observed that the greater part of the funds which form the basis of the commerce of the colony this year are outstanding since 1745, and cannot be made available until some time in the year 1748.

This delay disables the merchants of the country and the French shippers, not only from paying their old debts, but also from undertaking any new enterprise, since they can control scarcely a quarter of their funds for that purpose.

Under such circumstances, may it not be feared that the impossibility which will occur of outfitting on the one side, and the mistrust which may seize on the mind, on the other, will at one stroke deprive the colony of assistance, without which it can maintain itself only by the continuation of the immense expense which the Court has incurred for two years past with a goodness which calls for our heartiest gratitude.

If, in order to satisfy their obligations, the merchants are forced to discount, the rate cannot but be exorbitant, and if last year ten per cent were demanded on the *bourses* of Bourdeaux and La Rochelle, what have we not reason to fear from the long terms of the bills of exchange of this year.

It is greatly to be feared that the colony may see its commerce falling off, and perhaps ruined; what serious consequences may not result if the meagre remittances sent to us, fall again into the hands of the enemy. How much ground would we not have for fear in a country where commerce and an abundance of everything is so much to be desired? And particularly as they are of indispensable necessity for holding the Indians; the unfortunate experience that we had last year in this regard proves only too clearly the truth of this fact.

It is also necessary that the colony receive merchandise appropriate to the needs of the inhabitants, because they derive from a plentiful supply their greatest strength for offering resistance to the enemy in case of attack.

Furthermore, although in time of war merchandise must be very dear on account of the great expenses and the risks which the merchants incur, the height to which prices would rise may be foreseen, and it is impossible, if the arrangement of the terms remain, for them not to go infinitely higher.

It is certain that the merchants have been less attracted to the commerce of this colony by the profits than by prompt payments, for, although it may seem today that the gain is considerable, when you take into account what it costs for insurance, freight, risks and delays in the funds, it will be seen that these profits dwindle down to a small affair, and are not comparable to those which may be made in the other colonies.

The merchants of the colony who trade only with meagre means are not in a position to stand delays in the payment of their bills of exchange; a great part of the peltries which they await from Michillimackinac and all those lying at Detroit are embarrassing their commerce infinitely.

But as the strength of a colony and the well-being of the state arise only from the facilities which cause trade to flourish, we are persuaded, My Lord, that you will not permit trade to suffer from long terms of payment, without an alternative, nor indeed to run the risk of not receiving any.

We flatter ourselves, on the contrary, that in causing the bills of exchange on the Treasury to be paid within the ordinary terms, and thus dispelling our fears of suffering in the future the reductions on our receipts from which we suffered in the past, you will procure for us the satisfaction of seeing that the trade of this country will continue to be carried on in all its branches, and that the merchants of France will receive the payments from this colony with the same confidence as ourselves.

We await all that may be most favourably hoped from the wisdom of your ministry and from your own insight.

Signed: [Here follow the signatures of forty one individuals: also]

PERTHUIS.¹ Syndic
TACHET.² Secretary

¹ Joseph Perthuis was a prominent citizen of Quebec, much in the confidence of the local government. In January, 1743, he had been selected by Beauharnois to serve as one of the assessors, or provisional and prospective members of the Superior Council, who had been provided for by the home Government on account of the scarcity in the country of suitable candidates. His appointment was approved by the King in March 1744. In October of the same year, one of the Councillors, Sr. D'Artigny, having died, it was suggested by the governor and intendant that Perthuis might succeed him as full councillor. This, also, was favourably regarded and in the spring of 1745 the King, writing to Attorney General Verrier, with whom Perthuis had apparently studied law, intimated that he would promote Perthuis to the position of full councillor, if he proved faithful in the discharge of his duties as assessor. This probation lasted nearly two years, for he was not promoted a full councillor until 1st January, 1749. He had been employed in establishing a post of observation at Cape Desrosiers, to note the presence of English vessels in that neighbourhood, and to keep the French vessels posted as to conditions on land and sea. In the spring of 1747 he was commissioned to investigate the salt spring of Kamouraska, with a view to the possible supply of salt in case of capture by sea of the regular cargoes. His report, however, was not very encouraging. It was this year, also, as noted in this despatch, that he was syndic for the merchants at Quebec. On March 1st of the following year, 1748, the minister cordially acknowledged the receipt of this petition. He had devoted considerable attention to the study of the law, evidently attending the lectures of the Attorney General Verrier on that subject. Thus we find that, under date of 26th May, 1754, the minister sends to the governor and intendant the patent for Perthuis to be King's Attorney of the district of Quebec, and also Attorney to the Admiralty. Later the minister sends a warrant, dated 1st May 1754, confirming a grant to Sr. Joseph Perthuis of the seignury in the rear of Portneuf. That he was also fairly well acquainted with the English language is evident from the fact that he was employed by Bigot to translate some military documents captured at the time of Braddock's defeat, and addressed to him by Colonels Johnson and Shirley. When Attorney General Verrier died, on September 13, 1758, the governor and intendant selected Perthuis to discharge the duties of the office. This was approved by the minister in a despatch of 8th January following. In this he comments on the limited number then composing the Superior Council, and the very great difficulty in finding persons in the colony sufficiently qualified to fill such positions. He asks them to submit information as to the duties of the office of Attorney General to the Council in Canada, in order that he may select a suitable person in France. This, of course, was not followed up, hence Perthuis discharged the duties of the office until the close of the French regime. Among the limited number of officials who had served in Canada, and who were considered worthy of recognition and reward, we find the name of Perthuis, who was awarded a pension in 1762. Perthuis returned to France in 1763, and died there 19th May, 1782.

² Sr. Taché, or Tachet, was appointed Secretary for the body of Quebec merchants whom Sr. Perthuis represented as syndic. In November of the following year, 1748, we find him acting with Perthuis and Sr. Gamelin—a member of Cugnet's Company for working the St. Maurice forges of some years before—sending in a petition on behalf of all the merchants of Canada, for the modification of the import and export taxes on goods from France, passing into or through Canada. That he was one of the most prominent merchants at Quebec is evident from the fact that, in 1739, he was the recognized agent at Quebec for the brothers Mariette, of Montauban in France, who sent considerable cargoes to Canada. In 1742 we find the minister sending instructions to the intendant to afford Sr. Taché every facility in

DESIRABILITY OF HAVING PRINTED NOTES

*Canada**M. Bigot,**October 25, 1748*

My Lord:

The notes which Mr Hocquart has circulated among the public for the payment of expenses are so easily counterfeited that it is necessary to apply a remedy, and I find no other means of checking these rogueries than to have the notes printed, and we shall change the form of them every year.

A peasant who is unable to read takes as cash the sign manual of M. Hocquart or my own, where there is no resemblance, but when he sees that the note is not printed he will refuse it. I attach herewith a model for these notes and I beg of you to be good enough to send me 12,000 of them. I did not care to ask them from Rochefort, it being safer to employ your printer.

collecting payment for goods sent by the above firm. In 1746 he was himself in difficulties over his non-payment of a debt of 15,000 livres for goods obtained from other French merchants, the brothers Laine. Like several other large merchants of Quebec, he was a ship-owner, engaged in both trade and fisheries. On August 21st, 1747, was reported the arrival at Quebec of a schooner of his, engaged in the fisheries on the north shore of the Gulf. In 1750 he had apparently obtained from the Canadian authorities a provisional grant of the Magdalen Islands, but in May of that year the minister notified the governor and intendant that this grant could not be ratified, as the Sieurs Pascaud had been granted prior rights there. That he was engaged in trade with Ile Royale was indicated from the fact that, in June 1751, he was made the medium through which Governor Jonquière of Quebec sent to his brother governor, Des Herbières of Ile Royale, two dozen young turkeys from the neighbourhood of Montreal. It appears that Taché's ship was chartered to carry supplies for the government to the coast and forts of Acadia, but had been diverted to Ile Royale by the governor, whether merely to deliver the turkeys or for more important services is not known. At any rate, the vessel ran on the rocks in the neighbourhood of Louisbourg and it was judged by the King's Council of State, in 1753, that Taché was entitled to full compensation. In 1752 he sent to the minister a memorial, on behalf of the merchants of Quebec, to be allowed to postpone for a year the payment of their customs duties on their imported goods. The grounds on which this was asked were the necessary payment of the freights on the goods at the time of their arrival. They must also sell their goods on long terms of payment, and even then they remained a long time in the warehouses before their sale. This favour was asked for the resident merchants, who did not handle more than one half of the goods imported to the country. This petition was declined. In 1753, Taché also represented the captains of militia of the district of Quebec, in their petition to be exempt from the special temporary tax which had been informally levied on the people of Quebec, for the maintenance of the barracks. In this connection we have the interesting statement by the minister that this tax was intended as an introductory basis for a general and permanent tax, either as a land tax or poll-tax, on the whole colony, with a view to securing that the people of New France should contribute towards the rapidly increasing expenses involved in maintaining and defending Canada. The reasons given are precisely those which were advanced by the British Government for the imposition of similar taxes on the American Colonies. Taché's representative functions are manifested again during the closing days of French rule. We find that, in July, 1759, a deputation of citizens of Quebec, headed by Srs. Daine and Taché, made certain urgent recommendations to the military authorities, in what they deemed to be the public interest. Their recommendations were evidently treated with respect, and sometimes acted upon, as on this occasion.

When I have received them I shall withdraw all the notes issued by M. Hocquart and myself, in order that only the printed ones may have currency.¹ Counterfeits for a rather considerable amount have been remitted to the Treasury this year.

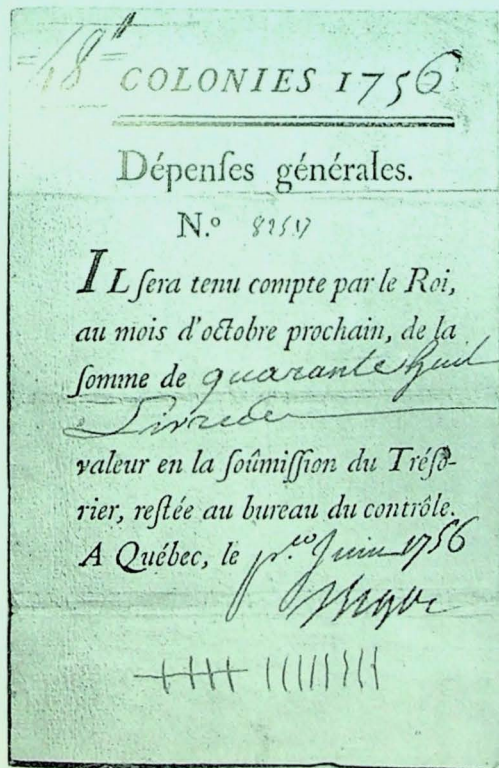
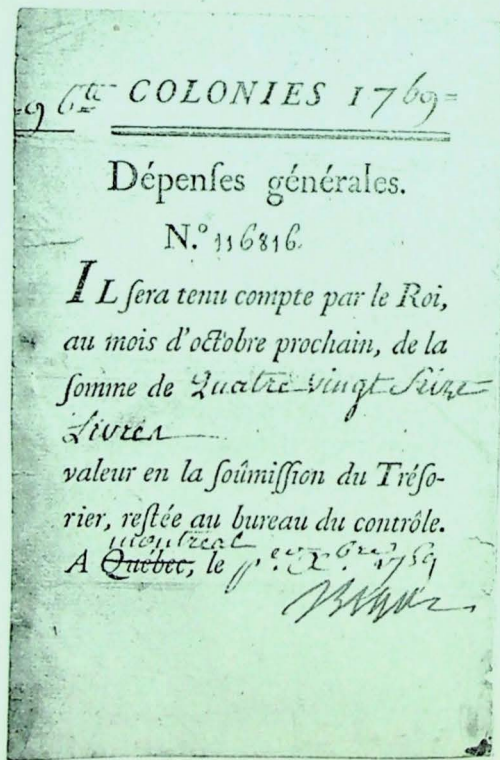
[Signed] BIGOT.²

Quebec, October 25, 1748.

¹ This proposition on the part of Bigot, which really involved a further extension of the card money as a second claim on the royal credit, was apparently accepted by the minister, but, as indicated in Bigot's despatch of 25th October, 1749, given at p. 793, when the case was opened, only the printed forms for bills of exchange were found. He therefore urgently requested 50,000 livres in printed notes to be sent the following year. When these did not arrive he repeated the request, this time for 60,000 livres. The following year he received the first supply but only for 16,000 livres (see his despatch of 15th October, 1752, given at p. 797). In this he again asks for 100,000 livres with persuasive argument as usual. Evidently the minister representing the government struggling with a similar problem in France, did not wish to add additional facilities for the all too rapidly increasing expenditures in Canada. By 1758, however, the home government was sending over the printed notes quite freely, 150,000 livres being sent that spring (see *Série B.*, Vol. 107, Feb. 10th).

² François Bigot the last of the intendants of Canada and second only to Talon, the first of the intendants, in point of ability, was born at Bordeaux about 1699, being sixty years of age at the time of the conquest of Canada. He belonged to a family of considerable distinction, in the district of Guyenne, and long associated with the government of the country. He was closely related to the distinguished naval commander, the Duc d'Estrees, a marshal of France and first president of the Council of Marine, as also to the Marquis de Puisieux, French Ambassador at the English Court. His father was a councillor and *sub-doyen* of the Parliament of Bordeaux, and his grandfather had been chief clerk of the same court. Other members of the family occupied similar official positions. His early associations fostered his desire to enter the marine service. Another relative, the Comte de Marville, who was Secretary of State for the Department of the Marine, introduced him in 1723 to a junior position in the service. In due course he was promoted through the various grades of the department, acquiring a thorough knowledge of the many interesting and important features of the marine service at home and abroad. In 1731 he was appointed to the responsible position of Commissary of the Marine under the distinguished patronage of the Comte de Maurepas, long the very able minister of the department. Maurepas, having an eye for brains and *esprit*, soon recognized the exceptional capacity of the young official, with his good family backing and no little share in the minister's somewhat morbid cynicism. The following year, 1732, the minister appointed him commissary at Rochefort, already the most important centre of naval administration. A few years later, in 1739, he was again selected by the minister to succeed M. Normant as directing commissary and sub-intendant at Louisbourg, the capital of Ile Royale. This position was of the same nature, though subordinate in rank, as that of intendant at Quebec, a position then held by M. Hocquart, to whom he was officially related as deputy. He was also chief of the Superior Council of Ile Royale. In his defensive memoir (*Mémoire pour Messire François Bigot, ci-devant Intendant de Justice, Police, Finance & Marine en Canada, Accusé: Contre Monsieur le Procureur-Général du Roi en la Commission, Accusateur.* 2 pts.—*A Paris*, 1763), Bigot declares that he was loath to accept this position although he knew it would afford him exceptional opportunities for enriching himself, but that he took it at the personal solicitation of the minister, and because it was necessary to have served a term in one of the colonies in order to qualify for the intendency of a naval port in France, which was then the goal of his ambition. There is contemporary evidence, however, that this professed reluctance was a diplomatic afterthought. Unfortunately the fame of this brilliant and gifted colonial official rests chiefly on the very exceptional success with which he utilized his personal influence and official opportunities to exploit the King's service for the enrichment of both himself and his numerous friends and dependents. It is true that during this period the exploiting of the King's service for personal profit was all too common among the favourites of the Court of France. It was much easier, however, in the distant realms of New France, where the difficulty of verifying and checking the operations of the officials was very great, and where it could be attempted only through the very officials who were most

deeply involved in the fraudulent practices. With all his shrewdness and ability Bigot had many qualities which, though not essentially vicious in themselves, yet lent themselves to the promotion of results which were very much so. He was vain and therefore an easy victim to flattery. He was generous and hospitable to the degree of lavishness. He was benevolent and complacent to those who gained his ear and therefore not difficult to impose upon. Being anything but parsimonious as to his own possessions, he was still less so as regards the King's treasury. He was, above all things, ambitious to play the role of the *grand seigneur* and felt very strongly the obligation of *noblesse oblige* towards those whom he had encouraged or permitted to claim from him assistance or protection. His thorough knowledge not only of the general policy but of the administrative details of the marine and colonies, and his exceptional capacity for rapid and effective administration in the position of Intendant of New France, especially during the critical period of the final struggle, were practically indispensable. Hence the government in general and the minister of marine in particular found it impossible to dispense with his services, even when it was reluctantly realized that he was the central factor in a wide spread and colossal system of fraud and speculation. As has been pointed out in connection with several of his predecessors in the office of Intendant of New France, the utilizing of the facilities of official positions for the profit of private individuals, including the chief officials themselves, was a matter of frequent correspondence and vigorous criticism long before Bigot's time. None of his predecessors however, had at once the extensive opportunities and exceptional ingenuity and organizing ability of Bigot, such as permitted the realizing, within a relatively brief period, of immense fortunes acquired at the public expense under his administration. It was not, therefore, that he inaugurated the system of corruption which flourished during his term of office, but that, with the assistance of able associates, he adopted and developed a system already in operation and brought it to a degree of efficiency which achieved results quite undreamed of by his predecessors. One of the foundation stones of this system was the right, freely exercised and claimed to have been sanctioned by usage if not by formal recognition, of the officials of the government of the colonies to engage in such trade at least as was not directly connected with the King's service. In support of this position it was pointed out that the salaries allowed to the chief officers were wholly inadequate to support the leading officials of the colony who were thus compelled to engage in trade to supplement their meagre official incomes (see Bigot's elaborate defence of this privilege, with much evidence in support, in Vol. 2 of the *Mémoire*, pp. 4-26). In practice, however, and especially in times of war when many supplies and services were in urgent demand and trade was largely regulated by public officials, it was impossible to determine what was and what was not connected with the King's service. It was of course impossible for Bigot to deny the immense personal fortune which he had accumulated in New France, but as the chief accusations brought against him referred to the later operations in Canada, he endeavoured to maintain that the greater part of his fortune was acquired as deputy intendant at Louisbourg. It is impossible to convey in a brief space any adequate idea of the very complex and far-reaching system through which a number of closely associated officials, military and civil, with their respective minor agents and dependents exploited every section of the King's service, whether at the central depots of Quebec and Montreal, on the fighting fronts of Lakes Champlain and George, Erie and Ontario, and the Ohio River, or at the numerous posts in the Indian territory of the northwest or the frontiers of Acadia and New England. A perfect godsend to the fraudulent officials and contractors at the various posts on the outskirts of the colony, was the Indian with his incorrigible thriftlessness and his insatiable demands for ever vanishing supplies of food and equipment for himself and family, backed by his constantly available threats of desertion in default of prompt compliance. No less beneficial qualities of the Indian were his rapid forgetfulness of all past favours and his abhorrence of all such sordid practices as the keeping of accounts or any statistical record of supplies received. In point of theory, therefore, as well as of fact, the Indian conveniently accounted for the disappearance of vast quantities of the King's stores. Bigot constantly refers to the enormous volume and cost of Indian supplies, and Montcalm observed that if the Indians of the west had received one fourth of the supplies charged to them, the English would not have had a single Indian ally remaining. With the loss of Louisbourg, in 1745, Bigot returned to France with an excellent reputation and was immediately afterwards appointed intendant of the great fleet fitted out and placed under the command of the Duc d'Anville, for the recapture of Ile Royale and the conquest of Nova Scotia. Bigot has left a graphic description of the disasters which overtook this armada, of the dealings with le Loure and the Acadians and of his return to France with the remnants of the fleet. When peace was restored in 1748 he was appointed to replace Hocquart as Intendant of New France with jurisdiction over the adjoining colonies of Louisiana and Ile Royale. He arrived at Quebec 26th



Facsimiles of the Printed Notes.—Fac-similés des billets imprimés.

August, 1748, and with characteristic energy at once set about putting in order the very confused colonial accounts and finances. This he succeeded in accomplishing in a comparatively short time, to the entire satisfaction of the home government. Incidentally he had to spend the summer of 1749 at Louisbourg restoring the administrative system after three years of British occupation. So far as annual statements of the revenue and expenditure of the colony were concerned, although the services to be dealt with and the supplies to be furnished were very much more voluminous and complex than ever, the ministers of Marine testified that the accounts had never been rendered with such clearness and facility for comprehension as under Bigot's administration, for all which he was duly thanked and praised by the ministers. The only complaint which their despatches reveal had reference to the constantly growing volume of the expenditures, even in the period of peace between 1748 and 1756. This Bigot freely acknowledged and deplored equally with the ministers, but he pleads freedom from all personal responsibility inasmuch as the increasing costs were due to the rapidly expanding military undertakings at enlarging distances and to the ever increasing voracity of the Indians, wherein his personal function was simply to furnish the supplies called for, with promptness and efficiency and draw bills of exchange on the treasurer of the marine for their payment. If the minister should consider these expenditures extravagant the remedy was very simple and entirely within his own power. He had simply to forbid the undertakings which gave rise to these outlays. Thus for a considerable period did his frankness and appeal to obvious facts disarm criticism, while his efficiency inspired confidence and gratitude. There were, it is true, increasing complaints on the part of those who found their opportunities for profitable business blocked by his system and the operations of his favourites. But these were long ignored as presumably unfounded attacks on the part of disappointed or dishonest rivals of the successful traders. For his connection with the organization and operations of the Society of Canada see note 4, p. 797. It is perfectly true that the extravagant military enterprises of the governors Galissonnière, Jonquière, and Duquesne, during the period of nominal peace between 1749 and 1756, occasioned a relatively enormous increase in the expenditures in New France. There is even serious question as to whether the royal expenditures would have been any lighter under any possible alternative system to that followed by Bigot and his associates. Their efficiency under the most difficult conditions for transporting and procuring supplies, undoubtedly economised much outlay, although the resulting savings passed to their own accounts rather than to that of the King. The features of efficiency and business-like methods in most of the executive administration, recognized by every minister previous to Berryer in 1758, and which are demonstrated with so much detail by Bigot himself in his memoir, had rendered the ministers reluctant to accuse Bigot personally of complicity in the enormous overcharges which were being made at the expense of the royal treasury. Bigot might indeed have dissociated himself from several of his more rapacious and unscrupulous dependents, had not a perverted sense of personal honour compelled him to defend anyone who had been dependent upon him for favours or position. He thus, prematurely at least and to an unnecessary degree, brought discredit on himself. The condition of the finances of the colony and the reasons for the rapid expansion of the expenditure in New France during Bigot's term of administration are sufficiently indicated in the documents which follow. The personal factors may be illustrated by reference to a couple of documents. In June 1753, the minister, Rouillé, writing to Bigot, states that on account of his confidence in him he had not previously referred to the numerous complaints against him which he had received and which he disregarded; but to remove any plausible ground for such complaints he should make all purchases of supplies by public tender. Writing to Governor Duquesne, the minister says that the reports about Bigot had made no impression on him, but he was glad to have his assurance as governor that every thing was all right. Most of the complaints up to 1757 came from merchants and contractors who found themselves shut out from a share in the government expenditures, but the cumulative effect of these was beginning to tell on the French Court. To offset this Bigot considered a personal visit to Paris as necessary. Leave was obtained but with it the warning that he must be prepared to give a complete account of Canadian expenditures with other official details. He went over in the autumn of 1754 and returned the following spring. He was evidently able to explain everything satisfactorily, for he returned with a new lease of ministerial confidence which, though somewhat shaken after the outbreak of war, remained substantially intact until the advent of Berryer, whose disregard of personal feelings or even of personal rights was by no means confined to his attacks on the Canadian officials, but rendered him even more unpopular in France itself. When, in September 1758, Berryer succeeded to the position of Minister of Marine and the Colonies, his formal appointment being dated 1st November, the colonial administration soon realized that court favour had been suddenly converted

PUNISHMENT FOR COUNTERFEITERS OF ORDERS

*Canada**M. Bigot.**October 28, 1748.*

My Lord:

It has been represented to me that the Superior Council has hitherto condemned those who have counterfeited the orders signed by M. Hocquart and which are regarded as current money in the country, only to banishment from Canada for life, and to be sent back to France. And as such punishments as these make no impression, counterfeits are being passed daily among the public. Such a punishment is very slight for a rogue who does not care at all whether he lives in France or in Canada. It appears to me, furthermore, to be quite contrary to the King's declaration of August 5, 1721, which condemns to death those who are convicted of having tampered with, changed or falsified royal or public papers, and there is no doubt that these orders come under this latter category.

I beg you, My Lord, to be good enough to let me know your views on this subject in order to be able to put them into force on the first occasion.

Recently I observed in a criminal case before the Council that the judges were in agreement, before entering, to save the criminal. I wish, if I can, to put an end to such intrigues; they are not at all proper and it is rendering an ill service to the colony to tolerate crime there. That is the reason why stealing goes on there, particularly from the King. But I hope that will be changed.¹

[Signed] BIGOT.

Quebec, October 28, 1748.

into ministerial antagonism. Péan (see note 2, p. 685) was sent over by Vaudreuil and Bigot to explain matters, but the minister brusquely informed him on his first announcement that he was ready to assist the minister with personal knowledge of Canadian affairs, that he wished none of his advice, adding some drastic and sweeping criticisms of those connected with the administration in Canada. On his return to France after the loss of Canada, Bigot and many of his more important associates were committed to the Bastille. On December 17th, 1761, royal letters patent were issued ordering the trial of those responsible for the monopolies, abuses, dissipations, etc. which had been practiced in Canada. There were fifty five names on the list of accused. A commission of twenty seven judges was appointed for their trial, which lasted fifteen months and involved the examination of a host of witnesses and great masses of papers. As the result of the trial Bigot was condemned to banishment for life, a fine of 1,000 livres, 1,500,000 livres by way of restitution, and the confiscation of the remainder of his property. When his property came to be sold there was much competition among the great families of France for portions of the exceptionally artistic silver plate which had graced his famous dinners at Quebec. The lavish luxury of these dinners during periods of great scarcity, he justified on the ground that such hospitalities, undertaken at his own expense, relieved the monotony and depression of the lives of the officers and others connected with the defence of the colony and enabled them to face their daily hardships with more buoyant spirits. Where he resided during his banishment is a matter of uncertainty, but the banishment does not seem to have been very rigid. As in the case of most of those condemned by the Court of 1763, efforts were made to have the sentence on Bigot, especially with reference to his banishment, revoked. In November 1772 the Bishop of Blois interested himself on Bigot's behalf and the minister promised consideration of his petition. In 1775 the minister had prepared a draft of letters of rehabilitation for Bigot, but the fate of the measure is uncertain.

¹ In a despatch from the minister to Bigot, 18 April, 1749, he promised to consult the King on this proposition to enforce the death penalty on those who counterfeited the orders or acceptances signed by the intendant.

MONEY IN WHICH RENTS MUST BE PAID

Judgment requiring the residents of Cap Saint-Ignace to pay the rents they owe to S^r Vincelotte, their seigneur, in the current money of the country, with the reduction of a quarter, etc., January 4, 1749.

François Bigot, etc.

BETWEEN Louis Guyon and Joseph Richard, residents of the seignury of Cap Saint-Ignace, plaintiffs in a suit, accepted by us, on December 20 last, (both present in person), on the one part;

AND S^r Vincelotte Duhautmenil, part seigneur of the said Cap St. Ignace, defendant (also present in person), on the other.

Having before us the said plea, representing that the plaintiffs are tenants of the said seignury with their co-heirs and co-suitors, in whose names they are acting, of seven *arpents* of land frontage by forty in depth, bearing a reduced rent charge of 30 sols per *arpent* of frontage, and of a capon per *arpent*, according as appears from the deed of concession made by the said widow of S^r Charles Amiot, in favour of the late Nicolas Gamache, from whom the plaintiffs and co-suitors take their titles, by reason of which rents these latter presented themselves on the 11th November last to pay the said S^r Vincelotte, who refused to receive the rents of the said land, as also the capons, on the pretext that, as he said, they were obliged to pay in coined money which can not be done, since coin is not sufficiently common in this country; wherefore the said plaintiffs decided, in view of the deed of concession passed before Becquet, notary, on July 10, 1675, to request that it may please us to cause the said S^r Vincelotte to appear before us, to have it ordered that he shall be obliged to receive from the plaintiffs the rents and other charges which they owe him, in notes current in this country;

Our ordinance following of the said December 20, directing that S^r Vincelotte be communicated with and directed to appear before us this day: the said request and ordinance having been served upon S^r Vincelotte on the 30th of the same month, with a summons for this said day.

Having before us also the deed of concession of the above mentioned date, by which the said woman, Widow Amiot, proprietress of the said seignury of Vincelotte, conceded to the said Nicolas Gamache, a lot of seven *arpents* frontage by forty in depth, on the condition of paying each year the sum of 14 livres in coined money, and seven good capons, fat and alive, as seignorial rent, and two sols as quit rent for the whole of the said concession.

The parties having been heard, and after the said defendant stated that the sole reason for his refusal to receive from the plaintiffs the rent of the land in question is that they made claim to pay him the rent with a reduction of one quarter; that he believes himself justified in demanding the said rent without reduction, since it is stipulated to be in coined money, which is the equivalent of the term money of France; wherefore he decides to pray that the said plaintiffs be obliged to pay him the said rent, conformably to the said deed, and to furnish him with capons, fat and alive, according to the same.

By the plaintiffs it was replied that the former rents had been reduced by a quarter by various declarations of the King; wherefore they maintain that these rents are in the same case.

We, in consequence of the Declaration of His Majesty of March 25, 1730,¹ passed in interpretation of that of July 5, 1717,² and seeing that it is not stipulated in the deed in question that the rents shall be paid in money of France, either *Tournois* or *Paris*,

We order that the said plaintiffs and co-suitors shall pay in money current in this country, the rent which they owe to the said S^r Vincelotte, at the reduction of one quarter; we order them, in accordance with the deed, to furnish capons, fat and alive, or the sum of 22 sols 6 deniers in coin for each, at their option. Without costs. We enjoin, &c.

Done at Quebec, the fourth January, one thousand, seven hundred and forty nine.

[Signed] BIGOT.

ORDINANCE INCREASING CARD MONEY TO 1,000,000 LIVRES

Duplicate

Id. [Versailles, April 18, 1749.]

TO MESSRS. DE LA GALISSONIERE AND BIGOT.

Gentlemen:

The King having considered it to be for the benefit of the service and of the trade in Canada to raise to a million the card money established in the colony, you will find herewith the ordinance which His Majesty has issued for this increase and to which you will be good enough to conform. I am sending the cards required for this increase.

[Not signed]

BY THE KING

Versailles, April 18, 1749.

Duplicate.

H.M. having deemed it necessary for the benefit of the trade of Canada to establish a system of card money there, he had caused cards to be issued for an amount equal to 400,000 livres, in execution of his ordinance of March 2, 1729.³ This money, which was desired by all sections of the colony, produced at first all the advantages which were expected from it; but this sum of 400,000 livres not being found sufficient for the various requirements of trade, partly through the want of circulation of part of this money, which was held by well-to-do people owing to the deserved credit it had acquired, and partly from the successive expansions of trade, H.M. decided to order a new issue of 200,000 livres by his ordinance of May 12, 1733,⁴ and a third of 120,000 livres by a later ordinance of February 27, 1742,⁵ on the repeated representations which were made to him as to the necessity of these two increases. But H.M. having taken into consideration further representations addressed to him last year by the Governor General and the Intendant of the colony, respecting the circulation of this money he has recognized that the 720,000 livres already issued in execution of the said ordinances mentioned, have not yet been found sufficient for the various activities of trade, domestic and foreign, the progress of which, in spite of the difficulties occasioned by the war, has never ceased to be noticeable, partly on account of the increase

¹ See *Série B*, Vol. 54-2, p. 475. ² P. 399.

³ P. 589.

⁴ P. 641.

⁵ P. 707.

in the inhabitants and of cultivation, and partly by the introduction of ship building, fortifications, and other considerable enterprises carried on, on H.M.'s account; so that he deemed it necessary to yield to the appeals which have been made to him for the increase of the card money up to the amount of 1,000,000, and to order for this purpose a new issue of 280,000 livres; desiring to provide for which, H.M. has ordered and hereby orders as follows:

Art. 1st

In addition to the 720,000 livres of card money issued in execution of the ordinances of March 2, 1729, May 12, 1733, and February 27, 1742, which will continue to be current in Canada, in conformity with the ordinances mentioned, there shall be issued up to the value of 280,000 livres of this money, in cards of 24^{li}, 12^{li}, 6^{li}, 3^{li}, 30s, 15s and 7s 6d, which cards shall bear the impress of the Royal Arms, and be written and signed by the Controller of the Marine at Quebec.

II

The cards of 24^{li}, 12^{li}, 6^{li} and 3^{li} shall also be signed by the Governor and Lieutenant General, and by the Intendant of that country; those of 30s, 15s and 7s 6d shall be merely *paraphed* by them.

III

The issue of the 280,000 livres of card money may be made at different times; and for each issue, four official minutes shall be drawn up, one of which shall be delivered to the Governor and Lieutenant-General, another to the Intendant, the third shall be deposited and registered in the office of the Controller of the Marine, and the fourth sent to the Secretary of State administering the department of the Marine.

IV

His Majesty forbids the Governor and Lieut. Gen^l, Intendant and Controller to sign and *paraph* any for a greater sum, for whatever reason or under whatever pretext. He also forbids any person to counterfeit this money, on pain of being prosecuted as a counterfeiter and of being punished as such, according to the full rigour of the ordinances.

V

H.M. desires that this card money, which shall be issued in execution of the present ordinance, may have currency in the colony at its face value, and that in consequence it may be received by the keepers of the warehouses established in the colony in payment for powder, munitions, and merchandise which may be sold from the storehouses of H.M.; by the agent of the Treasurers General for the payment of the bills of exchange which he will draw upon them, each in the year of his office; and, generally, in all payments whatever made in the country, of whatever form or nature they may be.

H.M. enjoins and orders the Marquis de Jonquière,¹ Governor and Lieut.

¹ Pierre Jacques de Taffanel, Marquis de la Jonquière was born 1685 at Graulhet in Languedoc. His family had been long distinguished for service in arms. He entered the navy in 1697 in his 13th year. His limited early education proved but little handicap in his profession, in which he rose to marked distinction. Although a mere youth, he saw much active service in the navy in the wars which closed with the Treaty of Utrecht, in 1713; and was commended by his superiors for exceptional capacity and bravery. He took part in the celebrated privateering expedition to Rio Janeiro in 1711. He afterwards commanded the vessel which took out the expedition of Crozat, the millionaire grantee of the Louisiana colony, which shortly afterwards, in the hands of John Law, became the nucleus of the famous Mississippi speculation. Becoming restless under the ennui of peace, he obtained permission to enter the Spanish service as captain of a vessel, 1714-1719. Returning to the French service at Brest in 1720, he married in 1721, and the same year was appointed a Knight of St. Louis. The urgent necessity for the recuperation of the French finances coinciding with a period of peace, led to the comparative neglect of the French navy, the results of which were very manifest during the remainder of the period of colonial rivalry with England. Jonquière became a captain in 1731, and, from 1733 to 1738, was in command of the *Rubis*, the chief government vessel sailing to Quebec. He thus became familiar with the Canadian route and more or less with Canadian affairs. In 1741 he became inspector of marine. The loss of Louisbourg in 1745, following the loss of Acadia under the Treaty of Utrecht, left the French dominions in Canada exposed to attack. A great effort was therefore being made to recover at one stroke both Ile Royale and Acadia. Such was the object of the fleet assembled under command of the Duc d'Anville in 1746. At the same time Jonquière was offered and accepted the position of Governor General of New France. His commission was dated 15th March, 1746. He was, however, to serve as rear admiral in the expedition of d'Anville. The fleet consisted of ten ships of the line, five frigates, and thirty five transports, with all manner of provisions and supplies, including seven hundred cannon and four thousand six hundred and ninety men. Bigot was appointed intendant of this fleet. Jonquière was in command of the *Northumberland*, the flagship of the admiral, the Duc d'Anville. The preparation of this armada consumed much time, and when it did depart, early in June, its movements were so slow that one hundred days elapsed before it sighted the coast of Acadia, on September 10. Then it encountered a three days' tempest, followed by dense fogs, common enough at that time and place. The vast fleet was broken up, some vessels returned to France, others sought the West Indies, while the graveyard of the Atlantic, Sable Island, claimed its toll. Scourged with sickness the remnants of the fleet entered Chibouctou (Halifax) harbour, 27th September. There an epidemic developed carrying off scores of sailors and soldiers, including Admiral d'Anville. The second in command, d'Estournel, taking council with the officers, found them so divided that after a strenuous eight hours' wrangle he developed brain fever, resulting in insanity and culminating in suicide. This brought Jonquière into command, and he determined to attack Annapolis. But, on leaving Chibouctou harbour, October 24th, he encountered another tempest so severe that it forced him to return to France, after sending to Canada the remaining store-ships. Chagrined but undaunted the French government resolved to equip another, though much smaller fleet for the succour of Canada. This was placed in command of Jonquière, and consisted of three vessels of the line, two frigates, and several transports. Jonquière, still governor designate of Canada, was given his instructions on March 27, 1747. He sailed on the 10th May and four days later his vessels were sighted by ships of the British fleet scouting between Land's End and Cape Finisterre. Jonquière made a gallant defence for, in spite of his soon being outnumbered, he so prolonged the engagement that the convoy, under command of his nephew, escaped and reached Quebec safely July 5th. Jonquière was taken prisoner but was enlarged on parole in December 1747 and remained inactive until the peace of Aix la Chapelle, 18th October, 1748. In the meantime Galissonnière had been sent out to Canada as interim governor. It was not until 4th May 1749 that Jonquière received his final orders and instructions from the King. These related to the usual matters of encouraging the development of the colony, promoting religion, and military organization, including the construction and keeping in repair of forts, and especially the proper diplomatic handling of the Indian problems, with the necessity for keeping those

under French influence stirred up against the English, whether in peace or war. Just before Jonquière's departure, and much to his chagrin, Maurepas, who had so long and so ably filled the position of Minister of Marine, was succeeded by M. Rouillé, comte de Jouy, who appears to have had neither the experience nor the ability necessary for such a position. Jonquière reached Quebec the middle of August and took possession of the government with great pomp and éclat. Much controversy has flourished around the question as to Jonquière's use of his powers for personal gain and the appointment and promotion of his relatives. Numerous despatches reveal his efforts on behalf of his relatives. With Bigot at his elbow he had little necessity to search far for opportunities for pecuniary gain, nor would his conscience be hard to appease, as he claimed to find it impossible to live on his official allowance in the presence of the extravagantly high cost of living at Quebec and Montreal. Montcalm, who also complained of the extravagance and cost of fashionable living in Quebec and the mercenary corruption which sustained it, declared in his Journal apropos of a sermon against "robbing the King", that the legitimacy of this practice had been accepted by all Canadians since the time of Jonquière and Bigot. On the other hand, if Jonquière had been enriching himself very extensively during his stay in Quebec, why should he be so anxious to be relieved of the position of governor and to return to the navy? One of the reasons always given by him for this change was the impossibility of sustaining even very moderate expenditures without exceeding his official allowance. Although fond of pomp and circumstance, he found himself entirely eclipsed by the Intendant Bigot, who, at the time of the carnival in February 1750, gave three magnificent and beautiful balls where everyone of the least consequence was present. Jonquière complained to his wife that the cost of entertaining was ruinous and is one reason why he wishes to be recalled. He asked for an increase of 3,000 livres in his salary and suggested also the granting to him of a monopoly of one of the trading posts; but the minister denied both on the ground that it was inconsistent with his position. He was faced therefore with the usual alternative in Canada—he must steal or starve. His attitude towards the English power in America was fully as aggressive as that of Galissonnière. Like him he seems to have regarded Canada as simply a base for aggressive operations against the English, never from the point of view of developing the country for the benefit of the Canadians themselves. His letters to the English governors were certainly most aggressive in their demands, and truculent in tone. "Take notice" he writes to Lawrence, April 2, 1750, "that the King of France is the original possessor of the whole of this continent". A virtual state of war during nominal peace was the inevitable accompaniment of such an attitude. With reference to Acadia, Jonquière was expected to stoutly defend the French claims, but he little respected the admonition to do so "politely". He was expected to use every effort to get the Acadians to leave the British territory and pass to Ile Royale and Ile St. Jean. This, however, they were loth to do, though professing steady loyalty to France and ready assistance for French invaders. But many of those who left the British territory were unwilling to serve as troops. With this attitude Jonquière had no patience, accusing them of base ingratitude. On 12th April, 1751, he issued an ordinance to oblige the Acadians who had removed to French territory, not only to take the oath of allegiance to the King of France, but to enlist in the militia. On refusing to comply they were to be expelled from the lands which they occupied; a more drastic alternative, in time of peace, than was offered by Lawrence to those who remained in Nova Scotia at the outbreak of the war. When Jonquière accepted the governorship of Canada, Maurepas the minister, promised him, within two years, the red ribbon of an honorary Commander of the Order of St. Louis. On 15th April 1750 the minister announced that the King had duly conferred it upon him. On May 7th, 1751, the minister wrote to Jonquière a rather exceptional letter on the subject of Canadian expenditure, particularly regarding the corruption which was declared to be rampant in the colony, and specifying the discovery of an association formed of the chief officials and purveyors at Quebec and Montreal, together with officers at the outlying posts, with the object of enriching themselves at the King's expense. The letter implied that Jonquière, if not conniving with them, was at least singularly inefficient in guarding the King's interests. On the other hand, he was regarded as over-zealous in suppressing the illicit trade carried on by the Desautier sisters, assisted by a Jesuit priest, at the St. Louis Indian mission, just above Montreal. To these slightly veiled accusations Jonquière replied with much heat, on

Gen^l of New France, and M. Bigot, Intendant in the country, to give their attention to the execution of the present ordinance, which shall be registered in the office of the Controller of Marine at Quebec.

Done at Versailles, April 18, 1749.

ACCOUNTS OF CANADA

Quebec, September 30, 1749.

My Lord:

I am replying to the letter which Count de Maurepas did me the honour of writing to me on the finances and the stores in Canada.¹

I am aware that my chief attention should be given to these two subjects, and I have devoted myself to them entirely. Having found these two matters in confusion and being assisted by M. Bréard,² the controller, who is very

October 19th, 1751, rather rashly undertaking to fully exonerate the commanding officers, not only at Quebec but at the outlying posts. After passing in review his long and arduous services he demanded that his letter be shown to the King and that his recall be immediately granted. With expressions of regret from both the King and minister he was granted his request on the ground of ill-health. Before, however his successor, Duquesne, arrived the following year, he had died suddenly at Quebec, March 17, 1752, and was buried in the Church of the Récollets, between two previous governors, Frontenac and the first Vaudreuil.

¹ This despatch was dated 11th April, 1749 (see *Série B*, Vol. 87, p. 67).

² Jacques Michel Bréard was appointed Controller of the Navy at Quebec, 1st January, 1748. Previous to this he had been a clerk in the Department of Marine, probably at Rochefort, having first entered the service about 1729. At the time of his appointment he had risen to the rank of chief clerk. He had therefore a good acquaintance with the duties of his office. In a communication to Bigot, then in France, dated March 1st, 1748, the minister announced that Bréard had been selected to replace Prevost (q.v.) as controller at Quebec. The minister also intimated that should Bigot make a favourable report on him he might be promoted to the coveted rank of Commissary of the Navy. Bigot and Bréard apparently came to Canada together, and as both previous and subsequent events would indicate, they beguiled the tedious journey in discussing all phases of the public service and their joint and individual interests therein. The effects of such intimate conference were manifest immediately after his arrival in Canada. On October 12th of the same year, he makes his first report, representing to the minister that since his arrival he had devoted himself sedulously to the condition of the colonial accounts, but has found everything in such terrible confusion that it is quite impossible to furnish any definite report to be sent that year by the intendant to the minister. There are, he finds, more than 100,000 livres of arrears which will have to be added to the already extended expenditure of 1749. Every year of late the expenditures have considerably overrun appropriations, hence it is desirable that for the future, a statement of the expenses of each year should be made as they fall due. This was an excellent start; but the new Controller lost no time in promoting his own interests, since the same autumn Bigot and Jonquière sent over for ratification an official grant to Bréard of the porpoise fishery in the lower St. Lawrence. This was confirmed by the minister the following April, but with the request that no further grants of this nature should be made for fear of exterminating the porpoises, the oil of which was then a valuable commodity. On May 1st, 1749, Bréard was appointed a member of the Superior Council to succeed Varin. Although less than a year in office, he began to importune the minister for the promotion to the rank of Commissary of the Navy which had been held out as an inducement to faithful service, on Bigot's favourable report. The minister replied in May, 1750, that he had not yet received Bigot's official report. This was duly forwarded, but in the meantime very disturbing accounts of Bréard's corrupt practices were also coming in. According to these reports Bréard was not only a close ally of Bigot, but of the governor as well. This is asserted with assurance in the very interesting and frank *Memoires sur Le Canada 1749-1760*, attributed to Sr. De Vaulain, lieutenant in the Navy, serving at Quebec, and captain of the fire ships there in 1759. It is there stated, page 10, that Bréard was employed by Jonquière to look after his interests in connection with the close corporation established for the control of the western trade,

familiar with the arrangement of the accounts, I flattered myself that I should

etc. In a despatch to Bigot of 15th May, 1752, the minister, in reply to the strong commendations of the Controller, admits that he has much ability and industry, but cannot grant him the promised promotion on account of the reiterated complaints against him for his rapacity. He has the reputation of having a finger in almost every lucrative transaction, especially those concerning the supplies and services of the King. He is also accused of having ships built in the King's yards at Quebec. Bréard made haste to reply to these charges, in a long letter to the minister dated October 28, 1752, (*Série C¹ I*, vol. 98, pp. 355-361). His line of defence is very naïve, but much more interesting than convincing. He is righteously indignant that his honour and probity should be called in question for the first time during twenty three years in the King's service. He will condescend to reply, however, and do so simply and directly, the innocent having no occasion to execute detours. The first accusations involved both domestic and foreign trade and the commissariat contracts at Quebec. Now, he had not been long at Quebec before discovering the impossibility of maintaining himself and family on the salary allowed him by the King. The alternatives were either to bury himself in debt, or, as was the almost universal practice of the higher officers, to indulge in a little trade on his own account. He began very modestly with a one fifth interest in a small schooner trading between Quebec and Martinique. This extended to two other vessels,—one in the trade between Quebec and Montreal. Then a couple of friends kindly offered him a one sixth interest in the trade of two western posts; and finally he had a one fifth interest in a Labrador seal and porpoise fishery. As to the shipbuilding charges, involving the construction of vessels at Quebec at the King's expense, this is a really scandalous accusation, since it involves a more or less direct attack on his honour and uprightness in connection with the King's service. Now, it is true that he did have a brigantine built for the Labrador fisheries, also, in 1750, he had a schooner built in Quebec for the Martinique trade. In this case he had employed some of the King's timber, but it was such as was liable to become an almost complete loss to the King. His taking it over for so laudable purpose gave much pleasure to Sr. Bigot, the intendant. When this vessel was completed some of the timber still remained, so he asked to have it, together with some other which he bought from the King's stores, to construct two more vessels. Far from being ashamed of this business, he takes much credit to himself for his public spirited enterprise. Incidentally, it appears that the fittings for the vessels came, in part at least, from the King's stores. But he returned value for them, to what extent is apparently a trivial detail in which the minister would not be interested. Besides, if he is at all interested in further particulars, M. Bigot will be able to satisfy him. Incidentally to this shipbuilding, he remarks that, having so limited an interest in the vessels he would have been glad to be spared the trouble of their construction, but he took it up merely as a form of recreation to occupy his leisure time apart from his official work. Passing to higher ground, he intimates how unworthy he would be of the important position which he holds should his honour and integrity be subject to the least permanent suspicion. Having thus demonstrated his innocence, he hopes for the future to enjoy unimpaired the confidence and protection of his Excellency. In a kind of postscript, before closing the letter, he states that his interest in the two western posts has expired and he will not indulge again without the express permission of the minister, for he could not have imagined what jealousies he would stir up among the merchants. Should the minister wish it, he will cheerfully forego his interest in the three vessels referred to. It is true that such sacrifices would deny him even his present humble manner of living and render him quite unique among all the officials of the colony. He would, however, sacrifice everything with great joy should this afford the slightest satisfaction to the minister. The bland assurance with which he thus poses in the role of maligned innocence is second only to the artistic performances of Bigot himself. Unfortunately, however, the minister was already too familiar with such blandishments, both at home and abroad. In a despatch to Bigot the following spring, 1753, the minister declines to be convinced by their several and joint representations, indeed he finds increasing evidence alike of the reality of the abuses and of the members engaged in them, including many officials at the outlying posts. This condition he fears chiefly accounts for the enormous increase in the expenditure of the colony. The following year, in a despatch of 1st June, 1754, the minister gives the intendant a list of the ring-leaders

succeed in having them made up in a year or two, and in bringing them up to date; I ought even to have sent three this year, but the treasurer¹ has just died of apoplexy and has left his papers in an astonishing confusion. All this work remains suspended until an inventory can be made, which cannot be commenced until after the departure of the ships.

I have had his whole establishment put under seal. I should have desired to take out the three accounts of 1743, 44 and 45, which were on the eve of being finished, and which he carried off to make some verification, but the documents which compose them are so scattered here and there in his desks that it has not been possible to re-arrange them, so that the sending of them will be postponed until next year.

From the manner in which this treasurer worked, always paying without a formal warrant and charging himself with receipts which did not come into his hands, giving money moreover to his clerk without taking a receipt from him, it is altogether likely that his heirs stand extensively indebted to the Treasurers General, but as they have nothing, I do not know what they can lay their hands upon to make good. He has left a widow with eight children. He was a very honest man and if his affairs are in disorder it is due to his complaisance to one person and another, and to his lack of orderly habits.

I have given an order to the clerk who served under him, to make daily payments, and I have had him withdraw from the Treasury 100,000 livres, for which he has given his receipt to the widow. He does not wish to take on himself the charge of the Treasury, although quite capable of it, but prefers remaining the clerk. I do not know any person whom the widow can employ to straighten out his accounts. Therefore the Treasurers General would do well to send some one, if they wish to see the matter concluded. M. Bréard will direct whoever works at it very well, but it is always necessary to have some person to take charge and who will be accountable.

The Controller suggests that I ask you to have S^r Jeudy,² clerk of M. Vallier at Rochefort, a capable man and experienced in the finances, appointed to replace S^r Taschereau. He is the only one we know equal to the situation, but the Treasurers General must increase the pay attached to it. A good man will not be satisfied with the 2,400 livres which S^r Taschereau had. He would have nothing to live upon here. I suggest this to these gentlemen. Supposing they do not wish to increase the pay of their agent, S^r Dautrive,³ formerly

and the departments in which each operates. In this Bréard is represented as having charge of all chartering contracts for the King's service. Recognizing that further long distance communications were likely to be in vain, Bréard, in the autumn of 1754, petitioned for leave to return to France on account of his health. This being ignored, the following year, 1755, he announced to the minister in August, that having obtained leave from Bigot he was returning to France that autumn, as he did. On recuperation he would return to his position should the minister so direct. Notwithstanding his frequent demonstrations of innocence, he was ultimately consigned to the Bastille, with his chief and others. When, after the trial, the general judgment of December 10, 1763, was rendered, he was condemned to banishment for nine years, to pay a fine of 500,000 livres, and to make additional restitution of 300,000 livres. In 1765, and again in 1771, attempts were made, through influential personages, to secure a pardon, or at least a modification of his sentence. The first was unsuccessful, but pardons were increasing with lapse of time, and the result may have been more fortunate in the second case, although no record of this has been found.

¹ See note 1, p. 635.

² He was not appointed.

³ S^r. Dauterive (*also* Dautrive and D'Auterive), as indicated in this despatch, came to Canada as secretary to Governor Galissonnière and remained in the country as a

secretary of M. de la Galissonnière, who remained here, is applying for the position. I propose him likewise to these gentlemen, in default of St Jeudy. So far as regards the expenditures that have been made since I came here, they are in order, nothing having been paid except on a formal warrant.

As for the stores, I have put them in order as far as possible, and they are now on the footing of those in France. Nothing is delivered without my orders. I have no lack of clerks for the different details. I can find plenty of them, but they are not worth much, and I change them often. I hope to settle upon some good ones by giving them some encouragement. M. de la Galissonnière did not send back the Micmacs until the month of June, and, in spite of the attention of the Governor and myself, they had consumed a great deal. M. de Céloron's¹ party, which has been to the *Belle Rivière*, is also going to cost a large amount.

junior clerk in the office of the Treasurers General at Quebec. He was afterwards appointed to a similar position in the office of Varin, Treasurer at Montreal. On October 2nd, 1752, Bigot asked the minister for a certificate for him as a writer or chief clerk in Varin's office. In a scathing letter from the minister, M. Berryer, to Bigot, of 19th January, 1759, the financial part of which is reproduced at p. 879, he refers to the corruption rampant in the colony, and, among other instances cited, refers to the flight from the country of Dauterive, clerk of the Treasury at Montreal, and who was supposed to be deeply involved in the frauds there. The legal inquiry, which was being conducted, into the affairs of this office, prevented the minister from making an immediate example of him (see *Série B.* Vol. 109, p. 52). In the final report of the court which conducted the trial of those accused of frauds in connection with the administration in Canada, issued December 10th, 1763, the name of Dauterive appears as one of those charged in the indictment, but recorded as absent and in default. In the verdict he is named among those concerning whom further inquiry is to be made before entering judgment by default. How his case was ultimately disposed of has not been ascertained. However, after the storm had blown over he reappeared on the scene seeking re-employment by the government. On the 22nd June, 1771, the President of the Navy Board, in a letter to the Chancellor, says he can testify that Sr. Dauterive, formerly treasurer of the navy at Montreal, has always behaved well, and that during a fire at Montreal, while he was employed there, he lost much of his personal property in order to save the King's treasury and state papers. It appears, also, that he enjoyed a pension of 600 livres. He died some time before 1777, as in that year his widow is officially informed that the pension allowed her after his death could not be increased. As a matter of fact persistent importunity had its usual reward, and the pension was increased in 1783.

¹ Sr. Céloron de Blainville was an officer in the military service of Canada from an early age. He first appears in the public records, 29th May, 1725, as a young officer granted leave of absence. His promotion to the rank of lieutenant is recorded on April 27, 1731. In 1734, with the approval of the minister, he returned to Paris to settle family affairs. He was given command of the important post of Michilimackinac, 22nd April, 1737. In February, 1740, he was in command of the special expedition sent from Canada to assist Governor Bienville of Louisiana against the Chickesaw Indians. The Indians having submitted, he returned to Canada in June of the same year. In recognition of his services on this expedition, he received the Cross of St. Louis. In a despatch of 30th April, 1743, the minister approved of the appointment of Captain Céloron as commandant at Detroit in succession to Sr. Noyan. For the future, settlement at Detroit was to be conditional on taking up and cultivating permanent homesteads, thus professed settlement was not to be a cloak for illicit fur trading. Céloron was highly praised for inducing the Sandusky Indians to settle in the neighbourhood of Detroit. His strictness with the traders and Indians at Detroit occasioned numerous complaints against him and led to his being transferred to the Niagara post in 1744. There again he was complained of by the lessee of the post. The minister warned him twice, in 1745, that the trade at this post was important for the colony, as diverting the Indians from the English post at Oswego (Chouaguen). The root of these troubles was disclosed in a despatch from the minister to Governor La Jonquière of 6th March, 1747, in which he says that the leasing of the posts to private

The St. Jean¹ will not cost less. I have sent there this summer again, and within a short time, all sorts of food and wearing apparel, notwithstanding the assistance in seed grain and flour, which I sent there in the early spring.

The wheat came up very well but the grasshoppers ravaged everything, and they will not get back their seed.

traders has given great offence to the officers in charge, who formerly manipulated the trade to their own advantage. Hence many of them have done all they could to harass the lessees in the hope of causing them to throw up their contracts and leave the posts. Sr. de Céloron has been conspicuous in this and is therefore to be recalled. There were others, however, who should be treated in like manner. Notwithstanding this all too common fault among French colonial officers, Céloron appears to have been a very capable officer and efficient administrator. Under Galissonnière he came into favour once more, and, on the 1st May, 1749, again received command of the post at Detroit, with the rank of major. Before taking over this command, however, he was entrusted with a very ambitious and aggressive mission against the British activities amongst the Indians of the Ohio region. Céloron was sent there to take formal possession, in the name of the King of France, of the whole country between Canada and Louisiana. As evidence of this he was to bury, with suitable ceremonies at important points, lead plates bearing the arms of France, etc., while the minutes of these operations were to be prepared and signed on the spot by himself and the officers in attendance. He was to visit each of the Indian tribes of the regions and endeavour to persuade them to drive out the English traders from their territories. He duly executed this commission, leaving Lachine June 15, 1749, with a force of about two hundred and fifty composed of regular soldiers, Canadian militia, and Indians from Montreal. He reached the Ohio on the 29th July and visited the tribes of the Chouanons, the Foxes, Miamis, western Iroquois and Kikapous, arriving at Detroit 6th October, and Montreal 10th November. The Indians attended with pleasure his entertaining ceremonies, accepted his small gratuities with mingled gladness for what there was, and sadness for what there was not, dug up his lead plates after his departure, and continued to receive and trade with the English as before. In his report on the expedition Céloron plainly indicated that he was under no delusions with regard to its effects. He felt constrained to state that these tribes were not well disposed to the French. Their trading interests were all with the English who furnished cheaper goods and higher prices for furs. Even the French traders among the Indians were forced to deal with the English or go bankrupt. Only permanent French forts and posts would be of any avail to hold the country, and these would inevitably involve heavy outlays, a prophecy which was abundantly verified in a few years (*Série F³*, Vol. 13, last document). Following the suggestions of Galissonnière, the French government decided to encourage the formation of a considerable settlement at Detroit, in order to obtain their supplies of agricultural products and other stores for the support of the troops and officials at the western posts. Céloron took command of the post at Detroit in the spring of 1750. In July 1752 Jonquière, having failed in his policy of driving out the English traders from the Ohio district, attempted to lay the blame on Céloron at Detroit, from whence he had not destroyed, as ordered, the Miamis and other rebellious Indians in that neighbourhood. But the minister regarded this as simply a convenient excuse. Duquesne, the succeeding governor, adopted the alternative proposed by Céloron, to establish permanent posts on a connecting highway from Canada to the Ohio. There the most important fort, named after himself, was established where is now the American city of Pittsburg. The minister, in 1753, approved of these operations, but, as predicted by Céloron, he deplored the heavy expenditure involved and at that time the half had not been told. At the same time the minister was urging more active measures for the complete exclusion of the English traders, their presence being quite fatal to all French claims. Céloron having again fallen out of favour with the reigning governor and having numerous active enemies, it was once more resolved, in 1753, to deprive him of his command at Detroit. This was not practically accomplished, however, until 1755, when he was provided with a species of sinecure as major at Montreal with a good salary but few real duties. It appears that, in the campaign of 1759, he was once more in active service, and in one of the engagements was so severely wounded that he died from the effects of it. His widow was awarded a pension the following year.

¹ Prince Edward Island, where it was hoped to induce most of the Acadians to settle on leaving Nova Scotia.

The bark from Niagara having been lost last year I have had another built; it is finished and the carpenters are back; by means of this new vessel the transportation service between Fort Frontenac and Niagara is assured.

Whatever encouragement may be given to the people of Canada to induce them to raise Illinois cattle,¹ they would not undertake it if it meant some trouble at first. They give nature every chance and what comes is welcome. They do not even weed their grain although they see every year, in cutting it, that there are more weeds than straw, which cannot help being harmful, as regards both quantity and size.

[Signed] BIGOT.

NON-ARRIVAL OF PRINTED FORMS FOR THE NOTES

Quebec, Oct. 25, 1749.

My Lord:

I had the honour of informing you by my letter of the 5th inst.,² that we had received the printed forms for the treasury notes with those of the bills of exchange which you had ordered to be printed at the Royal Press.

In the chest which was delivered to me from the vessel *Le Léopard* there were found only those for the bills of exchange and those of the treasury notes which were very necessary to us, are missing.

On account of this omission, I cannot, as I intended, retire the notes made by hand which are in circulation among the people, to replace them by printed ones, and this operation would have been very useful, there being more people than ever who counterfeit them and give them currency.

I beg you, My Lord, to be good enough to give orders that I may be sent next year 50,000 from the Royal Press. Enclosed is the design; it will be well also to follow it for size.

Besides the fact that these notes being printed can no longer be counterfeited by hand, I could save the King the wages of two clerks who are busy all year in making them.

[Signed] BIGOT.

¹ The buffalo of the western prairies, which it had been hoped to domesticate, and the hair or wool of which was to be used in the production of knitted and woven clothing. The minister commended Bigot for endeavouring to promote the raising of this type of cattle (see *Série B.* Vol. 89). Peter Kalm, the Swedish traveller and naturalist, who visited Canada at this time, 1749, declares that the inner hair of the buffalo is as soft as wool. Some varieties of the buffalo had long fine hair or wool quite as good as that of the sheep. Of this the French made stockings mitts, caps, and various kinds of worsted cloth. Buffalo calves had been taken to Quebec and housed with domestic cattle in the hope of domesticating them; but without success, as they seemed to retain their wild nature, and also to suffer from the cold and confinement (see Kalm's *Travels*, English edition, Vol. III, p. 361). Re Cugnet's efforts to domesticate the buffalo, in 1730, see note 1, p. 543.

² See *Série C*¹¹ I, Vol. 93, p. 239.

PROMPTNESS IN PAYMENT IN BILLS OF EXCHANGE

Compiegne, July 14, 1752.

TO M. PREVOST.

.....

The bills of exchange which you have had drawn for the year 1751, as well as those for 1752, have been paid when they fell due. This promptness should sustain the credit which the Treasury of the Colony¹ has acquired in this regard; and you may continue to furnish bills of exchange, as well to individuals who take money to the Treasury as to officers who ask for this accommodation for part of their salary, observing, however, in the case of the latter bills, to take security from the officers that the bills may not result to the prejudice of the King, and in the case of the former, that they are proportioned to the purpose of the remittances to be made by the Treasurers, respecting the expenses and the transport of munitions and merchandise which must take place.

.....

[Not signed]

PAYMENTS TO THE ACADIANS

*M. Bigot.**Quebec, October 1, 1752.*

My Lord:

.....

I am quite persuaded that the inhabitants of these posts, and particularly M. Loutre, who is much taken up with them, would be very glad if it [Acadia] depended upon Louisbourg, hoping that they could draw their money from there. If that were the case it would be lost to us. The Acadian would hoard it or the Englishman would get it out of him, and I am of opinion even that the facility of getting hold of the money and of procuring bills of exchange would suggest ideas to every one for creating occasions for expenditure: on the contrary, in paying only from here, that delays payments, makes them more difficult and the day's pay of the labourer will not be the higher on that account. Every day I am paying notes from these posts three years old;² if they had been paid at Louisbourg they would have been presented at once.

¹ From 1750 to 1770 the budget for the French colonies, with its annual appropriation and expenditures, was separated from the general budget for the Department of Marine. Two separate treasurers general were appointed for this sub-department, holding office, as usual, in alternate years. It was prescribed, however, that the controllers attached to the office of the regular treasurers general of marine were to act also as treasurers for the colonial department. Thus was maintained a more or less intimate connection between the general department of marine and the sub-department of the colonies.

² These were evidently some of the notes left in Acadia by the expeditions under Marin and de Ramesay, in 1745 and 1746. Normally payments at Louisbourg were made in coined money, and this was greatly desired by the Acadians as it was suitable for hoarding, whereas the paper money was of uncertain credit and difficult of collection, whether in specie or bills of exchange, and involving indefinite delays also when made payable at Quebec (see notes on pages 735-743).

M. le Loutre has been asking me for two years past to let him have money for the expenses he has incurred at different times and to establish a form of money current in the country;¹ I have refused both. The former is not expedient, and the King only could order the latter; the country is not yet sufficiently settled for such a system; I have had bills of exchange on the Treasury put in his hands; he would prefer those on Louisbourg, being of a shorter term.

.....

[Signed] BIGOT.

Quebec, October 1, 1752.

REQUEST FOR ADDITIONAL SUPPLY OF PRINTED NOTES

M. Bigot.

Quebec, Oct. 15, 1752.

My Lord:

You do me the honour of informing me by your letter of July 7,² that you were good enough to send me the quantity of printed forms which I had the honour to apply for, for both bills of exchange and notes of the Treasury.

The number asked for of the former reached me by the snow *St. Madet* some days ago, with 16,000 notes of the Treasury instead of 60,000 which I requested you to send me. This delay has greatly embarrassed the Treasury; the number of these latter printed forms has been deficient since the month of June or July and the Treasurers have been obliged to give receipts to retire the handwritten paper and to pay the larger sums, so that these receipts, which cannot be distributed and changed among the inhabitants of the country parts,³ are all returned to the Treasury to be converted into bills of exchange, the number of which is, by this means, increased. The King would not owe any less but he would have secured more credit, the more so as the countryman appears to have great confidence in the treasury notes because they are printed, and there is some indication that he will lock them up in the same way as the cards.

We shall fall back again, My Lord, into the same embarrassments next year if you do not have the goodness to send me 100,000 treasury notes by the vessel which S^r Gradis⁴ is sending to Quebec early; it will be necessary

¹ The Abbé Le Loutre desired the governor to grant a special local currency for use among the Acadians (see note 1, p. 743).

² See Série B, Vol. 95, p. 146.

³ Being for non-uniform and inconvenient amounts.

⁴ Abraham Gradis was the chief representative, during Bigot's terms as intendant of Ile Royale and of New France, of a very notable commercial and shipping establishment at Bordeaux. His family was of that section of the Jewish race settled so long in Spain and Portugal. The first members to settle in France were driven from Portugal in the closing years of the 15th century. They had been long settled in Bordeaux when David, the father of Abraham Gradis, by his superior enterprise and capacity for foreign trade, raised his mercantile and shipping establishment to a distinguished position among those engaged in foreign and colonial trade. His two sons and several nephews, having been trained in his establishment, were admitted in 1728 to full partnership in the newly designated firm of David Gradis et Fils. An admirable account, drawn chiefly from original documents, of the rise of this house and of its subsequent operations has been recently published under the title *Un Grand Armateur de Bordeaux, Abraham Gradis, 1699-1780* (Jean de Maupassant: Bordeaux 1917). From this, in addition to the records of the Marine Department, the materials for this note

to send them to Bordeaux at the beginning of February or earlier if possible, in order not to miss the opportunity.

are chiefly drawn. Abraham Gradis, who succeeded his father as head of the firm, visited the Low Countries and England, associating himself with the chief Jewish interests found there and learning eagerly the methods of maritime commerce and finance prevailing in each country. David Gradis died in 1751, leaving his son Abraham his general heir. The house prospered notably during the long ministry of Fleury. Among the special friends of the establishment associated with Canada were M. Raudot and M. de la Porte. During the war of the Austrian succession the firm of Gradis first engaged extensively in government contracts for the transport of supplies. During this war the ascendancy of the British Navy was definitely established and French trading vessels were captured by dozens, among them four or five vessels of the house of Gradis. The very high freights allowed, and which were recognized as covering insurance, alone enabled the traders to sustain these losses. Apparently the first of the Gradis vessels sent to Canada—others had apparently gone to Louisbourg—was the *Fort Louis*, freighted with government stores, in 1744. It constituted also one of the fleet of storeships in d'Anville's great expedition of 1746. After the peace of 1748, having learned something of Canada and its needs, Abraham Gradis wished to take part in furnishing the colony with much needed supplies. His fellow townsman and old acquaintance, M. Bigot, had just been appointed intendant of all New France. He in turn had selected another fellow townsman and acquaintance, M. Bréard, as controller for the colony. Gradis approached these officials and had soon arranged with them a partnership under the title of the *Société du Canada*. Articles of agreement were drawn up and signed 10th July, 1748. Among the chief conditions involved in this association, which was to continue for six years, were the following. Gradis engaged to purchase and equip a suitable vessel of about three hundred tons for trading between Bordeaux and Quebec. Each cargo of goods was to be procured by Gradis according to specifications supplied from Bréard. On arrival at Quebec the captain of the vessel was either to sell the cargo in the general market to as much advantage as possible or to hand it over to Bigot and Bréard to dispose of. The proceeds of the cargo were either to be remitted to Gradis in bills of exchange or to be invested in other supplies in Canada, either to be sent direct to France or to the West Indies as might prove most profitable. If to the West Indies, then goods for France might be taken on there. Gradis and his partners in Canada were to keep each other closely advised as to the nature and costs of the cargoes and of the proceeds of the sales. The profits were to be divided on the basis of one half to Gradis, three-tenths to Bigot, and one-fifth to Bréard. Later Bigot transferred, doubtless for an adequate consideration, part of his interest to Bréard. Provision was made in the agreement for engaging additional vessels and extending the operations of the association if opportunities afforded. The first trip of their vessel was made in the spring of 1749. It appears that the cargoes were usually disposed of to the government and paid for in government bills of exchange. Freight was also separately paid by the government. The government also paid additional freight on twelve tons of personal effects for Bigot and Bréard and fifteen tons for the governor. In addition to this special vessel Gradis sent others to Canada, on his own account, carrying supplies for the government at the same rates of freight as allowed for the vessel of the association. In connection with these additional supplies and their transport Gradis developed quite confidential relations with the government and was increasingly employed. Even after the outbreak of the final struggle in America we find records of supplies for Canada procured from English ports through Gradis' correspondents there. Almost the only difficulty which Gradis encountered in doing business with the government was the increasing slowness in collecting payment for his bills and treasury notes. This was of course in accordance with the general policy of the period (see, for instance, the minister's despatch of 15th June, given at p. 801). These delays were further aggravated after formal declaration of war in 1756. Under such conditions Gradis found it increasingly difficult to continue his services to the state on any adequate scale. The situation was rendered still more difficult by the great losses in ships after 1757 and the special efforts called for and responded to, alike by his firm and other patriotic merchants of Bordeaux. In the spring of 1758 urgently needed supplies were sent to Canada in the face of great risks from British fleets. Fortunately for the troops and others on meagre rations in the chief Canadian centres, most of the transports reached Louisbourg and Quebec, although several of the convoying vessels were

By means of this number, I shall pay all next summer in money and in louis, because there is more circulation for these, and not in 100 livre notes, as I have been obliged to do. I shall have more need than ever of this means of gaining credit, because the expenditures will increase.

Signed. BIGOT.

Quebec, October 15, 1752.

REQUEST FOR 6,000 LIVRES IN SOLS MARQUES

M. Bigot.

Quebec, Oct. 30, 1752.

My Lord:

The Treasurer has informed me that the *sols marqués* which were sent to him some time since, are all in circulation, and that he requires more to make change. I pray you to be good enough to order that they send us them to the extent of 6000 livres. They are necessary to us.

.....

[*Signed*] BIGOT.

NECESSITY FOR EXTENDING PERIODS OF PAYMENT FOR BILLS DRAWN FROM CANADA

Duplicate

Versailles, June 15, 1753.

TO M. BIGOT.

Independently of all that I have stated to you, Sir, in other despatches on the subject of bills of exchange, I am very glad to recall to your attention

lost through bravely engaging the British cruisers, even at considerable odds, and thus affording their convoys opportunity for escape. On the return voyages, however, nearly all of the transport vessels were gathered in through the numbers and vigilance of the British cruisers. Gradis lost all but one of the fourteen vessels sent out, while others of his confrères lost every one. Deprived of ships and men, and refused payment by the government, Gradis could undertake nothing further for 1759. After spending most of the summer and autumn of 1758 in Paris trying to collect some of the enormous advances he had made on the King's account, he finally obtained about 500,000 livres of depreciated funds. He sent a vessel to Quebec in 1759, under the Spanish flag, with a cargo which, on the advice of his friends there, consisted chiefly of French brandy and Spanish wines, costing 95,000 livres and realizing at Quebec 525,000 livres in the steadily inflating currency of Canada. The available profits from this were shared by Bigot, Pean, Verduc, and Vincent. On this trip Gradis lost, under historical circumstances, his most noted ship captain, Jean Denis de Vitré. He was a native of Quebec and the most expert navigator of the St. Lawrence. Returning from Quebec he was unfortunate enough to encounter the British fleet entering the Gulf of St. Lawrence on its way to Quebec. His vessel was seized and he was compelled, under menace of hanging, to pilot the fleet up the St. Lawrence. This he accomplished with his usual skill and thus it arrived safely before Quebec and sealed the fate of Canada. The French of neither France nor Canada would afterwards pardon de Vitré for this great service to the enemy. Between the fall of Quebec and that of Montreal, Gradis was called into more than one secret conference on desperate plans for the assistance of the French forces in Canada, but they all fell through, and in the meantime the colony was lost. Gradis continued to serve the French government in various other parts of the world until the close of his long and eventful career in 1780.

two things equally essential to prevent, if possible, the ill consequences of the derangement caused by the immense drafts made for some years past.

The one which, as I pointed out to you and to M. Duquesne¹ in my letter

¹ Michel-Ange, Marquis Duquesne de Menneville, commander of the Order of St. Louis, commodore of the naval forces at Toulon, was governor-general of Canada in succession to the Marquis de la Jonquière from May 1752 to June 1755. He was a member of a family famous in the naval annals of France. The most notable, though not the earliest representative in the navy was Abraham Duquesne, born at Dieppe 1610, who took an active and almost invariably successful part in the numerous naval conflicts with Spain in the 17th century. During a lull in these wars he added to his marine achievements in the service of Sweden. Returning to France when occasion required, he was once more pitted against his favourite enemies the Spaniards, also, sometimes, the Dutch, and in quieter intervals the pirates of Algiers and Tripoli. Of a later generation the governor of Canada displayed several characteristics of the family, among them the somewhat haughty and domineering manner with which he exercised the King's authority in New France. He found the people there considerably lacking in discipline and that unquestioning obedience to official authority which he considered could alone ensure efficiency and good government. There was indeed considerable truth in this; but the Canadians being what they were did not take kindly to the new and more rigorous discipline. He was thus not very popular during his term of office, nor much mourned when he left, especially as his successor Vaudreuil was much more to their taste and had been looked for when Duquesne was appointed. Under Duquesne, as under Galissonnière and Jonquière, Canada was regarded as merely one factor in the world struggle between France and England, hence local interests were unquestioningly sacrificed to the larger if not more permanent interests of France. Thus, for instance, in encouraging the schemes of such missionaries as le Loutre for stirring up the Acadians against the British administration, whatever temporary advantage might be gained to the detriment of the British interests seemed to be sufficient justification. The inevitable reaction on the unfortunate Acadians who were employed for these objects was totally ignored. Such an attitude on the part of the governor led to merely formal and unsympathetic relations with the colonists who were inclined to underrate his abilities and resent his military dominance. Like his predecessor he was freely accused of resorting to the usual expedients for enlarging his emoluments during his term of office. When, during the winter of 1751-2, it had been agreed to permit Jonquière to return from Canada on account of ill-health, it was resolved to appoint Duquesne as his successor. Jonquière died quite suddenly before Duquesne left France. On May 11th, 1752, in a despatch to Bigot, the minister stated that Duquesne, who was leaving shortly, had been warned of the excessive expenditure in Canada for some time past and of the impossibility of its being continued. On the same date Duquesne was sent his patent as governor, accompanied by his special instructions. The latter stated that the French claimed all the western lands on which the Indians were located. The Iroquois had no right to any lands on the Ohio. The sovereignty of the English over the Iroquois was denied, but the whole subject was being dealt with before a commission on boundaries. He must avoid as far as possible war with the Indians, but must expel by force if necessary any English who went among the Indians to trade. On the other hand the Indians would not go to the English to trade if the French posts were well supplied with goods. With such an interpretation of the Treaty of Utrecht peace between the English and French in America must have been recognized in France as merely nominal and temporary. The force of urging economy and retrenchment in the face of the instructions given to the Canadian governor was appreciated by both Duquesne and Bigot. Bigot tells us that they compared their instructions, followed by the stereotyped counsel of economy and retrenchment, and they speedily concluded that if the latter were to be taken seriously the former must be annulled. But as they were confident this was not intended, the counsel of economy was but a pious exhortation at best. The more conventional form of general instructions for the governor and intendant was dated 15th May and commended to the fostering care of the governor, the agriculture, fisheries, commerce and ship-building of New France. Already the minister was aware of the manipulation by the commandants of the Indian trade at the western posts, but suggested throwing open the trade to all comers under general regulations. At the same time he deprecates the establishment of new posts among the Indians, a policy which is urged, he fears, only by those expecting to profit from them. The district around the post of Detroit must be developed as to its agricultural resources in order

of April 9 last,¹ is quite essential, however inconsiderable may be the expenses which remain to be paid up to and comprising the appropriation of this year,² or arrange the payments so that the drafts drawn to provide therefor may be distributed over several years; in order that, by this means and the reductions which the King has no doubt will be made hereafter in the extraordinary expenses of Canada, the Treasury of the Colonies³ may be restored by degrees from the state of exhaustion in which it now stands.

And the other, that whatever reduction you may be able to make in the drafts for each year, you should give your attention not only to dividing them into as many different parts and periods of maturity as possible, but also to separating widely the periods of maturity from one another, for the facility of payments.

to furnish supplies for the newer posts to the west and north. As already indicated, the first effect of the preparatory efforts to carry out the aggressive instructions of the home government was a very marked increase in the bills drawn on the colonial treasury in the autumn of 1752. This brought a vigorous remonstrance in the spring of 1753 under cover of which the financial devices set forth in this despatch were introduced. In another despatch of two weeks later, June 30th, the minister calmly approved of the further operations which Duquesne recommends as necessary to the fulfilment of the instructions sent him. The minister saved his face economically by mildly and regretfully observing that they promised to be very expensive. This has reference chiefly to the expedition to the Ohio for the building of Fort Duquesne and the necessary works for establishing and protecting its communications. The building of the fort and the opening of the Ohio route to the Mississippi and Louisiana went forward with much enterprise and the anticipations of the ministers as to increased drafts on the colonial treasury were fully realized the following year. This led to increased delays in the payment of the exchanges covered by righteous protests to the effect that the expenditures must be checked or the colony would have to be abandoned, at which the smiles of the governor and intendant grew fainter from frequent repetition. Meantime there was a change of ministers at the joint department of marine and colonies. M. Machault, the last of the really capable ministers before the fall, succeeded Rouillé on 28th July, 1754, announcing the fact to Duquesne and Bigot in a despatch of the 30th. In the spring of 1755, under date of 17th February, the new minister informs Duquesne that his operations of the previous year on the Ohio and the accompanying activities elsewhere have greatly excited the English, with the result that their government has been induced to send two regiments of regular troops to supplement the colonial forces of Virginia, as also officers and equipment sufficient to organize two more regiments to be raised locally. The minister reports, however, that the French government still professes to believe that peace will be maintained and, with a view to promoting that end, it is resolved to despatch to New France 3,000 additional troops under Dieskau. Duquesne not feeling altogether at ease in Canada where, as already indicated, his restless energy and dominating spirit did not render him popular with the people, had already requested, in the autumn of 1754, to be allowed to return to France and resume his duties in the navy. On April 1st, 1755, the minister informs him that his request has been granted and that M. Vaudreuil, then in France, is going out in company with Dieskau to take his place. After affording him all the detailed information necessary with reference to the condition of affairs, he will return to France. He returned in due course and re-entered the navy.

¹ Rouillé was still minister and in this despatch (*Série B*, Vol. 97, p. 72), he states that never before had he been in such embarrassment to make payment of the drafts from Canada. He tells the governor and intendant that they should know quite well that the total appropriations for the colonies were fixed in 1749 at 5,000,000 livres. But the expenses of Canada alone have taken more than 3,000,000 livres every year since, not including the special expenditures undertaken in France. The expenditures indeed have been greater since the peace of 1748 than during the previous war. It is quite impossible to sustain the outlays in Canada on the present basis. The King would simply have to give up the colony. He then refers to the alternative of extending the terms of the payments over a wider period, should the amount drawn for continue so large. As no reduction was possible under the aggressively expensive measures sanctioned by the home government he now announced the details of the scheme.

² Original defective.

³ Now separated from the treasury of the marine (see note 1, p. 795).

The latter arrangement of the dividing up and separating the periods of maturity of the drafts for each year, should not offer many difficulties. It makes little difference to the majority of those to whom these bills of exchange are delivered, and all those who have them should consider themselves fortunate in finding such a convenience for the remittances they have to make to France.

The former arrangement for the delay of payments for the expenditures which must be met for the last appropriation and for that of this year, may be open to more objections. There is, however, a large part of the extraordinary expenditures which are of such a nature that they cannot be settled for so promptly, and, by taking care in this arrangement to give the preference of the first payments to those which are most favourable, I am inclined to think that you may manage it without inconvenience.

However that may be, there would be great advantage in every respect in making drafts which cannot be paid at once. You know what I have pointed out to you on that subject. It is certain that if, in those which are drawn this year to be paid next year, there is not a considerable reduction, as compared with those of the last four years, it will be absolutely impossible to meet them. Arrange matters, I beg, so as to prevent the serious consequences which would follow from a default in payment, and let me have the satisfaction of being able to acquaint the King with the results of the careful consideration which I have so much recommended to you in the matter of the expenses of the colony.

[Not Signed.]

DESPATCH OF PRINTED NOTES AND SOLS MARQUES

Versailles, June 30, 1753.

TO M. BIGOT

.....
Independently of the supplies which have been sent from Rochefort you will have received by the vessel which left Bordeaux in the month of April, the quantity of printed forms you requested, both for bills of exchange and for notes on the Treasury.

I have also sent the sum of 6,000 livres you request in *sols marqués*, for the Treasurer's chest.

.....
[Not signed]

PAYMENT OF THE ACADIANS

Versailles, 30th June, 1753.

TO M. BIGOT.

.....
S^r Le Loutre has made representations to me, of which you have had notice, to have the expenditures which are made at those posts, paid in money and to establish a circulating medium there. The latter matter is not to be thought of, the country not yet being at a stage of settlement to admit of it, and that is

what I have explained to this missionary. As for payment in cash, it is much to be feared, as you observe, that all the coins in use there would pass over to the English, and it may even be that such a facility would give rise to further expenditures. I have, however, given S. le Loutre some ground for hoping that next year, if circumstances permit, 50,000 or 60,000 francs may be sent to give some life and confidence to undertakings there, but I have warned him that this remittance, if it is made, will not be a precedent for the future.

.....

[Not signed]

ASSISTANCE PROPOSED FOR THE ACADIANS

Compeigne, July 17, 1753.

TO MESSRS. DE RAYMOND¹ AND PREVOST.²

Sirs:

You are aware of the favourable disposition of the King towards the inhabitants of Acadia, who have withdrawn to our frontiers. The representa-

¹ M. Le Comte de Raymond Seigneur d'Oye had attained to the rank of brigadier general and at this time was commandant at Ile Royale. He appears to have been a member of a distinguished family, though of limited resources, and dependent for advancement more upon his social and family connections than upon his own personal capacity and achievements. His abundant egotism and overbearing manner rendered his advancement difficult for his friends and troublesome for the ministers of state. In 1722 we find him being granted a commission as second ensign in Canada, his patron being Comte d'Evreux. In 1728 he bore the title of Chevalier de Raymond and had been in France for some time. Indeed, the minister was constrained to remind him that his absence from Canada had been so prolonged that unless he sailed shortly his position would be given to another. In 1732 he was again granted leave of absence, on the recommendation of Governor Beauharnois who was one of his patrons. Being ambitious to secure command of one of the Canadian posts he applied to the minister in 1736. He was referred back to Beauharnois, who naturally found it impossible to recommend him as he had not yet attained the rank of lieutenant. He reached this rank, after much importunity, in May 1738, and shortly afterwards was assigned to a company. In 1742 he was again invoking his varied influences to secure command of one of the western posts. One of the patrons to whom he industriously applied for assistance was the Duc de la Rochefoucauld, to whom the minister announced that he had at last secured a Canadian company for him, March 1746. M. Desherbiers who was appointed commandant at Ile Royale when it was resumed by the French in 1749, had expressed a strong desire to return to France. On February 23rd 1751, the minister informed him that he had granted his request and that he would be succeeded by the Comte de Raymond who would sail from Rochefort about the first of May. He is to introduce him to the duties of the position before he leaves Louisbourg. On April 24th Raymond received his instructions defining his duties and their relation to those of the Commissary-Intendant. Incidentally, he was furnished with a brief history of the objects in settling Ile Royale after the Treaty of Utrecht, with particular information as to the boundaries and the special features which had to be insisted upon in order to strengthen the claims of France. These positions he must maintain with inflexible firmness, but with such moderation and politeness in manner and expression as to throw on the shoulders of the enemy all appearance of aggression. Before leaving France to take up his new duties he registered the quality of his personality by demanding from the minister, in addition to the usual gratuity on such occasions, a special allowance of 20,000 livres. The minister was astounded and declared that such a demand was so extraordinary that in his own interest he would not mention it to the King. After he arrived in Louisbourg he was for a time agreeable enough to his colleague Prevost, the Commissary-Intendant, and to the other officials. But when he had found his feet he was so uplifted with his own importance as commandant, that

tions which Abbé le Loutre has made on the situation in which they find them-

he practically disregarded the rights of all others to a share in the government. This, of course, chiefly affected his colleague Prevost, whom he evidently despised as of inferior birth and social standing. When occasion permitted, he affected in the little fortress of Louisbourg, on the bleak shelving rocks of the north Atlantic, a pomp and circumstance rivalling those of Versailles itself. Thus, under date of 28th May 1752, we find a detailed account of the elaborate fêtes, dinners, balls, illuminations, and other entertainments given by him at the King's expense at Louisbourg, under the pretext of celebrating the birth of the royal Duke of Bourgogne, but really to permit the commandant of the capital of Ile Royale to display his own exalted magnificence. In making the reports on the colony and proposing plans and estimates for expenditures, he quite ignored Prevost; but they were sent back to him from France with an intimation that they were worthless until passed upon and approved by his colleague the Commissary-Intendant. As Prevost, longer in office and with a more detailed knowledge of the administrative requirements of the colony, stood stoutly on his rights, the administration of the colony, notwithstanding the repeated rebukes and admonitions to both, but especially to Raymond, was brought almost to a state of paralysis. When, in 1753, Raymond desired to return to France to promote his personal interests, leave was granted; but the minister took occasion to inform him in advance that he could not procure for him, as he had requested, the red ribbon of the Order of St. Louis. Again, though approving of his purchase of a property at Louisbourg, apparently the former residence of St. Ovide, he was informed that it could not be raised to the rank of a seignery with the title of Count attached, as it was too insignificant a property to be thus treated. Moreover, the King had decided not to grant any seigneurial titles in the colony of Ile Royale. It appears that Raymond had travelled in state over his rocky colony and had developed many extravagant claims for its agricultural and mineral development, not to mention the fisheries and shipping, but the minister threw cold water on his schemes, saying that they were very interesting but the King had no funds for such enterprises. Having once got such a troubler in Israel out of the colony, he was not permitted to return. Sr. Drucourt succeeded, in the spring of 1754. Raymond appears to have remained at Paris, since we find him from time to time communicating gratuitous advice to the war department as to the proper lines to be followed in the defence of Louisbourg, etc.

² M. Jacques Prévost served as commissary-intendant of Ile Royale at Louisbourg from the time of its restoration to France in 1748 to its final overthrow in 1758. He appears to have been of rather humble origin and to have risen from a junior clerkship in the department of Marine. His wife, daughter of a trader at Louisbourg, is said to have been a Creole. He came to Ile Royale quite early in life, and attained his first important position when, on May 10th, 1735, he was appointed chief clerk under Le Normant. Evidently he was not very brilliant or well educated, but in his earlier years at least he was faithful and diligent and his superior officers reported favourably on his services. The minister commended him for the satisfactory discharge of Bigot's duties while the latter was on a trip to France in 1743. When Louisbourg was first captured in 1745 he returned to France and served in the department of Marine at Rochefort. In 1746 he was apparently assisting Sabatier, who had been treasurer at Louisbourg, in going over the accounts, a work first assigned to Bigot, but when the latter was appointed intendant of d'Anville's great fleet, in 1746, it was transferred to Sabatier. In the meantime Hocquart was urgently calling for assistance at Quebec. When Varin returned to France it was promised that Prévost would be sent out to take his position as controller. He actually started for Canada, but was forced to return to France in September 1747. Meantime Sabatier had died suddenly and on Bigot's advice Prévost was selected to continue his work in clearing up the accounts of Ile Royale. Prévost never actually went to Canada. When, under the Treaty of 1748, Ile Royale was restored to France, it was decided to permit Hocquart to return from Canada and Bigot was selected to succeed him as Intendant of New France. This left vacant the position as commissary-intendant at Louisbourg which, apparently on Bigot's advice, was assigned to Prévost, the position of controller in Canada having been given to Bréard. M. Desherbiers was at the same time appointed as Commandant at Ile Royale, and together with Prévost sailed for Louisbourg in March 1749. Prévost took with him 450,000 livres in specie to meet the requirements of the government and re-establish the currency of the colony. The royal instructions to Prévost were dated 28th March, 1749, and indicated that economically, legally, and socially everything was to be restored as nearly as possible to the same condition and with the same people as at the time of the capture by the English. Bigot was required to go down from Canada, in the summer of 1749, to assist Prévost in the work of reconstruction. One, Sequin, had been appointed controller and attorney general at Louisbourg, filling the

selves, and of which I have informed the King, have confirmed him in this

position formerly occupied by Sabatier. Almost from the beginning of their mutual services friction developed between Prévost and Sequin, much to the detriment of the public service. Bitter complaints were made by Prévost to Bigot, who was his immediate superior. A constant source of trouble and dispute was the furnishing of stores at a place so little provided with local supplies as Louisbourg. These were derived partly from France, partly from Canada, partly from the Acadians in both French and British territory, and when these sources failed it was permissible to obtain provisions from the New England colonies. As the supplies from the various French sources depended upon so many conditions of local surpluses, profitable prices and the whims of personal interest, it was difficult to be certain of these supplies sufficiently in advance. The New England market was much the most reliable, as Bigot had discovered to his official relief and personal profit. Prévost was inclined in the same direction. Thus we find him, under date of 24th June, 1750, requesting the minister to pay a bill of exchange for 3,600 livres given to an English captain for a cargo of frozen beef and mutton. Great complaints arose, however, from both old and New France whenever the merchants happened to be in a position to supply even a portion of the Louisbourg market. Prévost was therefore instructed not to purchase from the English whenever French supplies were available. As stores had to be laid in in advance, especially in times of threatened war and attack, there was much room for the exercise of judgment and discretion as to when adequate French supplies were available. Thus complaints and accusations attended the administration of the commissariat department under Prévost until the ultimate loss of the colony in 1758. At Louisbourg, as at Quebec, though of course on a more limited scale, in aggressiveness against the English and in seizing and fortifying vantage for the next war, treaty obligations were not very strictly regarded and the cry was ever "forward". But when the exchanges representing the cost of these enterprises appeared at the treasury, the cry was equally emphatic "back". In August 1751, Comte Raymond arrived to succeed Desherbiers as commandant. Immediately sharp friction began to develop between the military and civil authorities. This was chiefly due, it must be acknowledged, to the egotistical and domineering characteristics of Raymond. The commandant endeavoured to monopolize all matters of policy, declining to consult Prévost. The latter naturally stood on his rights, the more so probably as the count affected to despise him on account of his humbler social origin. The result was that the official staff and the superior council were divided into factions which almost paralysed the public business. Ultimately the minister intervened and Raymond was supplanted in 1754, Drucourt taking his place. With the mutual aggressions of the French and English in 1754-5, before the actual declaration of war, the responsibilities of Prévost at Louisbourg were greatly increased, the minister having declared that this was one of the most vital points in the French interest. The fortifications were to be greatly strengthened and extended. Additional troops were sent in 1755 involving greatly increased stores and heavier outlay. Louisbourg was the natural centre of transatlantic French privateering, hence special vessels were sent there for that purpose and Drucourt and Prévost were instructed to afford them every facility for the reception of their prizes and the disposal of them through the admiralty officers. In 1756-7 considerable funds in specie were sent to Louisbourg and these were supplemented by other supplies from captured British vessels and the sale of their cargoes. It was thus unnecessary for Prévost to resort to the issue of paper money. There was therefore a striking contrast between the financial and commercial conditions of Louisbourg and Quebec. After the usual industrious importunity Prévost was at last, November 1757, granted the coveted rank of commissary general of the navy. On the 24th December of that year, at the close of a long and harassing season, the minister congratulates Prévost and the commandant on the fact that so far the English have been frustrated in all their attempts on Louisbourg and Quebec, but intimates that they are likely to return in the spring stronger than ever, and it is necessary to make every preparation to defeat them again. It appears that when the fleet from Louisbourg returned to France in the autumn of 1757, many tales were related in Paris regarding the high life which had prevailed at Quebec and Louisbourg during the previous summer. Some of these coming to the ear of the minister, he wrote to Prévost, 11 February, 1758, rebuking him for having, according to report, encouraged gambling at his house, in connection with which military and civil officers had lost as much as 15,000 or 20,000 livres during the season. The expectations of the minister, with reference to the strength of the British return

disposition; and he desires, more and more, to procure for them, as far as possible, the assistance which may be necessary.

This assistance should have as object, not only to help with the actual wants of these inhabitants, but also to put them in a position soon to get along without it, in facilitating their settlement.

It is with this purpose in view that S^r le Loutre has asked, on behalf of those who have withdrawn from the Beausejour side, that the King should assume the cost of the embankments which they call *Aboiteaux*,¹ and which are necessary to enable them to turn their lands to account; and it has been represented that with the sum of 5,000 livres these embankments might be constructed, and that, when that was done, the inhabitants might dispense with all assistance. In spite of the critical condition of the finances of His Majesty, he would be disposed to assist them in the construction of these works, if they would be productive of the benefits which this missionary anticipates, and if the expense did not exceed his estimate. Thus it is necessary to have these two points verified and to have an estimate drawn up upon which we may work. S^r le Loutre claims that S^r Jacau de Fiedmont² might be put in charge of this

in 1758, were quite fulfilled, but not the hopes of successful French resistance; hence Louisbourg fell, 26 July. Prévost being a civil officer was among those who returned directly to France, taking with him Druccourt's journal of the siege. On September 28th he reported to the minister that he had arrived at La Rochelle and there he remained for some considerable time working on the accounts and papers of his department at Louisbourg. Associated with him in this work was M. La Borde who had succeeded Sequin as treasurer and attorney general at Louisbourg. Various discrepancies developing in the accounts, responsibility naturally fell on one or other of those officials. From a communication of the minister, 18 April, 1763, to M. de Sartine, then investigating the affairs of Canada, it appears that La Borde had accused Prévost of having taken from the treasury part of the funds, for the disappearance of which La Borde had been arrested. The minister, on the ground that the reputation of Prévost had been more or less doubtful, sent to Sartine an order to have Prévost arrested at La Rochelle and taken to the Bastille with his papers. On June 15th, on the authority of the King, he was enlarged on condition that he did not leave Paris. Sartine made a report on the case in which he exonerated Prévost from complicity in the defalcations of La Borde. The minister accepted this, April 10th, 1764, but held him to be at least culpable of great negligence in overlooking so large a defalcation. Hence, although the King granted him his liberty, he could not be employed in the future in any position of confidence. On January 20th, 1767, an order of the King was issued appointing Sr. Prévost as assistant in the office of the Archives of the Marine at Rochefort.

¹ The term *aboiteau* applies strictly only to one special feature of the dykes for protecting the lower meadow lands from the high tides of the Bay of Fundy. It consists of a square culvert or drain located at the lowest part of the dyke, with a gate or door on the opening towards the sea, and swinging on hinges from the upper side of the frame. The rising tide automatically closes the gate or door and the increasing pressure keeps it tightly closed until the tide falls again, when the accumulated drainage water from the meadow side swings the gate open sufficiently to permit of its escape. The process is automatically repeated with each tide.

² Sr. Jacau de Fiedmont was an artillery officer whom Governor Duquesne sent down from Quebec in the capacity of a military engineer to construct Fort Beausejour, as an offset to Fort Lawrence, both being on the Bay of Fundy side of the isthmus separating the latter from Baie Verte on the side of the Gulf of St. Lawrence. The dykes proposed by Le Loutre were immediately to the west of Fort Beausejour. It appears that the father of Lieut. Jacau had been a master gunner at Louisbourg where he died in 1739. On April 1st, 1748 we find the son awarded a commission as ensign in the new company of gunners to be established at Ile Royale, on its resumption by the French. On the formation, in 1750, of the first company of bombardiers at Quebec, under Lieut. Le Mercier, Jacau was transferred from Louisbourg to Quebec to serve as ensign. Under an order of 1st April 1753, he was promoted to the rank of lieutenant, following the promotion of Le Mercier. He held this rank when sent to Beausejour. After the surrender of that fort to the English in 1755, he

operation. You might give him the order for it, taking care to inform Messrs. Duquesne and Bigot, and if the estimate that officer may give to you conforms to the project proposed by this missionary, H.M. would be pleased to have you take steps for the execution of the plan.

S^r le Loutre has assured me that by means of this particular assistance for the *Aboiteaux* of the inhabitants,¹ they will house themselves at their own expense. This is an essential point for, so long as they are not housed, we cannot feel assured that they will stay permanently in the settlement they have made. Therefore, you must not neglect to bind them to build houses for themselves.

This same missionary proposed to introduce a sort of money, which would circulate in these districts, similar to that of Canada. Several reasons have prevented me from inclining to this proposition. I feel, however, that it would be desirable to have a certain circulation of coins to facilitate the activities of the inhabitants, and, although it is to be presumed that the coined money which might be distributed there would not remain, and would perhaps pass into the hands of foreigners, I propose, if circumstances permit next year, to appropriate a certain sum, partly by way of experiment and partly for the encouragement of the inhabitants. Be good enough to let me know your opinion on the subject. Further I beg you to inform me, also, of all that takes place in relation to these settlements, the progress of which is most vital, both as to grain and cattle.

[Not signed]

REASONS FOR INABILITY TO FURNISH SHORT TERM BILLS TO THE COMPANY OF THE INDIES

Versailles, May 20, 1754.

TO M. DE MONTARAN.²

I have examined, Sir, the complaints which the Company of the Indies makes in the memoir which you have sent me.

In the embarrassments existing in Canada last year, of which the Keeper of the Seals is not unaware, it has not been possible for the Intendant of that colony to furnish to the agent of the Company bills of exchange of sufficiently short periods of maturity for the payment for supplies to the King's stores. In this regard, the Company is undergoing the same fate as the merchants

returned to Quebec and resumed his position in his company. Under a commission of 19th March, 1757, he was promoted to the rank of captain of a company. He served with distinction at the siege of Quebec, returning to France after the surrender of the colony. In 1762 he went out to Cayenne as lieutenant colonel of an infantry regiment.

¹ Abbé Le Loutre succeeded in procuring 50,000 livres for this work. Upon this he engaged all the Acadians in the neighbourhood. This resulted in greatly impeding the construction of the fort, but, in the conflict of authority which ensued, the influence of the Abbé proved superior to that of the military officers.

² M. de Montaran was the chief executive officer of the Company of the Indies, and through him correspondence relating to the affairs of the Company in Canada had been carried on with the Minister of Marine and Colonies for the previous five years. Machault was at this time both Minister of Finance and Keeper of the Seals, which accounts for the reference here and in the following document. Two months later Machault had succeeded Rouillé as Minister of Marine and Colonies, but in this transfer he still retained the office of Keeper of the Seals. The complaints of the Company, here referred to, have reference to the considerable extension of the periods of maturity for bills of exchange drawn upon the colonial treasury for supplies furnished in Canada, some of which had been obtained from the Company of the Indies. The nature and causes of the extension of the time for payment are explained in the despatch of June 15th, 1753. See p. 801.

and private individuals. It was an extraordinary and unnatural situation which will be avoided as far as possible in the future. Moreover, it was also owing to peculiar circumstances that the supplies furnished last year for the King's services were found to be so considerable, for ordinarily, they are moderate in amount.

.....

[Not signed]

CONSIDERATIONS AFFECTING THE LOANS OF THE TREASURERS-GENERAL

The Keeper of the Seals.

Versailles, May 21, 1754.

My Lord:

The King has been pleased to authorize the loan I am obliged to obtain of the sum of 1,200,000 livres to enable me to meet the payment of the bills of exchange drawn in Canada for the extraordinary expenditures which circumstances have made it necessary to make, to safeguard the colony against the attacks of the English and of the Indian nations whom they have stirred up. You are aware that this loan is made by the Treasurers General of the Marine, who turn it over to the Treasury of the Colonies. The replacement of it should be made in the months of April, May, June, and July of next year, at the rate of 300,000¹ per month. H.M. has directed me to notify you of it, in order that you may propose to him some arrangement to put the Treasurer General of the Marine in a position to meet it with the promptitude it demands. But at the same time as you inform me of the proposed arrangement, I beg you very urgently to let me know, also, on what the Treasurers may count for the payment of their notes for the loan of four millions, which they have been renewing for three years. Apart from the prejudice which may result to their credit from all these renewals, which keep their notes circulating, they are very burdensome to the Marine, on account of the interest to be paid and from the necessity they are under of always keeping a certain sum on hand to meet the notes belonging to the same persons, which are not renewed.¹

¹ As already observed, there was a separate budget for the *Colonies*, as distinguished from that of the *Marine*, from 1750 to 1770. Yet the same minister presided over both departments and it was prescribed that the Controller of the Department of the Marine should be also treasurer of the Department of the Colonies. Moreover, as this despatch indicates, when loans for the Department of the Colonies became very urgent they were advanced from the treasury of the Marine Department. The notes of the department here referred to, were notes issued by the treasurer of the Department of Marine to meet exceptional payments, and these issues were arranged in concert with the Minister of Finance. They have no reference to the increasing issues of notes by Bigot in Canada, although these also constituted an indirect charge on the Department of the Colonies, and hence on the Department of Marine. The notes of the Department of Marine, as issued in France, represented at first merely a temporary floating debt which, as we see, the minister was anxious to have liquidated as soon as possible. But the state of the national finances and the steadily increasing outlays in connection with the Departments of Marine and Colonies precluded all possibility of this. On the contrary, they steadily increased in volume until, in 1757, the outstanding issue amounted to 5,200,000 livres. Nor did they disappear with the restoration of peace and the final loss of Canada. They remained as part of the waterlogged condition of French finance which Necker and others struggled with in vain, and which was finally wiped out in the course of the French Revolution.

The memorandum which I sent to you will enable you to see in detail the situation of the Marine in this regard, as also in respect to other parts of its administration.

If you would be good enough to appoint a day and hour when I might go and confer with you on all this you would give me great pleasure; for you correctly surmise that I long to be able to make some arrangements for terminating, or at least diminishing the embarrassments in which I find myself; embarrassments, for that matter, which make me only more sensible of those in which you must live.

[Not signed.]

RECOMMENDATIONS FOR IMPROVEMENT OF THE ROUTINE OF THE TREASURER'S OFFICE

M. Imbert. 2 February, 1755.

My Lord:

I have not, during my stay at Versailles, been able to find a favourable moment in which to have the honour of paying my respects to you. Being obliged to leave at once to go to the place where I am to embark, I have taken the liberty of addressing to you, My Lord, a memorandum dealing with the management of my treasury in Canada. The details of it are becoming larger and larger. I need help to carry it on with more order and accuracy. I most humbly entreat Your Grace to have regard to the justice of my requests.

[Signed] IMBERT.¹

Paris, 2nd February, 1755.

HIS LORDSHIP, THE KEEPER OF THE SEALS, MINISTER AND SECRETARY OF
STATE FOR THE MARINE

My Lord:

S^r Jacques Imbert, Treasurer of Canada, most humbly represents to your Grace, that for five years past, the domestic business of the colony has occasioned him too much labour for it to be done in proper order. He has often made representations on the difficulties of the immense details with which he is burdened and he has requested to come to France in order to perfect himself in his occupation and to receive new instructions, which are necessary, if he is to pursue his task with greater order.

These difficulties are the pay of the troops, the quantity of pay certificates he is obliged to cash daily, without having time to make note of the separate papers, the annual return of paper and card money for conversion into bills of exchange, which he is obliged to receive in dangerous haste.

Article One

SALARY AND PAY OF THE TROOPS

Of all the items of the Service with which the Treasury is charged, the pay of the troops is that which exposes it to the greatest risk. This branch of the work was always the occasion of delay in the rendition of accounts by his predecessor, who left seven of them to be rendered. After his death, the

¹ See note 2, p. 883.

Intendant provided for these inconveniences by the order he gave for drawing up the daily expenditures in due form and for placing the Treasurer in a position to return them each year for the preceding budget. It was decided that the certificates for the pay of the troops should be drawn up in full and that the Treasurer should give his return for the remainder to be paid to detached officers or men in the forts and posts of the various parts of the Upper Country, which returns become void when the vouchers are returned; this arrangement appeared the easiest for facilitating the drawing up of the accounts. There are, however, certain difficulties which become a burden to the Treasurer and expose him to much extra work, occasioned as in the following example.

Several officers and men being deputed to serve in different forts, their distribution is decided on at Quebec and at Montreal and each officer or man is entered on the detachment lists of their company and their pay is withheld.

When they have reached their destination some of them change their posts through the exigencies of the Service and that by order of the commandant of the said posts, whence comes the following abuse: Example:— Pierre is detached and entered for Niagara, six months after he is at Fort Frontenac, and from there sometimes, elsewhere, without the Commissariat being informed of it. This soldier, wandering from fort to fort for three or four years and sometimes longer, is attached to a fort where he becomes useful, the King feeds him, his pay remains in the depot and he draws it several years after, either himself or by power of attorney: the orders are despatched ordinarily at Montreal and often at Quebec, to wit, one order despatched to the soldier and another to the bearer of the power of attorney. This is not discovered until six months afterwards, that is to say when the Treasurer compares the vouchers on the detachment list he receives from Montreal, and often two years afterwards.

The recovery of this double payment can not be made from the commandants, who draw only the pay of those present: otherwise the Treasurer would lose much, if His Majesty did not accord him reimbursement.

There have been several of these orders sent out in duplicate as the Treasurer is in a position to prove.

In certain forts, the soldier draws part of his pay in goods from the King's store in the fort, the storekeeper sends a statement of it to be kept and the Treasurer charges himself in special receipt with what was drawn; but it often happens that this statement does not arrive until after the soldier has been paid. The result is double payment at the King's expense.

OBSERVATIONS ON THE DISBURSEMENTS OF PAY MADE ON THE ACCOUNTS FOR THE SOLDIERS SERVING

The various movements of this corps on the occasion of the establishment of Belle-Rivière having obliged the General to detach a great number of officers, last year seven companies were found at Quebec without any officer and the Treasurer, asking valid pay certificates, was obliged to give to a sergeant the pay of the soldiers on service in the said companies, on account of which he begged receipts from the major of each government.

There is often an officer on service with the company, according to the detachment list, but as he does not live in the garrison, the Treasurer cannot get his receipts when he distributes the pay. He is often at Montreal on

leave, and he departs from there sometimes to go and serve in the forts and then the Treasurer finds it impossible to retire the receipts for his pay certificate. It is on such an occasion that he has demanded receipts from the major.

It would be a good thing, then, if there were always a subaltern on service to look after the rest of the company, by residing in the garrison or at least to be found there, for counting and furnishing receipts each quarter, It would even be necessary to have a special bureau for this item and for those selected to look after it to be kept informed of the different changes made in the corps.

It has been proposed to give the pay of the whole company to each captain, but removals have prevented that being carried out.

The best plan and the most just would be to give the pay of the troops to the major of each government, at the same time giving him a clerk to look after the details. This arrangement would save the King all double payment and the Treasurer would have dependable pay-certificates for his records.

The Treasurer would like to know before his return, in what way the auxiliary troops are to be paid.

Article Two

The amount of pay-certificates which the Treasurer is obliged to pay daily, does not permit him to reckon up the details which are prepared in the offices; he is not equal to it; however, often errors slip in which he rectifies when he discovers them, but those that escape him (he is not able to go through all the vouchers) become a charge against him, which is not just, in view of the impossibility of verifying before paying. It would be necessary to have in the supervising offices an examiner for regularly inspecting the pay-certificates and who would have no other duty than that of verifying the details before they were given the signature of the Controller, and also for the Treasurer to have a clerk capable of verifying these same details before paying them, even though inspected.

Article Three

The annual return of paper and card money to be converted into bills of exchange is one of the most dangerous of operations for the Treasurer. The time is so limited for receiving it and for distributing these drafts, that he is often exposed to considerable errors. It would be a good plan to allow more time for receiving them and for distributing the bills of exchange, by commencing sooner and procuring him the help he needs at this particular time.

OBSERVATIONS ON THE RETURNS OF THE TREASURER FOR THE HAND-WRITTEN NOTES THAT HE HAS WITHDRAWN FROM CIRCULATION BY MEANS OF PRINTED NOTES

From the 25th October, 1750 to the 15th September, 1751, there were in hand-written notes, for providing for the expenditures of the service, 2,399,895 livres 15 sols. The Treasurer had given his return to the King for the said sum. When Monsieur Bigot judged it necessary to have printed notes, alike for the convenience of the service and for that of the public, these printed notes served to replace the hand-written ones, and the Treasurer counted them in the presence of M. Bréard, controller, who burned them in order to

cancel the preceding return. But in the hands of the Treasurer, there are found 5,947 livres of these hand-written notes in excess of the return. He asks that reimbursement of these may be ordered to him. If the Treasurer had given in notes below the amount of his return, he would have been obliged to provide for the difference. There is, then, justice in giving him credit for what he has paid in excess.

The reason for this difference comes from counterfeit notes, the loss or which he should not have to bear. There are also 400 livres of printed notes, fraudulently raised, the reimbursement of which is equally due him, as well as the cases of double payment with which he has found himself charged, since he has been treasurer.

S^r Imbert has the honour of representing to you also, My Lord, that his salary is not in proportion to the burdens of his office. He has not the means of defraying his annual expenses, although they are very moderate. The high cost of foodstuffs and clothing, the firewood he must provide in two offices, the running about he does for the Service, oblige him to ask of you, My Lord, his firewood and an office janitor who would also run messages in order not to disturb his clerk who loses a great deal of time carrying papers between the different offices.

After eighteen years uninterrupted service in continual toil, he entreats Your Grace to grant him the title of Chief Writer, which is not incompatible with his situation and will more especially attach him to the King's interests and to the good of the Service. This dignity would put him in a position to work with more order in his administration, as he has continually to deal with those who are several steps up in the Navy. The Intendant, who knows the extent of my work and my assiduity in carrying out my duties, can bear witness to it. I dare to flatter myself that this testimony can be only favourable to me.

[Signed] IMBERT.

Paris, February 2nd, 1755.

FINANCIAL ARRANGEMENTS FOR TROOPS SENT TO LOUISBOURG

Versailles, March 17, 1755.

TO M. PREVOST.

I am notifying you, Sir, that in the uncertainty of the events which may happen, the King has just decided to send two battalions of his troops of the line to Louisbourg, and that they are to set out from Brest on H.M.'s ships about the 15th of next month. You must, without loss of time, devote yourself to the arrangements necessary for their reception.

.....
 The frigate *La Diane* has transported to you 30,000 livres in specie. I am giving orders to embark 40,000 livres on *La Fidelle*. The ships on which the troops are sailing will take their pay for eighteen months, and by the ships which will leave Rochefort I shall have remitted the ordinary funds for the expenses of the colony, with an extraordinary fund as large as I can arrange for the works on the fortifications.

[Not signed.]

HIGH PRICES DUE TO VAST AMOUNT OF PAPER MONEY

*M. Bigot.*Versailles, April 1st, 1755.¹

.....

For the payment for these expenditures you may have bills of exchange drawn, payable next year, by separating and extending as far as you can, the dates on which they fall due.

It is probable that in thus fixing the dates of maturity for next year, you may be able to bring about a reduction in the expenditures in relation to the increases caused by the extension of the dates of the drafts made these last two years, as it is of the greatest importance to succeed in really bringing down the excessive prices to which every thing has risen in Canada for some time past, and that the plan to accomplish this would no doubt be to cause all the expenses which are incurred on the King's account to be paid in coin, since it is to the immense quantities of paper which have been circulated among the people for these expenses that must be attributed the excessive dearness which is making itself felt in the colony. I would have decided to send funds in coined money this year for this purpose, if the situation of the Treasury had permitted it, but that could not be done without great embarrassment, as the Treasury must furnish means for the payment of the drafts which are to be met in the course of this year; and you must, as well informed as you are, have some suspicion of the amount of these drafts.

We must, therefore, postpone this arrangement to another time. I shall direct all my efforts to carrying it out next year if it is possible, but in order to put you in a position to work towards that end with the necessary information, I shall require you to give me the particulars.

In the first place, it is necessary for you to send me an exact statement of the situation of the colonial Treasury on the first of October next. A statement in which you shall set forth the amount of the expenses still to be paid, the volume of paper to be retired for that purpose, and the amount of the ordinary and extraordinary receipts which may be thus employed.

You will attach to this statement an estimate of the expenditures to be undertaken next year, with another showing the value of the goods in the stores, the returns from which may serve for these expenditures.

You will report to me as to the effect produced in the colony by the money which the troops of the line will circulate there.

And you will give me your opinion respecting the quantity of coined money which it will be proper to send them, relatively to the object I have in view, an opinion which you will accompany with all the considerations which may relate thereto.²

[*Not signed.*]

¹ The first part of this document is omitted as it deals simply with the detailed arrangements for the payment of the land forces being sent out that year, and the accounts to be rendered in connection with them. The part which is copied and here given relates to the media in which payment is to be made.

² Among the despatches for the next two years we have very little detail from Bigot in direct response to these inquiries and instructions, although he warns the minister from time to time, in general terms, as to the increasing expenditures which

NECESSITY FOR ECONOMY IN PUBLIC EXPENDITURE

Versailles, June 5, 1755.

TO MESSRS. DE VAUDREUIL¹ AND BIGOT.

I have had, gentlemen, in the Ministry of Finance more than one opportunity of hearing mention of the immense increases which have been taking

are being incurred. In the report of M. Imbert of the Canadian Treasury to the minister, on February 2nd 1755 (given at p. 821), we obtain some light on the increasing difficulties of providing accurate returns for the expenditures incurred at any one period, in so many different directions and at such remote posts, whence returns and special certificates issued for purchases came in at very uncertain intervals. In the course of a very interesting statement as to the nature of his functions and the difficulties incidental thereto, he says, among other things, that the operations going on in the interior of Canada are of such a varied nature and so detailed that he has found it impossible to keep pace with them. They are really so complex that he should return to France to obtain the necessary instructions as to how to deal with them. One of the chief difficulties is the enormous detail connected with the payment of the troops and the number of orders to be made dealing with the shifting of the soldiers about from one post to another, and the making of advances to them from the King's stores at the various posts. The slowness of the returns from these permit of double payments, or the collection of pay before the obligations against it are received. Moreover, on the more distant expeditions, the money for the payment of the troops has to be entrusted to the officers accompanying them, and it is difficult to get from them proper returns or receipts. Then there are the masses of circulating paper which come back upon the treasurer annually, for conversion into bills of exchange, and which come in with such a rush, just before the sailing of the last vessels, as to involve considerable risk of fraud and forgeries, of which he gives some samples. As to the information sought by the minister regarding the effects produced in the colony through the introduction of considerable quantities of coined money, for the payment of the troops sent to Canada under Dieskau and Montcalm, there is found among the correspondence from Canada, about this time, a long memoir, anonymous and without date, though the year is probably 1757, in which the whole question here raised is gone into with the greatest penetration and a thorough knowledge of the situation, and which anticipates much of the best experience and reasoning of the next century. This is given at p. 845. In it Bigot's views, among others, are quoted. It was only very imperfectly comprehended, however, by the financial authorities of the time.

¹ Pierre-Francois de Rigaud, Marquis de Vaudreuil-Cavagnal was the last French Governor of Canada, his appointment being dated 22nd March 1755. He was born at Montreal in 1704, being the third son of a previous governor of Canada, Philippe de Rigaud, Marquis de Vaudreuil (see note 1, p. 127). Entering the army he attained to the rank of captain in 1715 and that of major in 1726. He was appointed a Knight of St. Louis in 1730. His first administrative appointment was to the position of lieutenant-governor of Three Rivers in 1733. In 1742 he was selected as governor of Louisiana. He received the rank of captain in the Navy in 1746 and succeeded to his father's title of Marquis de Vaudreuil in 1748. It had been expected in Canada that he would succeed to the position of governor in succession to La Jonquière in 1752, but the Marquis Duquesne had been preferred, much to the disappointment of the Canadians. Duquesne's old world conceptions of discipline and efficiency, when applied to the Canadians, rendered him very unpopular in the colony, hence there was much rejoicing when, in 1755, Vaudreuil was appointed to replace him as governor of New France, including Louisiana. It had been quite correctly inferred that, having been born in Canada and accustomed to the temperament of the Canadians and Indians, he would be more sympathetic towards them than the officers appointed directly from France. Vaudreuil fully understood the situation and found himself more or less forced into the position of champion of the Canadian and Indian forces, in the face of the criticisms passed upon them by the officers and troops from France. The latter insisted that methods, admissible in Indian warfare and in raids upon British frontier settlements, were quite unsuited to the important engagements connected with the final struggle between France and England in America. The unfortunate jealousies and bickerings which resulted from these disputes did much to impair the efficiency of the French resistance during the last two years of the war. That the Home Government had for a time almost unlimited confidence in Vaudreuil is evident from the fact that they allowed him virtually a free hand in appointments and promotions in Canada. In the memoranda of the King to serve as instructions for Vaudreuil and in those to serve as orders for Montcalm, Vaudreuil is given practically complete military

place for some years past in the expenditures of Canada. I have been per-

and civil command in Canada. Even the judicial and economic functions assigned to the intendant in times of peace were virtually conditioned by the orders of the governor in time of war. Montcalm was instructed to take his orders from Vaudreuil, who was not required, except at his own discretion, to consult him in advance in planning any campaign. Even when Montcalm and his staff were in the midst of carrying out any military operations these might be interrupted and altered at the discretion of the governor; who might, indeed, dispense with them altogether and take over the command in person. Considering, however, that it would be to the general advantage in all military operations that there should be unity of command, subject to the supreme military authority of the governor, the minister sent conditionally to Vaudreuil an order from the King to place the Canadian militia under the command of Montcalm on the same basis as the other troops. Vaudreuil, however, declined to transmit this order to Montcalm, giving as his reasons that the French officers were accustomed to exact regular army discipline from their troops, but to this the Canadians were quite unaccustomed. They resented it so much that their usefulness in the war would be greatly impaired if subjected to such discipline. The Canadians, as he explained, were very independent and difficult to manage and it would be much better therefore to place them under separate leadership so that more regard might be had to their feelings (see Vaudreuil to the minister, 16th January, 1756, *Série C¹¹ I*, Vol. 101, p. 1). Notwithstanding that Vaudreuil employed his extraordinary powers with considerable restraint, Montcalm found the position in which he was placed so intolerable that, in 1758, he formally requested to be recalled. As that could not be considered, he was given a much freer hand in military matters and Vaudreuil was practically ordered to place the militia and Indians under his command. Vaudreuil had no corresponding difficulties with the intendant Bigot and his associates, who early ingratiated themselves in his favour and retained it to the end. In October, 1755, at the close of the first season's experience with the economic administration of the service, we find the following eulogy of Bigot's abilities and services: referring to his arrangements for supplies at Montreal for Dieskau's expedition, he concludes:—"This intendant, my Lord, has quite rare talents, his resourcefulness in all that pertains to the efficiency of the service is beyond words; his zeal and his intelligence have greatly assisted me in all my undertakings. He is foresighted, enterprising and indefatigable, although ever since he came to the colony he has never known a week of good health. It is very fortunate my Lord, that you have prevailed upon him to return to the colony, and I cannot conceal from you how difficult it would be to replace him under present conditions" (see *Série C¹¹ I*, Vol. 100, pp. 113-4). As to Vaudreuil's share in the responsibility for the excessive expenditures in the colony and the irregularities in connection with these, it is to be recognized that, as pointed out so often by Bigot and others, he, as governor, alone had the authority to authorize the expenditures connected with the various expeditions of the Canadians and Indians beyond the ordinary military lines, as also at the various posts in the west, where the commandants or chief officers were under his control, and, for the most part, selected and appointed by him. The agents and store keepers who represented the intendant were required to make their deliveries of goods and consequently their requisitions on Montreal and their local purchases, on the authority of the commandants. At the posts also, as well as at Montreal, the Indians were furnished with supplies on the authority of Vaudreuil through the commandants. Vaudreuil's influence with the Indians was naturally one of his chief recommendations as governor. He himself has told what part he took in these matters and how he considered his hands were forced by the Indians and others in incurring such vast and ever increasing outlays. Writing to the minister on October 13, 1756, he states that on Bigot's suggestion he had issued additional orders to the commandants at the posts directing them to limit their expenditures to what was absolutely necessary. The intendant on his part will repeat his orders to the store keepers to be watchful against waste, and he will write to all the agents of stores to put a stop to the thefts which take place in transportation, or at least to discover the perpetrators. Vaudreuil then deals with the Indians, stating that owing to their insatiable greed, the consumption of provisions was enormous. Supplies for them constitute the greater part of the expenses of the King. He tries to restrain them at Montreal, but in spite of all his efforts they demand to be fitted out several times during

fectly informed as to the embarrassments into which they have brought the Treasury of the Colonies, as well as the exceptional expedients which it was necessary to invent in order to meet the bills of exchange that have been drawn for the payment for these expenditures; and I shall not conceal from you that it has come to my attention more than once that there is much that is unnecessary going on, and that great abuses have crept into the expenditures that may be necessary.

From this, you must perceive that one of the first objects which caught my attention in the examination I have made, since my advent to the Ministry of the Marine, of all parts of the Canadian administration, was the state of the finances. But warned though I was as to the immensity of the excesses of the expenditure, of which I have heard complaints made for several years, I was far from imagining that they were as considerable as they prove to be. I have sought to find out the causes. It has appeared to me that the accounts which have been rendered do not justify the necessity of the expenses in a very satisfactory manner. And I confess to much difficulty in believing that all that has taken place in this regard has been in accordance with rule and order.

However that may be, we must think seriously of reducing the expenditures in Canada. Slight reductions will not do. They must be made proportionably to the increases which have resulted for some time in these expenditures. In spite of the special protection with which the King has honoured the colony until the present, and of which H.M. is giving such great proofs in the efforts he is making to provide for its security, he will soon be obliged to abandon it if we do not succeed in reducing its expenditures in proportion to what they were before the last war; and that is the chief object which should engage all your care and attention.

the same campaign. They are always going to and returning from the army, or passing between the posts and Montreal, and he is forced to order them supplies for every trip. If they are refused anything they forthwith threaten to return to their homes. When they are fitted out for ten or twelve days they turn up again in a day or two saying that they have lost every thing and must be supplied with another outfit. They consume an extraordinary amount of brandy and the commanding officer is immediately in trouble should he refuse it. With reference to the thefts and losses which occur during storage and transport, a consideration of such losses and waste has caused him to regard favourably the proposals of Sr. Cadet, which the intendant has submitted to the minister, and which would be of much advantage in the longer expeditions such as those to the Ohio. After further discussing these and other features of the increasing expenditure in the colony, he concludes with the statement that whatever outlay is occasioned by the measures which he decrees throughout the colony, he cannot curtail those which he considers necessary alike for defence and offence, whatever be the cost to the King. He therefore warns the minister that he does not expect the expenditure to be reduced during the coming year as there are just as many troops and militia to maintain, while the French troops and Indians are going to the Ohio (see *Série C*¹¹ I, Vol. 101, pp. 121-5). It will be seen that throughout this and similar statements Vaudreuil frankly acknowledges that, as governor, he is responsible for authorizing and ordering the vast expenditure of the colony. It is quite true that under the cloak of this authority subordinate officers of both the governor and intendant were turning to their own profit the furnishing of the supplies for these increasingly costly enterprises. Being naturally suspected of participation in the speculations and frauds which were carried on under his authority and the chief participants in which he steadily defended, on his return to France after the capitulation of Montreal in 1760, he was committed to the Bastille. At the subsequent trial, however, his character was saved, although apparently at the expense of his intelligence, and he was acquitted. Thereafter he appears to have made Paris his chief place of residence and died there in August 1778.

It is indeed upon you that this matter entirely depends. If M. de Vaudreuil will confine himself to necessary operations and M. Bigot will use economy in the outlays they occasion, it is certain that one will find considerable reductions. And to convince you more and more of what I expect from you both on the subject, I shall go into some details relative to this important matter.

The expenditures which take place in Canada are of two sorts: one may be regarded as fixed and ordinary; the other as extraordinary, depending upon circumstances, and is, of course, variable.

It is upon the expenditures of the latter class that the enormous excesses fall which have so heavily overburdened the Treasury of the Colonies. But I have observed, also, that the fixed and ordinary expenditures are today much greater than they were formerly, and that these increases have been going on insensibly through permitting items which at first were granted only for extraordinary causes to fall into expenditures of this class. Thus, in the fixed as well as in the variable expenditures there should be found many which are susceptible of reduction and retrenchment.

In the first place it is necessary for you to examine together the changes that may be made in the fixed and ordinary expenditure. You should, for that purpose, discuss with one another all the items of those expenditures which are employed for the King's service, see with what object each of the items was introduced, ascertain if these objects still continue in whole or in part, and determine the reduction or the retrenchment which may be made. But it is particularly necessary that you should observe in this regard that there should be no question of distinguishing between the purposes which are common to you both and those which concern either of you individually. Such an undertaking cannot be well carried out except in so far as you both concur, without partiality for the objects having to do with your individual functions, and with an equal desire to reduce the expenditures to what the good of the service may demand.

It is equally necessary to take common action regarding the variable expenditures. In cases in which there is a question of extraordinary operations, which depend upon M. de Vaudreuil, it is not sufficient for him to examine whether they may be necessary in relation to the circumstances as they present themselves. He must, in addition, bring into consideration the expenditures they will give rise to, in order to see whether the objects they have in view are so important that the outlay for them may not be spared. M. Bigot, on his side, should follow the same rule in the extraordinary arrangements he may have occasion to make in the sections which concern him, in order to make none but what are absolutely necessary. But when there are unavoidable operations to be undertaken, it is to cutting down the expenditures that you should devote yourselves, each in his own sphere. M. de Vaudreuil may, in order to avoid waste, contribute thereto by employing no person on whose accuracy and intelligence he cannot rely; and M. Bigot in carefully making the purchase of provisions and maintaining order in the accounting for expenditures.

It is in this way that you can give me the satisfaction of being in a position to propose to the King arrangements for sustaining the colony, for, I repeat it, the efforts which H.M. is making today for it will be the last, and nothing can prevent his abandoning it, if he shall have no reason to perceive

that you are bringing an effective attention to bear upon the reduction of the expenses.

I hope he will find evidence of such attention in the proposals you will have to send for the estimates of the King for the expenses of the coming year. It is for the shaping of these proposals that you must have an examination made of the fixed expenditure to which I have just invited your attention. It is in these same proposals that you should submit to me an account of the result of this examination. And this is how I would have you carry it out.

You will draw up the proposal for the estimates of the King for the general expenses, and another for the charges on the Domain, in the ordinary form of chapters, and, by means of detailed notes opposite each item, you should explain the purpose of the expenses comprised in it, the reasons for them, the changes of which they may be susceptible, and the reasons for such changes.

You will be careful, also, in these proposals to arrange them as far as possible so that they enable me to prepare, together with the Estimates of the King for next year, those of 1757; I purpose hereafter sending this kind of estimate in advance, in order that they may serve as a rule.

I have, in the meantime, had those for this year prepared and I am sending them to you. You will see that the one relating to the charges on the Domain has been fixed on the footing of last year, with the exception of the item of 6,000 livres for the Seminary of St. Sulpice, which has been eliminated. It is on the advice of Messrs. Duquesne and Bigot that this elimination was made. They proposed, also, to eliminate from the same estimate, 2,700 livres which is devoted to the maintenance of the *curés* and the building of churches and the item of 7,600 for part of the maintenance and subsistence of *curés*. But before proposing the elimination of these two items, I have been fortunate in coming to an understanding with the Bishop of Quebec, to whom I have written about it. I hope that in the examination which you will make of this estimate you will find other retrenchments to be made in it.

The estimate of the general expenditures has also been adjusted as regards the principal articles on the basis of that of 1754. I have reduced to only 40,000 livres the item appearing in the first chapter on account of unforeseen expenditures which was raised last year to 80,000 livres, and I count upon your proposing to me to remove it entirely, for expenditures of this nature should be reduced to a very small amount by means of the elimination of the certificates.

Furthermore, I am not speaking on this occasion of the expenditures which will be occasioned in the colony by the bodies of troops which H.M. is sending there. M. Bigot might send me a special account of these. But upon the care which M. de Vaudreuil should take, not to have these troops make unnecessary movements, and upon the attention M. Bigot will bring to their supplies, will principally depend the purposes of these expenditures. They will be examined with much minuteness and it will be vexatious on every account if they leave impressions unfavourable to the administration of the colony.

[Not signed.]¹

¹ Jean-Baptiste de Machault D'Arnouville was at this time Minister of Marine and Colonies, having taken over the position in July 1754. Previous to that he had

been Comptroller of Finance and Keeper of the Seals. He was born 13th December, 1701, being descended from an ancient and highly esteemed family of the Robe, several members of which had filled important positions in the magistracy. In 1738 he was appointed Minister of Petitions. Although a man of exceptional ability, integrity and courage, he was equally noted for his modesty and lack of ambition. He had, however, discerning friends in high places, who recognized the potential value of his services. One of these was d'Argenson, Minister of War, who induced him to become intendant of Hainault, of which Valenciennes was the centre. Beyond this position Machault had no desire to rise, recognizing the difficulties which beset those occupying high positions in the central government and who endeavoured to discharge their duties with efficiency and integrity. He had seen Philibert Orry, Comptroller General of Finance, render himself obnoxious, on the one hand, to those who wished to avoid the payment of their fair share of taxes, and, on the other, to Mde de Pompadour and her queue of patronage seekers, with the result that he went the way of the upright official. Thereupon the King, partly of his own accord, having come to know the qualities of Machault, and partly upon the recommendation of the Chancellor, d'Aguesseau, offered Machault the position of Comptroller of Finance, which at first he declined but was afterwards overpersuaded by the King. Recognizing the soundness of Orry's principles of finance, he followed his policy as nearly as possible, but could make little headway owing to the war period between 1745 and 1748. After the peace of Aix la Chapelle he set about putting the finances of the kingdom on a sound basis, the central feature of which was the distribution of the burdens of taxation, as between the different sections of the nation, on fair and equitable principles. Here, however, like his predecessor, he met with strenuous opposition from those in high places and from the privileged classes generally. The clergy and nobility in particular objected to being taxed on the same basis as the middle and lower classes. Machault, however, insisted on equitable treatment as the only sound and permanent principle of national finance. The Crown, subjected to the concentrated influences of the two highest social classes, had not the courage to support Machault. He therefore gave up the department of the treasury, which thereby lost its last hope of financial salvation, none of his successors down to the Revolution being able to cope with the difficulties which beset them. The ultimate suspension of specie payment was only a question of time, involving in the interval, depreciation of the paper currency of Canada through the loss of confidence in the bills of exchange given for it. Although virtually driven from office by the influences surrounding the court, Machault retained the personal confidence of the King. In July 1754 he took over the Department of Marine and Colonies, retaining also the office of Keeper of the Seals transferred to him in 1750 at the time of d'Aguesseau's fall. In the Department of Marine he was particularly successful in reviving the quality and spirit of the French navy. He placed the leadership in the ablest hands available, such as those of La Galissonnière, the former governor of Canada, who defeated Admiral Byng in an historic encounter, with tragic results for the latter. In the colonial branch of the department, after making a comprehensive survey of the existing situation and with his experience in the Department of Finance, he made the important declaration of policy embodied in the document here given, and with appropriate instructions for the guidance of the governor and intendant of New France. His successor, Moras, declared, 22nd June, 1757, that after the peace he intended to carry out the resolutions of Machault, to settle on a fixed sum as an appropriation for the colony, to send out the estimates in advance and refuse to recognize any extra expenditure (see *Série B*, Vol. 105, p. 160). Still resisting the strong forces of court favouritism and patronage, he ultimately fell a victim to the animosity of Mde. de Pompadour who had him banished from the court in January, 1757. The helpless monarch again expressed to him his personal regret at losing so capable and upright a minister. Machault retired to his seat at Arnouville where he witnessed the downfall of a system which he was not permitted to aid in reforming. In 1792, after the fall of the Bastille and during the Revolution he removed to Rouen. He was thrown into prison in 1794, and there he died the following year, the victim of the violent reaction against those very forces which had formerly driven himself from office.

PAYMENT OF THE TROOPS IN SPECIE

I

Versailles, March 15, 1756.

TO M. BIGOT.

.....

The funds sent amount to 1,266,897 livres, which have been packed in 18 casks, to be divided among the three ships and the three frigates, which are leaving Brest; and M. Hocquart will address to you a statement of the division. The pay of the six battalions with the allowances of the general officers and of those on the staff until the 1st of October next year, will amount to only 1,020,287 livres, and for the pay for one year of the two battalions which are at Ile Royale the sum of 246,610 livres remaining from that of 1,266,897 livres is allocated.

There is then the question of forwarding this sum of 246,610 livres to Louisbourg. M. Beaussier¹ will undertake the transportation of it. You will arrange with him the embarkation of this fund on the vessels under his orders; and it will be necessary to have this operation conducted with the greatest secrecy possible. M. Beaussier has been advised on this point.

.....

[Not signed]

¹ Louis-Joseph de Beaussier de Lille was born at Toulon in 1700. Entering the navy at the age of fourteen, he was in command of a frigate in 1744 and captain of a vessel in 1749. He was selected to transport Montcalm and his army to Canada in 1756. His squadron sailed from Brest on March 14th, and consisted of the capital ships *Le Heros* and *La Sirene* and four other vessels as transports for the troops and supplies. Among the latter may be included the large sums in specie referred to in this document and which were provided in order that the troops might not suffer from the discounts affecting the paper money in Canada. Beaussier effected the transport safely and set out immediately on another expedition for which he held secret orders. This was evidently to Louisbourg, where also he delivered a large amount in specie. Vaudreuil reported on 17th June that Beaussier had returned to France with two ships of the line. The minister expressed surprise that after leaving Louisbourg he had gone by way of the straits of Belle Isle, but this was due to his having encountered a number of British vessels cruising off Louisbourg. After his return to France Beaussier was in frequent engagements with the English, but his inferior forces called for strategic retreat rather than direct conflict. He was to have commanded the expedition to Louisbourg in the early part of 1758, but illness prevented and the command passed to another. In March of the same year, however, the situation at Louisbourg being very critical and Beaussier having sufficiently recovered, his section of the fleet was chosen for the dangerous enterprise of relieving that important base, which it was learned was to be made the centre of a strong British attack. Other French vessels were directed to assemble there to aid Beaussier's all too modest squadron. Contrary winds delayed his departure from Brest until about the 10th of April. When he sailed he carried with him an additional battalion of foreign troops, evidently the Swiss contingent which later proved somewhat troublesome. He safely reached his destination but soon found his vessels bottled up in the harbour by the British fleet. Soon recognising the hopeless nature of the situation as regards his fleet, Beaussier and the other naval officers proposed the escape of the fleet about the 8th of June, when such an attempt was considered still possible. The Council at Louisbourg refused its consent. As a result, the whole fleet was either burned or captured and the officers and men taken prisoners. Beaussier's exchange was secured in 1762. He was raised to the rank of post-captain and appointed captain of the port of Brest. The same year he was selected by the minister of Marine to accompany the Comte d'Estaing on a romantic expedition for the conquest of Brazil, the chief American dependency of Portugal, the ally of Britain. In his instructions to Beaussier the minister demanded that Rio de Janeiro must be attacked at all hazards and the most desperate risks taken regardless of consequences, save only that the enemy should suffer at least as much as the French, the chief object of the expedition being to restore public con-

II

CANADA. MEMOIRS.

Domestic Trade, Currency, Politics.

*Despatch of specie to the Colony of Canada in 1755 and 1756; criticism of this operation, ill-effects which it has produced.*¹

When in 1755 the King deemed it proper to despatch troops from France to Canada, there were sent to the colony, funds in specie for the pay and subsistence of those troops.

This operation has been recognized as unfortunate in the effects it has produced, and it will be interesting to go into the matter, to understand the mistake which has been made, and not to fall into it again.

*Letter from the Minister to M. Bigot, of April 1, 1755*²

Here is what the minister first wrote on this subject to the Intendant of the colony. He authorized him to draw bills of exchange for the expenses of these troops, payable in the following year, and separating the dates of their maturity as far as possible.

.....
Here, then, are some observations on this letter of the minister:—

It is certain that, in fixing at short terms the dates of maturity of the drafts on France, they would succeed in lowering the price of commodities in Canada, for the merchants who may receive their payments in card money for which they are given at the treasury, bills of exchange on France payable at terms of two or three years, cannot indemnify themselves for this delay, except by selling their wares at a higher price. With regard to the expedient of sending coin to the colony, it cannot produce any good effects, but on the contrary many inconveniences.

When one reflects on the nature and purpose of money, which is to represent goods, and generally everything that is the subject of trade, it is easily perceived that it makes little difference whether this money be in metal or in cards, provided that it fully performs its function as the representative and measure of goods; that it matters not to the country people and merchants that they have only card money, if with this money they are able to satisfy all their wants in the colony, and if, when desired, they can convert it into specie in France.

It is by no means the card which enhances the price of commodities, but the delay in the payment of the bills of exchange on France. The volume of

fidence in the French navy. Apparently he satisfied the minister, for on his return he was raised to the rank of commodore. He died in 1765.

¹ The reference made by Doreil, Commissary General of the troops (see note 1, p. 857) in the beginning of the extract from his despatch to Paulmy, as given at p. 853, would seem to indicate that he was the writer of this memoir. The subject of it naturally fell within the sphere of his executive duties. In any case it is a very able discussion of the subject dealt with, alike in the light of the concrete facts treated and the essential functions of money—metallic and paper—in both domestic and foreign trade. He refers to the efficiency, and even the superiority of paper money as compared with metallic money, when the former is readily convertible into bills of exchange on the mother country and these are promptly paid at maturity. The correctness of this view was afterwards abundantly demonstrated in the employment of the British Army Bills in Canada, under similar circumstances, during the war of 1812-15.

² Given at p. 829.

paper distributed throughout the colony is also a cause of this enhancement, but it is not because it is paper. It is because it makes a surplus of money in trade; if all the paper and cards were converted into specie an equal quantity of specie would give rise to the same enhancement.

It is therefore erroneous to believe that it is necessary to send specie to Canada, in order to lower the price of commodities there. On the contrary, coin can produce none but ill effects in that colony; how, indeed, can it be supposed that card money can stand against the competition of money in coins; it would be necessary to send over enough to retire all the paper, which would be too large an undertaking to be considered, and the results of which would be useless, for the country could certainly not retain all this coined money, and part of it would necessarily be returned to France and perhaps pass even into foreign countries.

Letter to M. Vaudésir. Minutes des autres lieux, 1755¹

The minister did actually send to Canada in 1755 a fund of about 1,200,000 livres for the pay of the French troops sent there.

The first misfortune which followed was the loss of the sum of which was taken by the English from the vessels *l'Alcide* and *le Lis*.

Here follows what M. Bigot the Intendant wrote as to the effects which this money might produce in the colony.

M. Bigot's letter of Nov. 8, 1755.

"I can assure you (says the Intendant) that the coined money will not bring down the price of the commodities.

"As far as concerns the colonial produce, it is the well-being of the inhabitants of the country districts, and the good cheer which those of the town

¹ For the letter here referred to, in which the order is given to Vaudésir to send 1,255,389 livres in specie to Canada and the distribution to be made of it specified, see *Série B*, Vol. 102, p. 16. "Minutes des autres lieux 1755", is part of the title of the volume of despatches.

Baudard de Vaudésir was one of the important officials connected with the treasuries of the Marine and the Colonies. According to the system introduced in 1749, he was Comptroller of the Treasury of the Marine, and also one of the two Treasurers General of the Colonies. He and his colleagues officiated in this office in alternate years. Thus we find him in charge of the office in the years 1753, 1755, 1757, and 1759. In 1754, and possibly in 1756, M. de Baulonge, his colleague, was in charge. In 1757 the latter became for a short time Comptroller General of the national Treasury. M. Perichon then became the colleague of Vaudésir. Under bad management and the drain of extravagance and corruption the National Treasury became unequal to the demands upon it, and the annual bills of exchange from the colonies were divided into three parts, the payment of them being extended over three years. Under this system each Treasurer General of the Colonies had to follow up and make payment of the bills drawn during his year of active service. Even after the conquest of Canada Vaudésir continued his connection with the financial affairs of the colonies during the prolonged period of reparation and liquidation. He seems to have been the buffer between the clamorous shipowners and army contractors of the government and the officials of a bankrupt treasury, the latter finding it convenient to take shelter behind his reputed refusal to admit the validity of the claims of the former. Vaudésir was also appointed to take custody of the properties of those connected with the Canadian administration which were sequestered, pending the trials of these officials by the special court constituted for that purpose at the Châtelet in 1762.

wish to enjoy, that are the sole causes of the dearness. The most ordinary artisan and workman eats of the best, as if he were the first citizen of Quebec, and the countryman takes home with him for his own use what he cannot sell in the market at the price he fixes. The workman is not, indeed, for that reason, richer; on the contrary, he is not sick a week without being reduced to the alms of the *curé*." (But it makes no difference, this mode of living increases consumption greatly, and as a consequence gives rise to dearness.)

"It is only since the large expenditures which the King began in Canada, that this dearness in commodities has prevailed, and it increases every year, particularly this last, because of the unusual number of the King's vessels.

"I have seen and known until the present that it is the greater or less consumption which determines the price of commodities, and not the paying for them in paper. As for the supplies from France, their dearness is occasioned only by the remoteness of the periods at which the bills of exchange fall due, which run on as far as three years. The merchant would prefer paper to coins, provided that, when he returns it to the Treasury, he is given drafts payable in the following year, and if there were only coin in the colony, those who wish to make remittances to France would return it to the Treasurer to procure bills of exchange on France. They would not risk sending specie by sea in time of war."

M. Bigot adds to these a consideration which seems to me decisive against the introduction of money into Canada. It is that the inhabitant will be more in earnest in defending his country, when interest induces him thereto, and he will be forced to do this when he reflects that if it were taken by the enemy he would lose the treasury paper and the card money which he had been hoarding for a long time, whereas, if he had coin in his coffer, to pass under another rule would be a matter of indifference to him.

For all these reasons, and without speaking of the risk which the King would incur from sending specie to the colony, M. Bigot is of opinion that there is nothing better for the country than paper or card money, provided that what may be returned to the Treasury is retired by drafts payable in the following year. The merchandise from France in the latter case would revert, in time of peace, to its ordinary prices. It would not be the same with colonial produce. The prices of that will always be high so long as the King makes a considerable expenditure in the colony; it will lead every one of those who benefit from it to spend more in their own homes, either on themselves or in the employment of workmen.

What M. Bigot says is very good, but is not expressed clearly. He makes a distinction between foreign goods and domestic supplies which is not exact. What does he mean by domestic supplies, and what by foreign goods? I believe that his argument may be reduced to what follows:

The dearness of supplies or foreign goods arises from two causes:

1° The extension of the periods at which drafts on France fall due, which compels the merchant to indemnify himself for the interest caused by the deferring of the payments, by selling at higher prices.

2° The expenditures made by the King in the colony, which extend prosperity, increase consumption, and in consequence raise the price of domestic supplies. With regard to the presence of money in trade, it is a matter entirely useless and indifferent, in no way influencing the price of domestic supplies. Whence it follows that there are but two means of reducing the price of supplies. The first is to give for the paper or cards

returned to the Treasury, bills on France payable at the shortest terms possible, and the second is to diminish the expenditure of the King in the colony.

Notwithstanding all these considerations, M. Bigot, to satisfy the demands for information, gives an account of the situation of the treasury in the colony and he shows that it would be necessary to commence by sending 2,300,000 livres to retire both the notes in the treasury and the million of card money which circulates in trade, and then 7,000,000 for the current expenditures and those to follow.

Note:—It is all the more impossible at present (1758) since it would be necessary to send over fourteen or fifteen millions of specie to Canada, in order to make it all good.

I ask if we are in a position to send such a sum to Canada? Whether we can or whether we wish to, it is not at all necessary, to send any there, as I have already observed, for how will the paper and cards bear up against the competition of the money? And indeed, it appeared from 1755 that this competition would likely be fatal to the cards and paper of the colony; for M. Bigot remarks:

“That there is not an *écu* in trade or in the market, as the inhabitants or those domiciled in the country who do not contemplate ever returning to France, give 7 francs of paper or card money for an *écu* of 6 livres, and they lock up those *écus* without delay¹. The merchant makes no effort of this sort, because he does not wish to keep this money. Many officers of the French troops as well as the soldier make a profit on their money, others save it for their return to France, having no occasion to spend it.” In a word, M. Bigot claims that the money sent to the colony is productive of no good whatever, and that the only result is that, instead of 1,000,000 of cards which the inhabitants store in their coffers, as the best money, they will preserve it, if they can, in money, and that the cards will be returned to the Treasury, and it was observed already (at the time M. Bigot wrote) that more was being returned than usual.

Minutes des autres lieux, 1756, fol. 37

Notwithstanding these representations of M. Bigot, to which I have not seen a reply, they began again in 1756 to send money both to Canada and to Ile Royale, to the amount of 1,267,571 livres.² Out of this sum, there has been again lost the sum of, which was taken by the English from the

I do not know whether, before making this second remittance, the reasons for and against were well weighed, and whether M. Bigot was informed of the reasons they had for continuing to send money to Canada, against his reasoned opinion in the letter from which the above extract was made.

¹ This reveals an important fact connected with the question as to the extent to which the peasantry and small tradesmen of Canada suffered from the severe depreciation and ultimate non-payment of the French paper currency issued in Canada. As stated here, and frequently referred to elsewhere, practically all the coined money sent to Canada and Louisbourg for the pay of the army, passed into the hands of the permanent population of the colony and remained there until after the conquest. The higher social element converted a considerable portion of it into silver plate of simple but artistic designs. After the permanent establishment of British rule much of what remained in the shape of coin emerged from the traditional “stockings”, or small domestic hoards. It became, indeed, a very large and officially recognized factor in the currency of Canada for three quarters of a century after its first arrival in the colony.

² See the preceding document.

Letter of M. Bigot, dated

I do not know the date of this letter from M. Bigot, which has only come into my hands, without my having the time to make an abstract of it. I have tried to find it since without success, but I am certain that it contains all I cite from it.

However that may be, the Intendant has complained of this second remittance, which has thrown the card money into such discredit that, to maintain it, he has been obliged to make it known throughout the colony that he would not give bills of exchange on France to any but holders of the cards and the paper of the colony, and that he would refuse those who brought only money to the Treasury.

This necessary expedient to which M. Bigot was forced to have recourse to repair the confusion which was caused in the colony by the competition of specie with cards and paper, has given rise to complaints on the part of the officers of the French troops, who are thereby deprived of the advantage which they found, owing to the favour which coined money had obtained over the money and the paper of the colony.

Thus it is that an ill-advised operation entails vexatious consequences, not only so long as it lasts, but even sometimes when there is an effort made to rectify it. What, indeed, is going to be done at present? Will they cease to send out specie? The French troops, accustomed to be paid in money, and to make a profit upon it, will complain loudly, and how are they to be appeased?¹ On the other hand, if they continue to send out money, cards will fall into total discredit, and note-shaving will rage in the colony, for it is to be noted that note-shaving owes its birth to the competition of two currencies, one of which has an advantage over the other. If there were only paper in Canada, there would be no note-shaving.

[*Not signed.*]

III

*M. Doreil to M. de Paulmy*²

Quebec, 25th October, 1757³

My Lord

.....
 But I must not dispense treating of one very interesting article relating to the cessation of the payment of the French troops in specie; have the goodness, my Lord, to cause the memoir I had the honour to address you in the fall of 1755, to be laid before you again, also my letter of the 30th of October, 1756, to Count d'Argenson.¹ You will see the difference it makes for the

¹ This is further discussed in the document which follows. See also Montcalm to M. Moras, Minister of Marine and Colonies, 19th February, 1758, given in N.Y. Documents, Vol. X, p. 687.

² Antoine-René de Voyer-d'Argenson, Marquis de Paulmy was Minister of War from February 1st, 1757, to February 25th, 1758. He was a nephew of Comte de Voyer-d'Argenson, the Minister of War from January, 1743, to February 1st, 1757. The Marquis de Paulmy was born at Valenciennes, 22nd November, 1722, a son of René-Louis de Voyer, Marquis d'Argenson, then Intendant of Hainault and a brother of Comte d'Argenson. His family had destined him for the legal profession in which many of his ancestors had distinguished themselves. Completing his studies in law, he passed rapidly through the minor stages of the profession, reaching the rank of Councillor of State before the age of twenty-one. He justified his rapid promotion,

troops to be paid in French coin or in paper of the country, and the means I had proposed last year to M. de Machault as well as to Count d'Argenson to continue the payments in specie, without however having the trouble of sending any from France; a very advantageous means, besides, for the King's interest, since they would save not only the expense and risks attending the transport of silver, but even advancing the necessary funds one year. The Marquis de Montcalm² having made the same representations, it could not be supposed that I was alone in my opinion. The critical moment has arrived; the funds are exhausted; the battalions of La Reine, La Sarre, R. Rousillon Languedoc, Guyenne and Bearn have not received their pay in French coin since the first of September, and the two battalions of Berry, respecting which

although his family influence continued to be a strong factor in his personal success. When his uncle was made Minister of War he created the position of Commissary General of War, to which was appointed his nephew Paulmy, who discharged the functions quite efficiently. He personally accompanied the armies to Flanders and Italy, improving conditions from both the military and financial points of view. About the same time his father, the Marquis d'Argenson, became Minister of Foreign Affairs and the son was entrusted with many delicate commissions. In 1748 he became a member of the Academy, being himself distinguished in literature and a patron of letters. After the peace of 1748 his father left the ministry. On the 4th December of that year Paulmy became Ambassador to Switzerland and secured the abolition of the French law which prevented anyone from the Protestant cantons of Switzerland from entering the French service. Returning to France in 1751, he again entered the Department of War under the patronage of his uncle. When his uncle was banished in 1757, Paulmy succeeded him; but realized that he filled the position only on sufferance. He therefore retired on March 22nd, 1758. The King endeavoured to break his fall by declaring that he should still be consulted in an advisory capacity. This accounts for the continuation with him of the confidential correspondence of Montcalm and several of the other French officers. It is evident from their letters that they regarded him with great respect and personal confidence. At the same time, since the war in Canada was conducted under the ministry of marine, Paulmy could act only in an indirect manner and evidently without any control of the Canadian and Indian auxiliaries who were entirely under the direction of Vaudreuil. Finding that he had no real power he retired altogether in 1762, taking the position of Ambassador to Poland. In 1766, he became Ambassador to Venice, but being denied a similar position at Rome in 1770, he finally retired to private life and the cultivation of his personal intellectual tastes. In this connection he accumulated a remarkable library of over one hundred thousand volumes. He died 13th August, 1787.

³ Translation revised from New York Documents, Vol. 10, p. 652.

¹ Pierre-Marc de Voyer de Paulmy, Comte d'Argenson, son of the Marquis d'Argenson and uncle of the Marquis de Paulmy, (see previous note) was born 17th August, 1696, and died at Paris 20th August, 1764. He became King's advocate at the Court of the Châtelet at the early age of twenty, and was appointed a councillor of Parliament two years later, with special dispensation as to age; and lieutenant of police the following year, 1720. He was Intendant of Touraine for a couple of years, 1722-24; then Councillor of State 1729, and Intendant of Paris and its district in 1740. In this capacity he was a member of the Bureau of Commerce. In 1742, he succeeded M. de Breteuil as Secretary of State for War, which important position he held until February 1st, 1757. He was also a member of the King's Council of State for Finance, from May 1744. As Minister of War he effected many notable reforms and was greatly respected by the best officers of the army, notably by Montcalm and his staff who had been selected by him for the campaigns in Canada. Like his father and other members of this distinguished family, he was a liberal patron of arts and letters. The famous Encyclopedia was dedicated to him by De Lambert and Diderot. He was also the confidential friend of Voltaire. He became involved with Machault in the struggle against the power and policy of Mde. de Pompadour and shared the same disgrace in defeat. He left the Department of War February 1st, 1757, being exiled from the Court to his estates at Ormes, where he passed the last six years of his life, returning to Paris only after the death of Mde. de Pompadour and shortly before his own demise.

² Louis-Joseph, Marquis de Montcalm, was the well known French general who succeeded to the command of the troops in Canada after the capture of Baron Dieskau

I had the honour to write you, my Lord, a letter in detail on the 15th of August last, which I beg you to cause to be laid before you again, have not been able to get their pay since the 11th of April, the day they embarked, except in paper of the colony.

We cannot doubt that the Court has paid attention to all our representations, and, being perfectly aware of the time the funds would be exhausted, if it has not judged proper to transmit some new ones, that it has at least issued provisional orders equivalent thereto. But we must believe and are persuaded in fact, that the letters which determined an object so important, have been lost on the passage, like the list of the promotion of the Colonial Staff and the Ribbons and Crosses of St. Louis granted to the two corps.

By paying in specie, the King intended to procure for the expatriated French troops an advantage, and it was real. With coin the officer procured all the necessaries of life cheaper, either by purchasing them in the colony or by having them brought from France, by means of mercantile bills of exchange which he could procure for specie without any loss and which he could not obtain with the country bills of credit, except by submitting to delays and discounts which are scarcely compatible with the small fortune of the soldier. To afford you, my Lord, a clear idea of the difference, suffice it to inform you that the bills of exchange drawn this year by the Treasurer of the colony, against the bills of credit and notes which constitute the currency of the country, have been drawn, as has been usual for some years, viz. payable in three terms, one-fourth in 1758, one-half in 1759, and the remaining fourth in 1760; which, in negotiating these bills, necessitates a discount of 18 per cent on one-fourth, of at least 12 per cent on one-half, without speaking of the first term of one-fourth which does not fall due until next June. By what fatality does it become necessary that the pay of the officers should diminish in proportion to the prolongation of the sojourn of the French troops in Canada? And that, by a concatenation of circumstances which succeed each other, which concur therein and one after another render themselves so much the more sensible. Things have reached the point at which such pay can no longer be regarded as advantageous; on the contrary, it is at present nowise proportionate to the excessive dearness of every commodity, which is daily increasing and will advance higher, whereby the officers are, after having exhausted the King's allowance, reduced more and more to means so much the more difficult and burdensome, in that their resources are in another hemisphere. In regard to the soldier, I propose no additional pay; his allowance in Canada is only too good whilst that of the officer is insufficiently so.

.....

[Autograph Signature] DOREIL¹

in 1756. During the campaigns of 1757 and 1758 he gained several brilliant victories over the British forces, but was ultimately besieged in Quebec in 1759. He was mortally wounded in the Battle of the Plains which decided the fate of the city and ultimately of Canada. Many sketches of his life and several important biographies have been written. Francis Parkman's "Montcalm and Wolfe" is an English classic. A very full account of his career, with special reference to his operations in Canada, will be found in his most recent biography, *Le Marquis de Montcalm* (Chapais), Quebec 1911.

¹ M. Doreil had apparently entered the royal service in France in 1749 and had proved himself a very intelligent and efficient officer. In the spring of 1755 he was

selected as the most competent person for the important position of Chief Commissary of War for the special military expedition to Canada under baron Dieskau. This expedition consisted of six battalions of land troops, two of which, under secret instructions, were afterwards diverted to Louisbourg. Doreil's instructions were dated 25th March, 1755 (*Série B*, Vol. 101, p. 192). From these it appears that all the expenditure connected with the troops, from the time of their embarking at Brest until their return to France, was to be charged to the Department of Marine and Colonies, under the supervision of the Intendant of New France, at that time M. Bigot. The specific duties of M. Doreil were to prepare and keep up to date an exact record of the personnel of the troops, their respective ranks, distribution of various local services, condition, temporary or permanent absence from active service, and the incorporation of recruits. The record must also include the wives, children, servants, etc., attached to the army. He had supervision likewise of the hospitals and their equipment, the keeping of an exact record of all advances made to the officers and troops and all supplies furnished to the army, a complete account of which must be rendered to the intendant who is authorized to furnish them with a proper discharge of the advances or payments made by the treasurer of the colony. The administrative details in connection with all these duties will be furnished by the military authorities in accordance with the instructions prescribed by the Department of War and sanctioned by the King, and which afford the guide and authority for the intendant in providing for the military requirements. His special functions in connection with the expenditures are to carefully guard and economize the various supplies furnished by the intendant for the use of the troops, whether in the field or in garrison. This will involve frequent consultation with the intendant in connection with the army supplies, and the intendant will keep him informed and instructed on all such matters. Where, however, under the exigencies of active military operations, it may be impossible to confer with the intendant, he may act independently, rendering afterwards a full report to him of the situation and the action so taken. Doreil came to Canada in the flagship of the commodore of the fleet, Sr. Dubois de la Mothe, who brought the army to Canada. In the same vessel were the new Canadian Governor and Mde Vaudreuil, Baron de Dieskau, and Chev. de Montreuil. Doreil's personal effects, however, were in another ship, *l'Alcide*, which was one of the two French vessels captured by a section of Boscawen's fleet. The loss which he thus incurred, estimated at 12,000 livres, was afterwards made good to him. On his arrival he immediately prepared the prescribed register of the army which he kept accurately posted. He also put the hospital service in such condition that it was the subject of very favourable comment by Montcalm and other officers. Yet some of the army surgeons sent out were not only incompetent but vicious, and under their management the hospital services in the field were so bad as to be bitterly complained of by Montcalm and others. One of the first reports which Doreil had to make to the Minister of War, Comte d'Argenson, 25th October, 1755, was that as to the defeat and capture of Baron Dieskau with his aide Bernier and other officers and troops, in the attack upon St. Frederic. In this connection one cannot but observe the existence of the jealousy and friction between the officers and troops from France and those from Canada. While evidently subject to these influences, Doreil states that he has sought to render himself as agreeable as possible to Vaudreuil as commander-in-chief as well as governor. That he had evidently succeeded in this is apparent from the favourable report of Vaudreuil to the minister in his first reference to the commissary. He got on very well, also, with the Intendant Bigot, with whom, owing to the constant correlation of their duties, there were constant opportunities, if not temptations for serious friction. Bigot, he says, did not interfere in purely military matters; and when Doreil had specified what was to be procured and the price which ought to be paid, Bigot as a rule simply affixed his order and the treasurer paid the account. He makes a point, he says, of always treating the intendant with respect and he reciprocates with politeness and attention. Doreil was naturally pleased to find that both Bigot and the other officers treated him as having the rank and authority of a directing commissary, and addressed him by that title. As he considers this only natural and proper, in view of the functions which he has to discharge, he hopes the minister will not do anything to counteract

IV

*Memorandum of the Representations and Requisitions made to M. de Moras,¹
Nov. 4, 1757.*

You know, my Lord, that when the troops of the line were sent to this colony, orders had been given that they should be paid in coin. They

this impression, but that, on the contrary, he will be pleased to officially confer on him this rank. In supporting this claim he makes a characteristic official appeal in his letter to d'Argenson, 28th October, 1755. He is now, he says, at the close of the sixth year of continuous service. He has left all his personal possessions in France, including children in the cradle, and has compromised his economic interests and exposed his life, and is overwhelmed with the labours of his office. He had expected to have had a deputy to assist him in Canada, but will be content with one to represent him in Louisbourg and thus avoid difficulties with the sub-intendant Prevost who discharges the duties of the office there. As a matter of fact he had a very efficient secretary in Canada, one Rochette (see note 1, p. 959) whom he employed as a deputy and whose efficiency he constantly praises. We find, also, that Montcalm, reporting his good qualities to the minister, regrets that he should have so little to do, most of the important duties of the office being discharged by the intendant and his staff. The minister, however, writing to Doreil 29th February, 1756, states that the King is so pleased with the quality of his services, and, in accordance with his desires, has conferred upon him the official rank of directing commissary, and an assistant for him will be sent to Louisbourg. We find that M. de la Grive des Assizes was sent there in this capacity, in the autumn of 1756. The minister is pleased to learn of the good understanding between himself and the intendant, M. Bigot, and hopes that it will continue. In the spring of 1756 Montcalm went out to Canada to succeed Dieskau, taking with him two additional battalions and some recruits to replace losses. A strong friendship developed between Montcalm and Doreil and the latter was the medium through which many more or less private and confidential representations were made to the home government, especially in his difficulties with Vaudreuil. Doreil had frequently expressed the desire to return to France, claiming that when sent out it was only for a term of one and a half or two years at most. After 1757 he was particularly discouraged by the deplorable condition into which the colony was sinking and the apparent opposition of the governor and his partisans to his hero Montcalm, who was nevertheless performing miracles in defence of the colony. All of this he retailed at considerable length to his friends in France, whether in or out of office. Writing to the minister on the 31st August, 1758, he gives many details to prove that the colony is on the brink of ruin and that nothing but a peace at whatever cost can save it. (*Série C¹¹ I, Vol. 103, fol. 423*). In 1758 he was granted an assistant in the person of M. Bernier, formerly aide to Dieskau, with whom he was captured but exchanged and sent to Louisbourg. Bigot, knowing his anxiety to return to France, was quite alarmed when the assistant was appointed. He immediately wrote to M. Moras, the Minister of Marine, urging the necessity for the retention of Doreil in Canada until the close of the war. Moras took the matter up with the Minister of War, Paulmy, who assured him that there was no intention of recalling Doreil while the war continued, and these assurances Moras transmitted to Bigot. In the meantime, however, Vaudreuil had determined to send to France two officials acquainted with the economic and military condition of the colony, to explain its very serious situation and to solicit adequate assistance. He agreed with Montcalm that Doreil and Bougainville would be the most suitable for such a mission. As Bigot anticipated, Doreil claimed that he could be spared as his deputy and secretary could quite well discharge his duties. Thus it was that Doreil and Bougainville sailed from Canada, on the 11th November. The former remained in France while the latter returned to Canada. During the following campaigns of 1759 and 1760, Doreil was available for consultation by the French ministry, Montcalm referring the minister to him and declaring that he could be trusted to give reliable information on all matters connected with the colony. No information has been obtained as to his career after the loss of Canada.

¹ This communication to the Minister of Marine, M. de Moras, under whose department the campaigns in Canada were financed, is evidently from the Marquis de Montcalm. The English version is a revision of the translation given in *New York Documents*, Vol. 10, p. 672. The omitted portions of the despatch deal with military equipment. François-Marie Peirenc de Moras was born at Paris, 1718. Though of humble origin—said to have been the son of a hairdresser—he rose rapidly to favour and wealth. He became a councillor to Parliament at the early age of nineteen, and Minister of Petitions in 1742. He was appointed Intendant of Valenciennes in 1752, and in 1755 rose to the important position of Intendant of Finance. In March of the following year,

ceased to be so paid on September 1st; the allowance which had been made to them in the preceding campaigns has been stopped in this one. I request you to call for the communication of the memoir of my representations on that occasion. I had addressed it on the 4th of 9^{ber} of last year to M. de Machaut. I see, with pain, that according as the prices of all sorts of provisions increase, the allowance granted to the officers diminishes. 'Tis, nevertheless, the King's interest not to hazard sending any more specie, and to pay them in paper, but would it not be more just, my Lord, to indemnify them for that alteration in the mode of payment, and for deducting the allowance determined on at first during the campaign, by allowing them supplementary pay, in form

1756, he became the associate of his father-in-law, Moreau de Séchelles, the Controller General of Finance, and succeeded him in that office on 25th April. When, on February 1st, 1757, Machaut was suddenly dismissed from office Moras was appointed to succeed him in the Department of Marine and Colonies, and thus held concurrently two important ministerial positions until the 25th August, when he was replaced as Controller General by de Boullonge. On February 28th, 1757, he wrote his first important despatch to Bigot, with whose operations, however, as he reminds him, he had become more or less familiar as Minister of Finance. He highly commends Bigot for his zeal and the efficiency of his measures in supplying the troops and posts in the face of increasing difficulties, but deploras the rapid increase in the expenditures. Still he had no better counsel to offer than the stereotyped official hope that he may have occasion to congratulate him for the future on the exercise of effective economies. Bigot knew only too well that this was a counsel of perfection, at that time effective nowhere else in the French realm at home or abroad. He frankly replied that in the face of irregular and inadequate supplies, with increasing demands on the part of the army and especially the outlying posts east and west, it was impossible to expect anything but increasing expenditures in something like geometric progression. The minister continued his official expressions of alarm, as did his successors, but had few tangible remedies to offer. The minister was very stout and rather lethargic. Duc de Choiseul compared him to a huge piece of beef without ideas or resolution. Nevertheless, he had declared that after the re-establishment of peace it was his intention to follow the proposal of Machaut to make definite colonial appropriations in advance and to rigidly refuse to meet any additional draughts. With reference to the dearth of food, he made one practical suggestion, though with some reservations. It was to have the cultivation of the potato introduced into Canada, where it had been hitherto despised as having no taste and therefore no nourishment. The objections he foresees are that such an easily procured food would lead to indolence on the part of the Canadians, and if adopted by the Indians would tend to render them independent of the French on whom they now largely depended for all kinds of supplies. For his own part Moras certainly did everything within reason to ameliorate the growing distress of the colony in procuring ample supplies of every kind. Unfortunately, however, too much of these was appropriated by the enemy through their numerous captures at sea. To meet this difficulty Moras opened negotiations, through the French Minister, with the Court at Madrid, with a view to having it permit Spanish shipowners to convey to Canada, under their nominally neutral flag, supplies from the French ports. The King of Spain proved complacent and for a time quite a number of Spanish vessels sought the high profits to be obtained in this way. French vessels also sailed under the Spanish flag. But the British, obtaining documentary proof of these arrangements, adopted appropriate remedies and the successor to Moras, M. Massiac, has to deplore, on 13th August, 1758, that everyone of the Spanish vessels engaged in this trade had been captured by the British. The Danes, as one of the few neutrals in the Seven Years' War, were then applied to with some temporary success; but after the capture of Louisbourg they found even the most attractive profits unequal to the risks. The other Canadian problem which chiefly distressed Moras was the obvious incompatibility of the officers and troops from France and the officers and militia in Canada backed by the Canadians in general. These conditions found official expression, both open and confidential, in the correspondence with the minister of Montcalm and Vaudreuil and their respective adherents. But in this connection, also, the minister had little to offer beyond impartial commendation and more or less stereotyped counsels for peace and good will among all factors in the colony. On the 20th May, 1758, Moras announced to Vaudreuil and Bigot his retirement from the position of Secretary of the Marine. He died in Paris May 3rd, 1771.

of a gratuity. The pay of a captain, which amounts to 2760^{li} might be raised to one thousand écus; the same proportion to be observed for the other grades.

.....

[Not signed]

COMPLAINT OF THE MINISTER AS TO THE EXCESSIVE EXPENDITURES

In Cipher.

Versailles, Sept. 23, 1758.

TO MESSRS. DE VAUDREUIL AND BIGOT.

Gentlemen,

The opportunity offered by a merchant vessel ready to sail from Brest, which expects to reach the entrance of the river before the ice forms, gives me time simply to acknowledge the receipt of all the letters which you wrote to me by the frigate *la Valeur*. I shall defer replying in detail until I have received those I am expecting by the last vessel you send over this autumn. But I cannot conceal from you to what a degree I have been alarmed by the excessive expenditures of the colony, and particularly by those for this year which M. Bigot intimates will amount to 20,000,000, besides the outlay made for the Indians in the Upper Country, on account of the ravages of smallpox, the amount of which will be a million more.

It is not possible, despite the high prices of foodstuffs and the consumption due to the war, for the expenditure to attain so exorbitant a figure without there being negligence and abuses. The King, whom I could not avoid informing of a matter so important to the finances and to the administration in general, exhibited to me the greatest surprise and a displeasure which I cannot sufficiently express to you. Indeed it cannot be disputed that for some years past the expenditures in Canada have increased successively beyond any sort of limit, and have been carried to a point today where it is no longer possible to meet them. His Majesty has charged me expressly to enjoin you both, not only to apply the greatest attention to reducing the expenditures, whether by means of the orders to be given by the Marquis de Vaudreuil respecting the military expeditions, or by the vigilance and economy which M. Bigot will bring to bear on the provisioning of the troops and the different posts, but, also, to cut down entirely all the expenditures of Canada which are not necessary for the defence and preservation of the colony.

Furthermore, orders will be given that you may receive at an early date the various supplies you have applied for, in foodstuffs, munitions and artillery, at least for all those items which it will be possible to procure for you. I hope that the arrival of the ship *L'Aigle* and the store ship *L'Outarde* will put you in a position to await with easier minds the relief to reach you in the spring.

[Not signed]¹

¹ This communication is from Claude-Louis, Marquis De Massiac who succeeded Moras as Minister of Marine and Colonies, 1st June, 1758. Referring to the frequency with which the ministers of the Department of Marine and Colonies were changed, 26541—56

BIGOT'S EXPLANATION OF THE IMMENSE EXPENDITURES¹*Abstract of Despatches from Canada.**Letter of the 3rd of X^{ber}, 1758.*

.....

M. Bigot enters into a detail of the drawing of bills of exchange from Canada, wherefrom it appears that those which have been drawn in 1758, have amounted to 24 millions, one portion whereof arises from the expenses incurred in the preceding years, which have not been known and paid until 1758, exclusive of 1 million which had not been included in 1757. M. Bigot sees no remedy for the immensity of those expenses, although he is sensible

Bigot, announcing to Levis this last mutation, remarks that "we change them as we do our shirts", and added that their affairs were evidently going badly alike by land and sea. Massiac was the son of an engineer at Brest, having been born in 1686. Entering the naval service, he gradually rose to the rank of Lieutenant-General. He was already seventy-two years of age when he took office as Minister of Marine and Colonies. Being too advanced in years to efficiently deal with the details of so important an office at that critical period, Mde. de Pompadour selected M. Le Normant, (q.v.) a relative of her husband, to act as assisting colleague under the title of Intendant General of the Navy and the Colonies. As usual, one of the first difficulties with which the new minister was faced was that of providing for the rapidly increasing expenditures on the war in Canada, especially as, after the resignation of Machault from the ministry of finance, the rapidly succeeding but equally impotent line of successors were simply living from hand to mouth, issuing increasingly ruinous loans, operating lotteries, discounting in advance the revenues of succeeding years, and otherwise rendering the financial condition of the country quite hopeless of reform. Hence Massiac, in his first despatch to Bigot, simply re-echos, in more doleful tones, the comments of his predecessors. If, as Bigot had reported on the 15th February, the expenses of the current year would show an increase of three or four millions over those of last year, he does not see how it could be met, for it was only by extraordinary efforts that the bills of exchange from Canada had been paid up to the present. At the same time he has to acknowledge that the dearth of provisions in the colony must greatly enhance the prices for the King's service, which is the most urgent. The multiplicity of movements of the various detachments of troops, the cost of transportation, the construction of fortifications, etc., must also greatly increase the expenditures. Yet the fact is that the rate of increase since 1755 is hardly to be borne. Yet the end of it all is simply another stereotyped official recommendation to Bigot and Vaudreuil to exercise the very greatest economy and to impress upon the commanders and other subordinate officers at the western posts, the desirability of preventing waste as also the frauds which he fears are all too common at these distant centres. Then, in accordance with the tactics of the Minister of Finance at home, Bigot is urged to postpone, until at least the year following, as many payments as possible. This, under the system of deferred payments of bills of exchange already adopted, will throw the chief burden of meeting these bills on to the years 1760 and 1761. He then closes with the fervent hope that somehow the Intendant may be able to reduce the cost of supplies in Canada (see *Série B*, vol. 107, p. 179). Nothing could be more certain, however, than that the still further postponement of payments of the paper given in exchange for supplies and services would further increase the prices which must be paid for them. As the summer of 1758 wore on, despite the brilliant efforts of Montcalm and his forces, backed by the remarkable achievements of the commissariat department, under Bigot and Cadet, in keeping the troops well supplied, although at enormous cost, the tide was already turning and the superior resources of the British were being applied more successfully. Montcalm himself was among the first to recognize what the ultimate result must be. When Louisbourg fell and the command of the St. Lawrence passed to the British, the increased difficulties of procuring supplies and the depreciation of the paper given in payment combined to render prices exorbitant. It is true that Moras had sent out, in the spring of 1758, quite a fleet of vessels loaded with supplies for Canada. They sailed in three sections, 26th March, 5th April, and 2nd May. The first section managed to reach the St. Lawrence with the loss of only one vessel. The majority of the others also reached their destination and saved the colony for a time, the privations

¹ Revised from New York Documents, Vol. 10, p. 972.

that France could not sustain them. He attributes particularly these excessive expenditures to those incurred at the posts, where the officer makes use of every pretext possible to draw the largest amount, on pretence of maintaining the Indians.¹ He complains that the war is carried on in Canada with as

of the previous winter having been very severe. Few of these vessels, however, reached France on the return trip. Of fourteen sent out by Gradis from Bordeaux only one returned, while other merchants of the same port lost every vessel. The outlook for Canada towards the end of 1758 was thus very black. In the face of recurring disasters, the Department of Marine and Colonies was discredited and helpless; so Massiac was dismissed at the end of October, and his associate Le Normant given a pension. Massiac died at Paris 15th August, 1770.

¹ The Indians and their relations with the French and English respectively in North America constituted a far reaching problem, the full treatment of which would fill many volumes. With special reference to the French Canadian finances it is undoubtedly true that, directly and indirectly, they occasioned the greater part of the very heavy French expenditures during the last five years of the conflict in America. The documentary evidence of the period indicates very plainly that the favour of the Indians, which was so assiduously and on the whole successfully cultivated by the French, was the most dearly purchased, in proportion to its real value, of all the objects of their lavish expenditure. As to their warlike qualities, Montcalm and his officers valued them very slightly, while Vaudreuil and most of his party extolled their services. At the same time, from the point of view of relative costs to the King, Vaudreuil admitted, and even insisted quite freely, that they were the chief factor in the mounting expenditures in connection with the war. Writing to the minister, Machault, on October 13th, 1756, he declares that the Indians occasion enormous expenditures, in fact the greater part of what is incurred in the colony. One has to be on the spot to realize what they make away with. In spite of all his efforts to moderate their demands, they have to be fitted out several times during the same campaign. They wander back and forth between Montreal and the army front or the outlying posts, and he is constrained to furnish them with food and other supplies for every trip. Yet, even then, after one has fitted them out and provisioned them for ten or fifteen days, according to the distance to be covered, they are likely to be back at the end of a couple of days, without either food or equipment, saying that they have lost it all and must be supplied once more. Moreover, they consume incredible quantities of brandy and the commandants at the various posts are immediately in trouble if they refuse that or any of their other demands (see *Série C¹¹ I*, vol. 101, p. 121). It is not necessary to enlarge upon Bigot's hint as to the favourable opportunities furnished by these aboriginal idiosyncrasies for the amassing of fortunes by collusive action on the part of commandants, storekeepers, and purveyors at the various posts and military centres throughout New France. An extensive and well informed, though anonymous memoir on the condition of the colony during its last ten years under French rule, was compiled by one who claims to have known the country thoroughly, and to be actuated only by patriotic zeal. In the section devoted to the Indians, he indicates what it has cost the French government to retain their favour, and what inadequate benefits have been gained thereby. The only parties who have profited are those who have used the opportunities afforded to perpetrate all kinds of frauds at the King's expense. The military assistance of the Indians, he maintains, was very limited and most uncertain. The chief advantage derived from them was due to the terror spread among the English frontier settlements, or among their defeated troops in retreat, owing to the atrocities committed by the Indians who fell upon them with fiendish yells from the adjoining woods. But even in this respect the more presents the Indians obtained from the French and the more fully their wants were supplied, the less active were they in committing atrocities or gathering furs. In fact, they showed no sincere attachment to the French or real enthusiasm for their cause, and callously abandoned them to their fate once the tide of war turned against them. Thus most of the enormous expenditures lavished upon them were virtually thrown away, save for what passed to the French manipulators (see *Série C¹¹ I*, vol. 104, p. 661). Even the Minister of Marine, Berryer, realized that the alleged attachment of the Indians had been a costly luxury for France. Writing to Vaudreuil on January 10th, 1759, he says he can see from his letters that he has left nothing undone to ensure the attachment of the Indians, but that the results have been quite disappointing in proportion to the efforts made. This is particularly true of the Iroquois, from which he had hoped so much. They will promise everything to get favours, but will perform little and seek corresponding favours from the English. They have evidently been treated much too lavishly with French presents. These indeed may have been issued as pretexts

many conveniences as in Europe, and says he is occupied only in satisfying the troops of the line, who give him more trouble than all the others.

.....

CONSIDERATIONS ON THE PRESENT STATE OF CANADA

October, 1758.

This manuscript was given to me by M. de Beauvat.

.....

The Money in use in Canada

It is time to speak of the money employed in Canada, this article being necessarily related to trade, both domestic and foreign.

Money is a symbol representing the value of all kinds of goods, and this symbol itself has usually an intrinsic value. The money employed in Canada has none, as representing coin; it is the symbol of a symbol: it is a paper which circulates nowhere but in the colony itself.

It is of two kinds: Cards and Ordinances.

This money is of two kinds, cards and ordinances. Long ago, cards to the value of a million livres were issued, which were said to be intended for the payment of the troops; they are of twenty-four, twelve, six, three livres and one livre; of fifteen sols, ten sols and seven sols six deniers. They all bear the impress, in white, of the arms of France and Navarre, and are signed by the general, the intendant and the controller.

The ordinances are printed; the number, the denomination in figures and in writing are put in by hand, signed by the intendant alone. They are of one hundred, ninety-six, fifty, forty-eight, twenty-four, twelve, six, and three livres, of thirty sols and twenty sols. I have already spoken of the receipts for beaver which form a third kind of paper money, the most esteemed of all. With regard to the circulation of this paper money at home and abroad in relation to France, the merchants and those who dwell in the towns, every year convert their paper into bills of exchange which the intendant draws on the Treasurers for the Colonies. They defer as long as possible the payment of their obligations until after the departure of the vessels, in order to make the greater remittances to France, either to pay for the merchandise they have received, or to bring out more. As soon as the vessels have departed, money no longer bears interest in Canada, and merchants lend to one another reciprocally until the following September, without requiring compensation for delayed payments; the cash which remains in the colony is for the most part in the hands of the inhabitants of the rural districts.

Before 1755, coin was very rare in Canada.

Before the arrival of the French troops in the colony, there was very little specie; what little appeared, was furnished by officers of the King's vessels and of merchant ships, and was picked up immediately by individuals who either

for enriching officials at the King's expense. The Governor should look into this (see *Série B*, vol. 109, fol. 16). Writing to Bigot under the same date, he finds himself constrained to approve of the assistance furnished to the Acadians and Micmac Indians but complains of the enormous expenditures thereby entailed and with so little benefit to the French cause (see *Série B*, vol. 109, fol. 18).

had it made into plate or locked it up to appear no more. The contraband trade with the English colonies also introduced a certain quantity of Spanish dollars; these dollars were much desired for the trade with our Islands and after the lengthening of the terms of the bills of exchange, of which we shall shortly speak, the merchants preferred them to ordinances as a part of their remittances, in spite of the high rate of five livres five sols which they paid for them, and the risks of the sea.

Cards in greater favour than ordinances until 1753.

Card money was also preferred to ordinances, because in the limitation on the bills of exchange, cards were not included. These limitations took place when the expenditures of the King in Canada became excessive and the value of the paper returned to the Treasury greater than that authorized by the minister to be drawn on the Treasurers for the Colonies. At that time the value of the cards was paid in full in bills of exchange and the limitation fell only on the ordinances: indeed, this margin was made up to private persons in cards, for which they could not get bills of exchange until the year after. Therefore, on account of this preference, the people of the country districts would sell their wares much more cheaply to those who paid for them in this money: moreover, the industrious *habitants* who were in a position to save were very careful to convert their money into cards, so that there was not presented to the Treasury more than about 100,000 livres of them each year.

Regulation made in 1753 by which bills of exchange given for paper were to be payable only in three terms at one year each.

In 1753 the expenditures of the colony were excessive and a new system was introduced of not paying them in full in Paris in the course of the year 1754.¹ Instead of making a reduction, which would have been too drastic, bills of exchange were issued for the full value of the paper taken to the Treasury, but payable only, part in 1754, part in 1755, and part in 1756. Then the cards were mixed up with the ordinances; no bills of exchange of shorter terms were given for them. It is even to be presumed that an effort was made to abolish this class of money, the treasurer hardly ever using it in making payments.

Effect of this regulation.

This expedient, which gave rise to an increase of only about six per cent over the ordinary payments, enhanced the price of merchandise by from fifteen per cent. to twenty per cent; the cost of manual labour has increased in proportion, and it is the King who has to bear the greater part of this enhancement, on account of the great amount of merchandise used in his service and of the different works carried on at his expense. Since 1753, the bills of exchange have always been drawn for three year terms, with a small difference in the apportionment over each year; but as one cannot be acquainted with the condition of this adjustment until after the great bulk of the sales have been made, since it is dependent on the usual amount which goes into the treasury, the merchants, in this uncertainty, put things at a premium, and sell at as high prices as they can.

Bad effect of the specie sent out for the troops of the line.

The specie which came out with the French troops has produced a bad effect. The King lost part of it in the vessels *le Lys* and *l'Alcide*; it has

¹ See p. 803.

discredited the paper: war was not yet declared when it appeared in Canada, and it was correctly assumed that the bills of exchange would continue to be drawn for the term of three years; the merchants therefore sold their goods at ten per cent. to twenty per cent. lower, for specie; seven francs in paper was exchanged for an écu of six francs. Since the declaration of war has been proclaimed, this premium has diminished; the merchants have not ventured to make their remittances in specie; part of it has gone to Gaspé: the rest is in the hands of people who do not make remittances to France; they would rather lose something, and keep it in their coffers, it being an asset of more real value than cards and ordinances; as a result practically only paper circulates in trade; it has been returned to the Treasury, and has increased the amount of bills of exchange drawn this year.

The King desiring to continue to the troops of the line the favour he had promised them, could have paid them in a special form of paper money, for which bills of exchange of the first period could have been issued. Even if, by this process, he could not have maintained the credit of the Canadian paper, he would at least have avoided the loss of the specie in the *Lys* and the *Alcide*.

Effect of the paper money introduced in Canada.

Let us examine, now, the effect of the paper money introduced in Canada.

The specie which it would be necessary to send there in the month of March does not leave the coffers of the treasurers until the following year. Here is the first saving for the King, who has also the benefit of all the paper not converted into bills of exchange, which remains each year in the hands of private persons, and of that which is lost by fire or otherwise; he saves also the expense and risk of the transport of the specie, part of which might pass into foreign countries, and cause trade to languish for lack of circulation; another part might return to France and again undergo the risk of the sea. Finally, and this last is a purely political consideration not to be overlooked, the colonist who knows that he would not be able to make any use of the cards and ordinances if the English should possess themselves of the country, is under obligation to defend it in his own interest.

From all that precedes, I conclude that the King, the State and trade in general may derive a great advantage from the paper money established in Canada, but if conditions remain as they are today, the King, the State and trade will suffer more and more from it.

Method of deriving the greatest possible advantage from it.

In order to derive from this money all the benefit which may be readily anticipated, I should propose to give it the same value as the specie which it represents, and with that object it would be necessary to invest it with the highest possible credit; to take all proper means to prevent it from being altered or counterfeited, and not to render it too abundant.

In the first place, we know now the list of expenditures which the King incurs annually in this colony in time of peace. Suppose the amount to be five millions, and that the King is willing to continue it on this footing; there will be prepared in France this amount in printed notes of different denominations, each of which will be signed by the Treasurers for the Colonies. The notes having reached Canada, will be again signed by the intendant. In this way spurious money will be avoided. It is impossible to erase printed letters to replace them by others, and it is more difficult to counterfeit three or four signatures than to imitate only one, whosoever it may be.

In the second place, it is also known, fairly closely, how much paper money remains in Canada every year which is not taken to the Treasury; let us suppose that a million of it remains. Every year there will be four millions in bills of exchange drawn on the Treasurers for the Colonies, payable at the rate of five hundred thousand livres per month for the first eight months of the following year.

The intendant will not be able to create new paper money, nor to draw to an increased amount without further orders. In case of an extraordinary expenditure, he would provide for it by purchasing supplies at a year's credit, or even by borrowing some of the paper money at the rate of five per cent. or six per cent; the King will have provided for these exceptional cases by authorizing the intendant to draw, the following year, a larger sum in bills of exchange, without increasing the issue of paper.

It is immaterial to the merchants whether they remit the notes they hold to the Treasurer in the course of the year or take them to him in the month of September, since they are assured that their equivalent value in bills of exchange will be delivered to them before the departure of the vessels.

As to the printed notes which are torn or worn to the point at which they are no longer fit for general circulation, they will be burned, after an official minutes of them has been drawn up, on the authority of which these notes will be replaced from Paris.

As there is only this kind of money in Canada, it will be easy to judge, from what is returned to the Treasurer, as to the prosperity of the colonists, since, as we have already said, the paper which remains each year is in the hands of the colonists; this information and their style of life at home would indicate the manner of easily levying taxes on occasion.

In the last place, this paper money would have no value, as regards the English of the neighbouring colonies, except in so far as they might return it to Quebec to obtain for it bills of exchange on Paris.

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PAYMENT OF OFFICERS: REASONS FOR NOT PAYING IN SPECIE

Versailles, Jan. 8, 1759.

TO THE MARQUIS DE MONTCALM.

Sir:

I am very glad to have to inform you that on the representations which have been made in favour of the battalions serving in Canada, the King has been pleased to approve of the arrangement which has been made in the colony to procure for them the aid they require during their stay in winter quarters.

In the report I have made to His Majesty of the letters you wrote on this subject on June 14, and October 5 and 21 last, and of your correspondence with M. Bigot on the means to be employed to satisfy these officers, His Majesty has decided that there is nothing simpler or less subject to abuse than to grant them, namely, 30 sols a day to the captains and 20 sols to the lieutenants during their stay in winter quarters, beginning from the day when they cease to enjoy the pay which was appointed while they served in the field, and they will no longer be paid those rates when they begin to march again. His Majesty has

also approved of this gratuity being granted to them from the end of last year's campaign. I am writing to this effect to Messrs. de Vaudreuil and Bigot. I am persuaded that you will present in a favourable light the attention that His Majesty is giving to everything which can contribute to their comfort during their stay in Canada.

[By means of this increase the officers should live in comfort, particularly with the articles necessary for their clothing being sent to them in the colony this year, as in former years, at the prices they cost in France, which will protect them from the increasing dearness of merchandise in Canada.]¹

With reference to your remarks on the payment of salaries which should be made in coin, and which have been paid for the last two years in the money of the colony, they must attribute it entirely to the risks which have been incurred, to the loss suffered on what has been sent, and to the necessity which they have felt of sending no more specie. Its continuation would be too costly, as you will believe, and it will not be difficult to make the officers understand it.

So far as regards yourself personally I am to let you know particularly, both what the King has desired to do on your behalf, and the favourable disposition of His Majesty to give you evidences of his satisfaction.

[Not signed]²

REGULATIONS FOR THE ISSUE OF NOTES AND PAPER: WARNING AGAINST ABUSES³

*M. Berryer*⁴ to *M. Bigot*,

Versailles, 19th January, 1759.

.....
Having spoken to you of the consumption, it remains for me to communicate to you what concerns the finance of the colony. All that occurs in the issue

¹ In the original, this paragraph is scored out.

² This was from the new Minister of Marine and Colonies, M. Berryer (see note 4).

³ Translation revised from New York Documents, Vol. 10, p. 938.

⁴ Nicolas-René Berryer, Sieur de Raveneville was born at Paris early in 1703, being the son of an attorney general of the Great Council. His first important appointment was that of Advocate General of Patents in 1728. In 1731 he became a councillor to Parliament, and in 1739 Minister of Petitions. The year previous he had married the daughter of a farmer-general and she brought him a great fortune—farmers-general in France having greater opportunities for enriching themselves than even commissariat officers in Canada. But his wife had other qualities than those as an heiress, and to her Court influence, more than to his own endowments, his rise has been attributed. (See *Biographie Universelle*, vol. 4, p. 343.) Soon after his marriage, he became President of the Great Council and Intendant of Poitou. He is chiefly known to fame, however, as Lieutenant General of Police, an office which he held from May 1747 to October 1757. That department having been thoroughly reorganized by d'Argenson, (q.v.), his constructive duties were not very onerous. His chief activities were directed in other lines. As a protégé of Mde. de Pompadour, he employed the resources of his position to obtain, through an extensive employment of spies, such information as enabled her to effectively dispose of most of her enemies. To this service has been attributed the disgrace of Maurepas, whose sharp and witty tongue apparently found the court favourite too tempting a butt. The fall of d'Argenson and other high officials associated with him was accomplished through the same means, while the Bastille was filling with minor offenders. Through the same medium Berryer was understood to have furnished salacious entertainment for the King in

a compte des dépenses générales
 POUR 800 A Québec, le 7^{me} Octobre 1758.

Seconde.

EXERCICE 1758. MONSIEUR, au *Doyne* *caril* *mil* *post* *fontaine*
 il vous plaira payer par cette seconde de Change, ma première ne
 l'étant, à l'ordre de M. *L'officier*
 la somme de *huit cent livres*
 valeur reçue en acquits. De laquelle somme je vous rendrai compte sur
 les dépenses de cette Colonie. Je suis,

Monsieur,

Vu par nous Intendant
de la nouvelle France.
[Signature]

Votre très-humble & très-
 obéissant serviteur,
[Signature]

A MONSIEUR
 Monsieur *Serichon*
 Trésorier général des Colonies,
 rue *Neuve St. Sulpice*
 A PARIS.

Bill of Exchange for 800 livres, 1758.—Lettre de change de 800 livres, 1758.

of the notes of the treasury, the receipts and their conversion into bills of

connection with notable personages in both Paris and Versailles. Naturally enough the secret service functions of the Lieutenant General of Police were much exaggerated in the public mind, and he became a general object of fear and hatred. Hence, when picturesque publicity was given to certain transactions connected with the transportation, through the police department, of a number of poor and orphan children to the colonies, and especially to Louisiana, a self-propagating storm of public alarm and indignation rose to Parisian heights and the Court favourite had to be removed. After he had been temporarily accommodated in two other public offices, his patroness, with the assistance of her new colleague the Duc de Choiseul, procured his appointment, in succession to Massiac, as Minister of Marine and Colonies, 1st November, 1758. Doubtless it was then too late for even the most capable and efficient of ministers to have rescued the department from its unfortunate condition, or to have ultimately saved Canada, and Berryer was far from being such a minister. De Tocqueville, in his *Histoire Philosophique du Regne de Louis XV*, gives a characterization of Berryer which fits exactly his ministration of Canadian affairs. Referring to his advent to the department of Marine and Colonies, he describes him as "hard, arrogant, and boorish. Although quite ignorant, he was nevertheless cocksure and self-willed. Meticulous by nature and rendered more so by the position which he so long filled, he gave himself up to pottering reforms, to the neglect of comprehensive plans of administration. Instead of inspiring confidence he proved to be a mere fault-finder" (vol. 2, p. 236). It is quite noticeable that the new minister brought with him to the administration of Canada the point of view of and an inclination towards the methods of the Chief of Police. In this he doubtless felt himself justified by a superficial observation of the increasing evidences of extravagance and corruption in the Canadian expenditures, without recognizing the inevitably enormous increase of these expenditures even under the most scrupulously honest administration. Ignoring largely the real condition of affairs in Canada, the new minister immediately devoted himself to vigorously upbraiding the governor and intendant and, through them, the others connected with the civil administration of the colony, while he was obsequious towards the military chiefs and others in authority in France. Seldom, however, in his attacks upon the Canadian officials, did he hit upon the real evils which were at the bottom of the Canadian system and which required radical and thorough-going remedies. His inclination to treat as rogues all those connected with the supplying of provisions and equipment, and to regard high prices and large outlays as conclusive evidence of corruption, led to natural resentment on the part of many who had incurred heavy expenditures, long unpaid, and suffered severe losses in ships and cargoes. He had become so accustomed to work through spies and to encourage defamatory reports of public officials, for which he apparently paid liberally, that he extended the same system to his administration of the Department of Marine and Colonies and soon accumulated much material of that nature. With vague and minatory references to this background, he gruffly refuted the attempts of Vaudreuil and Bigot, and other officials, to explain the nature of their functions and the inevitable difficulties with which they had to contend. Being unable to distinguish the valid from the invalid features of their arguments, he roundly asserted that he knew all about their operations and condemned them out of hand. He evidently considered that his favourite methods might very materially assist Vaudreuil and Montcalm in their defence of the colony against the English. Thus, writing to them jointly, on February 10th, 1759, he intimates that if they have need of assistance from the employment of spies, the King is prepared to authorize them to utilize such resources to the extent of an outlay of 200,000 livres. Should the result prove at all promising they may increase the amount to 500,000 livres, or even more. Bigot had been instructed to furnish the necessary bills of exchange on France for that purpose (see Levis Collection; *Lettres de la Cour*, p. 168). No such encouragement for the expenditure of large funds at personal discretion and without public record was ever afforded by any previous minister; and this, too, at a time when Berryer was himself penuriously restricting expenditures in every other line and refusing payment to those who had exhausted their personal resources in furnishing the most indispensable supplies for the maintenance of the colony. Berryer's drastic methods made no improvement in the assistance rendered to Canada, apart from the increasing difficulties of the transport service. Vaudreuil had to complain of the bad quality of the army clothing supplied in 1759. Towards the latter part of the same year, Berryer undertook, through the officials of his department in France, to furnish food supplies for Canada for the following year. Of the supplies shipped on three vessels, in the spring of 1760, it was found that the meat consisted of horse flesh and putrid beef, and that the crews of the vessels conveying it could not eat even the best of it. Bigot and his purveyors, especially Cadet, may have profited from the supplies furnished to the troops, but at least they were

exchange on France, is not free from the apprehension of fraud which may have crept in. Canada having only one million of card money, which is not sufficient for the payment of the expenditures, 'tis certain that it becomes indispensable to supply the deficiency by some other medium; the simplest, no doubt, is for the Intendant to sign the printed notes which have been in use for several years past, to return those notes to the Treasurer, who submits them to the Controller, and delivers the bills in series in proportion to the expenditure.

You will see by the printed blanks I transmit to you this year, that whatever opinion I may have of this new and dangerous form, I place you in a position to continue your operations by enabling you to circulate the notes which procure you the means to do so. The state of the colony, the want of time and the confidence I must place in you, are the reasons which determine me thereto.

I may declare to you, nevertheless, that this practice is contrary to all the laws of the Kingdom, for, by such operation, the Intendant alone becomes, without being expressly authorized thereto, the issuer of a money which circulates in the colony without the King's permission, and you must be aware of all the consequences thereof.

I have not considered it my duty to propose to his Majesty to suppress that practice, for which it would be necessary to substitute some other, but he has ordered me to tell you that it is his intention:

1st That M. de Vaudreuil sign with you all the notes of the Treasury¹ that you will have to furnish to the agent of the Treasurer.²

complimented by the officers on the efficiency with which they met the needs of the army and the quality of the supplies furnished, even in the face of great dearth. Beryer himself was never accused of personal corruption, but his administration of the Department of Marine and Colonies was as disastrous as that of any of his predecessors, and much more unpopular alike in France and Canada. It is doubtful whether he had any vital interest in the colony. When Bougainville, on behalf of Montcalm and Vaudreuil, represented to him the urgent needs of the colony in 1759, he shrugged his shoulders and replied "Ah Sir! when the house itself is on fire one does not worry about the outbuildings." After the loss of Canada his administration took on a more routine character. His instincts as Chief of Police were again to the front in elaborating plans for a court of investigation and criminal procedure, with a view to the reduction of the claims against the department, on the grounds of fraud and over-charges, and the punishment of those who were implicated in the embezzlement and other irregularities which occurred in Canada. His plan is set forth in a memoir of 17th June, 1761 (see *Série C*¹¹ I, vol. 105, p. 504). His general incapacity for the administration of the department of Marine being recognized he was dismissed on October 13th, 1761; but was not disgraced, as that might be regarded as a reflection on his patroness, Mde. de Pompadour. He was therefore shelled as Keeper of the Seals. He died the following year, 15th August, 1762.

¹The terms "treasury", "treasurer", and "treasurers" in the latter use of them in these documents, without qualifying words, are apt to be confusing. The term "treasurers", in the plural, always refers to the treasurers general in France of the Departments of Marine or Colonies. In 1749 two treasurers general had been appointed for the Colonies, as distinguished from the Marine, but under the same minister (see note 1, p. 795). The term "treasurer", in the singular, may refer to one of the treasurers-general who was acting for that year, or to their agent or representative in New France. As the importance and volume of the functions of the latter increased, he came to be designated as treasurer of Canada, or simply as treasurer. In this particular passage "the treasury" means the Canadian treasurer's office, while he himself is referred to as the "agent of the treasurers", the latter term meaning the treasurers general in France of the Department of Colonies.

²Jacques Imbert held the position of Treasurer in Canada, as agent of the Treasurers General for the Department of Marine and Colonies, from 1750 to October 1759. In the *Memoires Sur Le Canada*, 1749-60, attributed to Vauquelin (or Vauclain), it is stated, p. 173, that he was the son of a tanner at Montargis in Champagne. Elsewhere his father's name was given as Jean Imbert, a police officer serving under the Marshal of France. There was also a Jacques Imbert of the same period who was

2nd That no note be issued without the cause of the expenditure being recorded.

3rd That you cause to be remitted a monthly list of the notes that the Treasurer may issue to the public, either for the purpose of replacing the card money brought to the Treasury to obtain bills of exchange on France in its stead, or for expenditures which may exceed the amount of the cards.

4th That you verify conjointly the value returned in orders to the chest of the agent of the Treasurers, immediately after drawing the bills of exchange.

5th That a list be also furnished you of the cards and of the printed notes remaining in circulation after the drawing of the bills of exchange.

6th That you cause to be transmitted to me copy of all those lists and the result of your transactions.

You will easily perceive the manipulations which may result from the facility with which a prodigious quantity of such notes has, up to the present time, been entrusted to the agent of the Treasurers, who then becomes absolute master of them without any other precaution than exacting from him

an important merchant of Bordeaux, in association with other merchants, in furnishing supplies for the army in Canada during the two last years of the conflict there. The Canadian treasurer entered the King's service in 1737 and came to Canada some time between that and 1740 in the capacity of a royal scrivener or clerk. On the 31st August, 1740, he received a commission from the Intendant Hocquart as a notary of the district of Quebec, in succession to Sr. Barbel, deceased (Archives de Québec, 1921-1922, p. 48). He was also assistant to the treasurer of the colony, Sr. Tasche-reau, whom he succeeded in that office in 1750. His son had been appointed to the very difficult and unpopular position of collector of the assessments on the inhabitants of Montreal for the erection of walls and fortifications for the protection of the town. Imbert was made a member of the Superior Council, in 1754, in succession to M. Foucault. About this time he had solicited and was granted permission to return to France in order to receive more explicit instructions as to how to deal with the very complex and uncertain financial operations incidental to the service there, and which are detailed in a memoir sent to the government while he was still in France. He returned to Canada in the spring of 1755, Bigot, Péan, and Menier being his fellow passengers. In the spring of 1758 he was provided by the Treasurers General with an assistant, namely M. de Rochette (q.v.). Apparently, on the 29th October, 1758, he placed on board a vessel at Quebec, named *Le Sauvage*, all the papers and vouchers of expenditures and receipts of the King's domain in Canada. This vessel, however, was captured by the British and taken to Cork, Ireland, whence the papers were transferred to the office of the Admiralty at Dublin. When the peace of 1763 was being negotiated, the Minister of Marine in France asked the Duc de Nivernois, while in England, to procure the return of these papers to France. The writer of an important memoir, of 29th April, 1764, re the adjustment of the debt of Canada, recommends the employment of Imbert to go through the papers, with which as treasurer he was quite intimate, to verify the parties connected with the payments. He does not consider Rochette, who succeeded him, as so well acquainted with these details (*Série C*¹¹ I, vol. 105-3, p. 874). This advice was at least partially followed, since we find that, on July 9, 1764, the minister instructed Imbert himself, who had returned to France in 1758, to go through these papers and arrange them with a view to facilitating the execution of an *arrêt* of Council, of June 29, 1764, re the liquidation of the paper money of Canada. One object of this was that the troops and other employees of the services who were in Canada and who were paid in various forms of depreciated paper, might receive the proper equivalent for it. His task was to arrange the various papers for the years 1756, 1757 and 1758 and to send them as soon as possible to Sr. de la Rochette whom the King had appointed to undertake the liquidation of the paper money of Canada (see *Série B*, vol. 120, p. 187). According to Vauquelin, in his memoir, p. 173, Imbert, after being appointed treasurer and a member of the Superior Council, became pretentious (*superbe*) and arrogant. Being an intimate friend of Cadet and Deschenaux but more shrewd than either, while he acquired a large fortune he made no display of it and therefore managed to escape suspicion, and was not involved in the subsequent prosecutions for embezzlement. He died before the end of 1765, as the minister wrote to his widow on the 21st October of that year re her application for a continuation of his pension.

receipts for the quantity, without enquiring into their employment; without verification of their conversion into bills of exchange, he can make any use he thinks proper of them. This is so true that in the month of November, when you render an account of the year's expenditure, you state about how much they ought to amount to; they are noted, and a year afterwards and the following years, very considerable excesses are discovered.

This confusion which has prevailed for a long time in the finances of the colony should excite grave suspicions; I am fully convinced that neither the one nor the other of you has any thing to reproach himself with, but as heads of the administration of the finances, you are not exempt from stories circulated here, and of which I was not ignorant previous to the King confiding to me the Department of the Marine. I did not attach any credit to them; I have merely collected all the information I have been able to obtain on whatever regards Canada. I have concluded that it was indispensable that I should communicate to you all that I have had reason to perceive, and in the firm resolution which I have come to, of putting all sections in order, of uprooting abuses and putting an end to everything that might contribute thereto. I count on your giving to this purpose all the attention that it merits, on both of you closely watching it, and concurring in furnishing me the information I need in order to put into execution the views I propose to myself.

'Tis certain that if, hereafter, the expenditure increases every year as it has done since 1755, Canada would become excessively burthensome to the Kingdom; it is already much so; you are not ignorant of the efforts that it has been necessary to make to meet the payments; I hope I shall have, from this very year, a satisfactory account to render to the King of the attention you will apply to it. I cannot too strongly recommend you to furnish me the means to do it.

[Not signed]¹

¹ This despatch is characteristic of Berryer's attitude and methods. A very similar despatch of the same date was sent to Vaudreuil. The statements made with such confidence betray the new minister's ignorance of the very elements of the French colonial finance as developed in New France, and consequently the futility of his new orders to meet the real evils of the Canadian administration. After all the sanctions which it had received from the King and successive ministers, and the constant use made of it, it was absurd to declare the notes issued by the colonial treasurer as illegal. Not the money paid, but the questionable nature of the transactions which involved the payments, chiefly called for inquiry and criticism. The difference between the cards and the other forms of paper money lay only in the fact that the cards were definitely limited in amount while the others were not. The original preference given to the cards had ceased to operate, all the paper money having been treated equally for some years in its acceptance for bills of exchange, or in extending the payments of the bills in France over three years, and finally, in the suspension of payment altogether by his own order a few months later. The matter had been frequently discussed for many years past, but no improvement had been found feasible. For an explanation of the origin and basis of the colonial financial system and its various paper credits, see document III, p. 601 and note 1, p. 605. See also the subsequent discussion of Berryer's point in 1741, note 1, p. 695. Again, his reference in the first paragraph of this despatch, as also in the third of his instructions which follow to the inadequacy of the million of card money to meet the annual expenditures of the colony, indicates an innocent belief in the actual return to the treasury each year of the whole million in cards for redemption in bills of exchange, which would enable the treasurer to re-issue them the following year. As a matter of fact, the former preference given to the cards over the notes, or other intermediate paper, had long resulted in their almost complete disappearance from circulation, owing to their passing into the hoards of the peasantry and small tradesmen. This left the actual circulating medium to be supplied by the notes and other paper. It was

MONTCALM'S ACCOUNT OF THE INCREASE IN PRICES OWING
TO THE INCREASE IN PAPER MONEY¹

*M. le Normand.*²

Montreal, 12 April, 1759.

I have the honor of observing to you,

1st That provisions, absolutely necessary to life, cost eight times more than when the troops arrived in 1755, and that the farther we go, as long as the war continues, the more will they increase, even though certain articles were in abundance; for the cause of this incredible dearness is less the scarcity, although that may contribute thereto, than what I am about to disclose to you. The dearness proceeds, 1st, from the circumstances that, on the arrival of

simply the excessive issue of these latter beyond all ordinary currency requirements, coupled with its deferred redemption in the shape of bills of exchange, which had led to its depreciation in value, especially in the face of a scarcity of supplies in the chief markets. In the face therefore of the actual situation in Canada, the six regulations which, with the royal sanction, he prescribes with such impressiveness, and the reasons given for their prescription, were entirely beside the mark and must have amused Bigot, as also the treasurer and controller, more particularly as the minister intimates to him how thoroughly he has investigated the operations in Canada and collected the stories which are current regarding them and how he has determined to effectively root out all abuses. In fact, so far as these regulations are concerned, the real difficulties and irregularities prevailing throughout New France would continue to flourish quite as freely under them as without them.

¹ Translation revised from New York Documents, Vol. 10, p. 964.

² Sébastien-François Ange Le Normant de Mézy, (or Mézy), was born at Dunkirk 20th November, 1702. He was the son of Le Normant de Mezy who in 1718 replaced Soubras as Intendant Commissary of Ile Royale at Louisbourg. His commission designated him as sub-delegate of the Intendant of New France. He was appointed also as first or chief councillor of the Superior Council at Louisbourg. His son went out with him to Louisbourg where he was afterwards appointed a clerk, or scrivener, in 1722. In July 1725 he was appointed by special order a member of the council there. His father having expressed a desire to return to France, this privilege was promised him in 1729 under certain conditions, and by an order of the King of May 1st of that year, Le Normant de Mezy, junr., then chief clerk of the marine, was appointed to act as Intendant Commissary in the absence of his father. Definite authority for the return of the latter was not obtained until July 1731, after which he passed to France and his son took over his functions. In June of the following year the governor was informed that de Mezy, senr. would not return to Louisbourg, but that his son Le Normant would continue to act for him until a successor was appointed. No such appointment being immediately made, in 1734 Le Normant obtained permission to return to France, and while there evidently persuaded the court that he should be confirmed in the position which he temporarily filled. An order was issued on 23rd March, 1735, for his appointment to the full rank of Intendant Commissary and sub-delegate of the Intendant of New France. On the same date he was appointed first councillor at Louisbourg, in succession to his father. In 1739 he was transferred as intendant and first councillor to Le Cap Francais, San Domingo, while Bigot succeeded him at Ile Royale. In 1744 he became intendant and first councillor in the colony of Louisiana, but returned for a year, in 1748, to San Domingo. On August 1st, 1749, being recalled to France, he became Intendant of Marine at Rochefort, and on January 1st, 1755, was appointed Intendant of Naval Arms. Being a relative of the husband of Mde. Pompadour, he had obtained her favour and when, in 1758, a younger and more active associate was required in the joint departments of Marine and Colonies, to assist the new but aged minister, M. Massiac, he was selected for the position, under the title of Intendant General of Marine and the Colonies. His experience in the department had been long and varied. Most of the correspondence on practical matters was directed to him and he seems to have dealt with it in quite a vigorous and business-like manner. Evidently, however, he was not expected to direct the policy of the department or deal with its wider functions. When Massiac had been dispensed with Le Normant retired with the title of Councillor of State and a pension of 20,000 livres.

ships, some twenty individuals, who possess favor and credit, purchase everything, and thereby render commerce quasi exclusive.¹

2nd From vast fortunes rapidly accustoming those who possess them to luxury and to not hesitating to pay too much for provisions, and to contempt for money in consequence of the facility of regaining it.

3rd The colonist is astounded to see the orders of the Intendant, in addition to the cards, circulating in the market to the extent of thirty millions. People fear, I think without foundation, that the government will make a sort of assignment or authorize a depreciation. This opinion induces them to sell and speculate at an extravagant scale and price, and this will be much worse if bills of exchange be issued this fall at five terms, as is reported. The King will be the greatest loser, because in this country, where he is purchaser and employer, his expenses will likewise increase. You will hardly believe one certain fact that thirty-six livres in notes representing money in Canada, are paid for 24 francs in hard cash, and some colonists are beginning to offer double, because few people are willing to part with their cash through fear of the paper. Any one able to draw bills of exchange on France for 25,000 écus, payable the 1st April, 1760, may obtain in the square of Quebec one hundred thousand francs in ordinances of the Intendant, and should the Intendant this

¹ In this and the following documents Montcalm gives expression to the widely current popular conceptions of the chief causes of high prices in Canada and of the rather obvious but inaccurately appraised corruption which prevailed in connection with them. In one form or another these popular convictions appear in nearly all of the documents of the period dealing with the high prices and extravagant costs which prevailed during the last three years of the war. There was, of course, considerable ground for these convictions, but the explanations given were seldom accurate or correctly stated, while the personal responsibilities were very crudely apportioned. Only a detailed study of the voluminous documents bearing on these matters will furnish grounds for a correct estimate. Naturally, only a very limited number of merchants at Quebec and Montreal had sufficient funds or credit to purchase what supplies reached the colonies in the few privately owned vessels which ventured to incur the steadily increasing risks of trading to Quebec. Only the high prices to be obtained for such of these supplies as actually reached their destination, induced the owners to take the risks involved. The high prices, therefore, at which the goods were sold represented for the most part the other side of the prices at which they were bought. Further, as Montcalm indicates in his additional explanation, much of which is, however, rather loose and inconsequent, the depreciation of the paper money is an important feature, due largely to the past action of the French Treasury and the fear of its future measures. But far the greater part of the supplies for Canada were brought there either under the arrangements with Cadet, the regular army contractor who had his agents in various French ports especially Bordeaux, or, more particularly during the last two years of the war, through the direct arrangements of the Department of the Marine and Colonies for their purchase in France, and their shipment in such French, Spanish, or Danish vessels as could be induced to take the risks for the rates offered. Montcalm's remarks have special reference to the previous year, 1758. On October 23rd of that year the Minister of Marine writes to the Controller General or Minister of Finance, urging him to afford the necessary financial accommodation for the Srs. Desclaux, La Thuillierie and Dupuy, the correspondents or agents at Bordeaux of the contractors for Canadian stores. On the same date he writes again to say that unless these agents are enabled to procure in France the supplies asked for, it will be quite impossible to preserve the colony. When Berryer took over the department, in November 1st, he too made vigorous efforts to get supplies for Canada directly through his department, and in this connection procured passports for Danish ships which had been induced to transport supplies to Canada. These and similar official documents relating to supplies for Canada will be found in *Série B*, vol. 108, pp. 281 *et seq*. Obviously supplies for Canada were not easily furnished, nor were they left to the capricious monopoly of a few Canadian merchants.

fall issue only bills of exchange in five terms, 100,000 francs will be procured for 66 to 67 thousand livres.¹

4th I have alleged that there were 30 millions of money in circulation in paper, cards or coin, and there will be 12 millions more at the close of 1759. I suppose that there are at most 100 thousand souls in Canada; in the Kingdom of France, I do not suppose more than 1,400 millions of money in circulation, and more than 18 millions of souls; therefore, the proportion of money to the number of heads is six times greater in Canada than in France; hence, provisions and labor there must be six times dearer.²

[Not signed]

FURTHER REMARKS BY MONTCALM ON THE FINANCIAL CORRUPTION³

*M. de Montcalm to Marshall de Belle Isle.*⁴ *Montreal, 12 April, 1759.*

The expenditures which have been paid at Quebec by the Treasurer of the Colony amount to twenty-four millions. The year before, the expenditures

¹ In France the term "franc" was now in common use to designate the unit of value and appeared on the new coinage, very little of which, however, came to Canada. In Canada the coinage and the paper money bore the old term "livre", not only to the time of the conquest, but, in the case of the coins, for three quarters of a century later, during which period the old French coins constituted the chief circulating medium among the common people of Lower Canada.

² Only a portion of this despatch is reproduced. The first part deals with the abandoning of Fort Duquesne and includes a severe criticism of the poor but expensive construction of the colonial forts, owing to entrusting the work to Canadian engineers, such as de Léry and his present successor de Lobinière, whose honesty is impugned. Criticism is also directed against Le Mercier, which is given more fully in the portion reproduced from the succeeding despatch of Belle Isle. The doings of Sr. Cadet and his associates in the supply contracts received a fling. Although acknowledging that it is not his business to manage the finances of the colony, yet as their actual management affects everything, he proceeds to give his impressions as here reproduced. Following this he continues to report hearsay evidence as to the manipulation of accounts. A number of the officers from France, he admits, are not above profiting at the king's expense, but less extensively and less flagrantly than the colonial officers and officials. Hence, with the high prices which prevail, the officers from France are unable to live on their pay. He himself is in debt for advances to the extent of 10,000 ecus. The other officers, however, he has forbidden to borrow and has repudiated in advance any repayment of advances made to them. To relieve the hardships of inadequate pay he suggests various remedies. Deprecating the necessity for criticism he makes complimentary remarks with reference to the talent and industry of Bigot in particular, indicating that he is a very likable person and a very good friend of his. He concludes with a reference to the radical changes required in the method of warfare in America. No longer can it consist of irregular raids by undisciplined bands of Canadians and Indians, henceforth there must be regular campaigns as in Europe.

³ Translation revised from New York Documents, Vol. 10, p. 960.

⁴ Charles-Louis-Auguste Fouquet, Comte de Belle Isle, was at this time minister of war, having succeeded Paulmy (see note 2, p. 883) February 25th, 1758. He was born at Villefranche 22nd September, 1684. His father, the Marquis of Belle Isle, was son of Nicolas Fouquet, for a time superintendent of finance under Louis XIV. He had a long and distinguished military career and attained to the rank of Marshal in 1737. He was employed in many notable diplomatic transactions of a more or less military nature. In 1748, in recognition of his varied services, he was created a duke and a peer. In 1756 he was elected a member of the Academy. As Minister of War,

amounted to only twelve or thirteen millions. This year they will run up to thirty-six. Everybody appears to be in a hurry to make his fortune before the Colony is lost, which event, many, perhaps, may desire as an impenetrable veil over their conduct.¹ The craving after wealth has an influence on the war, and M. de Vaudreuil does not doubt it. Instead of reducing the expenditures of Canada people wish to profit by everything; why abandon positions which serve as a pretext to make private fortunes? Transport is distributed to favorites. The agreement with the contractor is as unknown to me as it is to the public. 'Tis reported that those who have crowded into trade, participate in it. Has the King need of purchasing goods for the Indians? Instead of buying them directly, a favorite is notified who purchases at any price whatever; then M. Bigot has them removed to the King's stores, allowing a profit of one hundred and even one hundred and fifty per cent, to those whom it is desired to favor. Is artillery to be transported, gun-carriages, carts, implements to be made? M. Mercier,² commandant of the artillery, is the contractor

notwithstanding his advanced years, he was exceptionally active and continued the policy of reform inaugurated by his predecessor, Paulmy. Among the abuses mitigated, if not altogether eradicated, were those connected with the prevailing nepotism in the appointment of officers. He died in harness in the year 1761 at the age of seventy-seven, having outlived his family and leaving no descendants. (See *Biographie Universelle*, Vol. 4, p. 104.) He had been a strong advocate of the French position in the Seven Years War. His views with reference to the importance of a colonial empire for France and more particularly the American Colonies, of which Canada was the centre, were vigorously expressed in a letter to the Minister of Marine, Moras, 13th February, 1757, shortly after taking office as Minister of War. From well informed correspondents in England he learned that Pitt, the new power behind the throne, backed by the commercial element, was resolved upon vigorous measures in North America. Large forces were going forward and Pitt had declared that if these were not sufficient more would follow. Since America had been the chief cause of the war with France, Belle Isle was strongly in favour of concentrating efforts there. French successes in that quarter would alone determine the English to accept peace. It is essential, also, that France should possess Acadia if the peace is to be lasting. He regards Vaudreuil's estimate of the troops required as quite inadequate and would send at least 4,000 men, which was more than double his estimate. For the first time the English are about to send regular troops to America who will not be so easily disposed of as the former raw recruits. He therefore strongly urges upon the new Minister of Marine the necessity for prompt and vigorous measures, as delay and neglect may be fatal. (See Documents relating to the Colonial History of the State of New York, Paris Docs. Vol. X, p. 526.) Recognizing that the cost of campaigns in Canada would be very great, Belle Isle advised curtailment of expenditure in other quarters. In his administration of the military operations in New France he found it impossible to maintain harmony between the older and newer French officers there. Alike at Louisbourg and Quebec his plans were thwarted by inadequate supplies from France, partly due to the ministry and partly to the British supremacy at sea. It was the fate of Belle Isle to live long enough to see his plans frustrated in the total loss of Canada.

¹ This could not apply to Bigot, at least, who took extraordinary pains to collect and transport to France all the records in the colony, economic and other; requesting the minister on their arrival to have them securely deposited and specially guarded. The British Government afterwards complained that many of these papers should have been left in Canada in accordance with the terms of the capitulation of Montreal.

² François Le Mercier, Knight of the Royal and Military Order of St. Louis, was born in France, but went out as a military recruit to Canada about 1739 or 40. Being evidently of a studious and enterprising disposition he devoted himself to the study of the profession of arms, quite beyond the immediate requirements of his rank, and thus prepared himself for well-merited advancement. He devoted his attention more particularly to the departments of engineering and artillery, the latter not then much developed in Canada. He was frankly ambitious to rise in the service and was not backward in claiming such promotion as his qualifications seemed to justify. In the

under other people's names. Every thing is done badly and at a high price. This officer, who came out twenty years ago as a simple soldier, will soon be

spring of 1743 he was advanced to the position of assistant to M. Dupin Bélugard in command of the colonial artillery. Two years later, in the spring of 1745, although still only an ensign, the minister commended him highly to Marshal de Brancas, adding that he would have much satisfaction in promoting him whenever possible. At the same time the minister awarded him a gratuity for the special attention he had given to the study of artillery. The following year Hocquart specially commended him to the minister. He went over to France, apparently in the autumn of 1748, to take a special course of instruction. A report on the successful operation of the St. Maurice Iron Works, near Three Rivers, had suggested to the minister the possibility of constructing artillery in Canada. He therefore resolved that Le Mercier should remain in France for the year 1749 in order to study the details of the manufacture of artillery, so that on his return to Canada he might be able to superintend its construction there. With this object in view he was sent first to the arsenal at Metz, then to Douay and the forges at Parcheminier. In February 1750 he visited, also, the forges of Rancogne, where cannon were cast. He returned to Canada in the spring of 1750. At the same time a special company of fifty bombardiers was sent to the colony for the first time, and the command of it was given to Le Mercier who then held the rank of lieutenant. At the end of March the minister wrote to him with instructions to make a survey of the St. Maurice forges with a view to the possible casting of cannon and mortars there. Before his departure from France, he was appointed commander of artillery in New France. In this capacity, in November 1751, Le Mercier reported favourably upon the new company of gunners organized in Canada and asked to be raised to the rank of captain. This favour was not granted until the spring of 1753 when he became captain of a company of bombardiers at Quebec. Duquesne, who was then governor, reported to the minister, in 1753, that, recognizing his manifest ability, he had found it expedient to assign to Le Mercier the combined departments of engineering and artillery, and had entrusted him also with the custody and distribution of munitions. When, in 1754, serious trouble with the English began to develop on the Ohio, Le Mercier went west with his company to join Péan on the south shore of Lake Erie and arrived ultimately at Fort Duquesne. In 1755 he was back at Montreal and was assigned to take part with Baron Dieskau and the new troops from France in resisting Johnson's threatened attack on Fort Frederick. There the jealousies and mutual recriminations between the Canadian officers and those from France first found definite expression. The partisan spirit extended to all elements in the colony and has ever since obscured sound judgment on the events connected with the closing years of French rule. For the unfortunate results of Dieskau's campaign the officers from France held Le Mercier and Péan chiefly responsible, since the General was supposed to have relied entirely on their local knowledge and counsel. Nothing daunted, however, Le Mercier, writing to the minister in October of the same year, recounted his services and asked for the Cross of St. Louis. A year later he expressed his regrets that he had not yet been granted that favour. Not till May, 1757, did he, along with several other officers, receive this coveted decoration. In 1750 he took part, under Montcalm, in the siege and capture of Oswego. Bigot, expressing Canadian sentiment, attributed much of the success to the reluctantly accepted counsel of Le Mercier, while Montcalm's mouthpiece, Doreil, rather belittled his services and advised the minister to send out from France a thoroughly trained artillery officer to take command of that branch of the service. From Oswego Le Mercier accompanied Montcalm to Carillon in the autumn of 1756 and was immediately employed in reconnoitering Lake George. Evidently on the recommendations of Vaudreuil in March 1757, the minister announced that the King had approved the choice of Le Mercier for the command of the artillery of the colony, then composed of two companies and a school of instruction in that branch. He suggested, also, that it might be necessary to confer on him a special temporary rank—he was then only a captain—to avoid difficulties with the other officers. It was at this time that he received the Cross of St. Louis. The same year, 1757, he took part in the capture of Fort William Henry, the artillery then including a hundred and eighty gunners, etc., and eight officers. To Le Mercier and Dumas, Montcalm conceded the qualified compliment that they were not wanting in spirit and certain talents, including a capacity for intrigue. Vaudreuil, on the other hand, held Le Mercier in the highest esteem. In 1758 he was still with Montcalm at the notable repulse of the British attack on Fort Carillon, and was deputed by him, 26th July, to personally convey to Vaudreuil immediate information of the victory. Unfortunately the honours of this action were bitterly contested between the two factions in Canada. Vaudreuil claimed that Montcalm would have retired from the fort but for the vigorous remonstrance of the colonial officers, Le Mercier and Lotbinière, while Montcalm's friends claimed

worth about six or seven hundred thousand livres, perhaps a million, if these things continue. I have often respectfully spoken to M. de Vaudreuil and M. Bigot of these expenses; each throws the blame on his colleague. The people alarmed at these expenses, fear a depreciation in the paper money of the country: the evil effect is, the cost of food is increasing and the Canadians who do not participate in those illicit profits, are disloyal to the Government.

the victory as the clearest vindication of the regular army and rejoiced in the fact that not an Indian was present, although admitting that they might have been usefully and typically employed in gathering scalps from an enemy retreating in panic. Le Mercier served in the defence of Quebec in 1759, and after its capture retired with Vaudreuil to Montreal, leaving Levis in command of the French forces. After the loss of Quebec, Vaudreuil decided to send a special envoy to the court to explain the Canadian situation and to represent the urgent requirements of the colony if it were to be retained until peace could be made. For this mission he selected Le Mercier and in this selection Levis concurred. Accordingly Le Mercier visited Levis and obtained from him his reports and despatches, leaving for France in the latter part of November. After delivering his despatches and discussing the Canadian situation with the minister, he prepared a memoir on the condition of the colony and the minimum requirements to enable it to hold out until the spring of 1762. This memoir is dated Versailles, 7th January, 1760 (*Série C¹¹ I*, Vol. 105. fol. 267. Given also in New York Documents, Vol. X, p. 1065). He sent in also on the same date a short survey of the conditions of the colony (*Série C¹¹ I*, Vol. 105, fol. 257). The memoir consists largely of details as to the extensive supplies which must be sent to Canada under a strong convoy of war vessels at the earliest possible date in the spring of 1760. At least 4,000 men must be sent, and they must reach the river before the English. Quebec must be attacked and recaptured before assistance arrives for the British garrison. Then, protected by the French ships and artillery blocking the river, a limited garrison can hold Quebec while the body of the army, newly equipped and provisioned, may ascend the river, taking the Richelieu route to the south and the St. Lawrence route to the west and thus effectively preventing any invasion by the British from these directions. To secure hearty co-operation of the Canadians, it is very essential that their confidence in the paper money which they hold should be restored. In this connection he suggests that the King should send out such merchandise as is most in demand by the people to the extent of at least 1,000,000 livres. In return for this, 10,000,000 livres in notes and bills of exchange could be obtained. Such an operation would at once restore popular confidence in the paper money and liquidate an important section of the public debt. To supplement this the intendant should be authorized to draw new bills of exchange for a specified amount to be distributed pro rata to the holders of the existing paper and bills, and promptly paid. On the paper remaining in Canada after this reassuring operation, interest should be promised. Unless the confidence of the Canadians is restored in some such manner they may not prove very reliable. If, however, Quebec is not retaken before the English arrive all such financial assistance for the inhabitants would be thrown away as far as France is concerned. Marshal Belle Isle, the Minister of War, writing to Levis after discussing the Canadian situation with Le Mercier and some others acquainted with Canada, promised to send the necessary supplies, etc. As indicated in the portion of Montcalm's despatch here given, and in another to Le Normant of the same date, he gives the general impression that the Canadian officers were practically all profiting at the King's expense during the closing years of the war. Allowing for the prevailing usages of the time and his critical attitude towards the Canadian officers, there was doubtless considerable truth in Montcalm's assertions. But it did not follow that many of these, and among them Le Mercier, who were profiting from the lavish expenditures, inevitably incidental to the war, were not at the same time zealous and efficient officers in their respective functions. One cannot ignore the psychology of the period in both France and Canada. In common with most of the permanent Canadian officials of the period, Le Mercier, like Vaudreuil and Bigot, was arraigned before the tribunal set up to investigate the financial operations in the colony. Though having undoubtedly acquired wealth in the colony, yet he was not considered to have been sufficiently involved in illicit transactions to merit any special penalty and was therefore discharged by the court. Retaining his fortune and free from the cares of Canada through its cession to Britain, Mercier seems to have retired into comfortable oblivion.

They have confidence in the General of the French; hence what consternation on a ridiculous rumor circulated this winter, that he had been poisoned.¹

[Not signed]

BIGOT'S EXPLANATION OF THE LARGE EXPENDITURES²

M. Bigot to M. Berryer.

Quebec, 15th April, 1759.

My Lord,

I had the honor to advise you in my letter of the 23rd November last, that I perceived more certificates of expense were coming in since the commencement of the payments, from all the posts and forts of the Colony, than to the like date the preceding year, and that I was expecting the bills of exchange to be drawn in 1759 would exceed those drawn in 1758.

I am now convinced that the excess will amount to from 7 to 9 millions, and that consequently the drawing of bills of exchange will amount this year to from 31 to 33 millions. I judge so, 1st from the increase of expenditures already come in and paid for, above those I had paid in November and December 1757 and the first three months of 1758, and from 2 or 3 millions which yet remain to be paid, as well for the purchase of goods last year in the posts of the Upper country as for those procured in Quebec and Montreal since the last drawing of bills of exchange; 2nd from the works and other extraordinary expenditures authorized in the course of this winter and to be commenced as soon as the season will permit, which did not exist the preceding years; 3rd from the expenditures occasioned by the enemy's destroying Fort Frontenac, both for reimbursing the contractor for the provisions taken in that fort, and for the new establishments and erection of buildings at which men have been working since the fall. This third item will amount to 3 millions at least.

Of all the expenditure incurred in the Colony, I am acquainted with only a part, viz: those in the interior between Camouraska and Montreal, such as expresses and voyages in that extent of country, unforeseen expenses, purchases of merchandise and certain works at Quebec and Montreal, water and land carriage, construction of bateaux, pay of the troops, salaries and other

¹ Only a portion of this despatch, also, is reproduced. Much of it deals with the same features as that of the same date to Le Normant. The first part gives Montcalm's reasons for believing that the colony would be lost in the campaign of this year or next. The chief causes would be inadequate resources, the military and administrative incapacity of Vaudreuil, the cynical cupidity of Bigot and their common encouragement of Canadian exploiters of the Canadian services. The latter part of the despatch attributes the losses to the west of Montreal to Vaudreuil's declining to follow Montcalm's advice, while keeping him ignorant of his own plans. In his general condemnation of those connected with the administration of the colony, as in the previous despatch, he reserves a few compliments for Bigot alone. If peace could be made before the colony is quite lost the whole government of it must be radically changed. In this connection he refers with approval to a somewhat remarkable book which had recently appeared from the pen of the Marquis Mirabeau, under the title "L'Ami des Hommes" in which the author demands that those who may return from the colonies with wealth must be disgraced and those honoured who return without it. Doubtless this book had considerable influence in directing public sentiment against the Canadian profiteers, under cover of which those nearer at home escaped, for the time being too inquisitive a notoriety.

² Translation revised from New York Documents, Vol. X, p. 966.

items of the King's Establishment, the allowance to the troops of the Line, and provisions and rations for the garrisons of the towns and the troops stationed in the rural districts, casualties and others who are allowed rations; all these will amount together, at most, to from 9 to 10 millions, according to the calculation I have had made thereof on the payments of 1758.

I definitely know how these sums have been expended, but I have no precise knowledge of the expenses incurred in the army or in the posts and forts; I meet them nevertheless only on the certificates of the Commandants and on other regular vouchers in good form. It does not thence follow that great frauds may not be committed; an Intendant could not introduce order therein except by suppressing the pretext for certain expenses, which cannot be done in war time.

The item of purchases of merchandise and other small expenses in the forts and posts is very great; the French there occasion in part that expense; they purchase twice and may be oftener, for Brandy and other trifles, the goods which the Commandant has issued to the Indians, and afterwards re-sell them to the King. These same Frenchmen encourage the Indians to be continually craving, because they find their account therein; and to resort to a fort, especially one of the farthest off, is sufficient to realize a competency by this or other commerce. Were all the goods which are bought in Quebec and Montreal and the forts on the King's account, calculated, perhaps they would be found double what has entered the Colony; this would happen from the purchases made in the forts; for those made at Quebec and Montreal are final, and once out of the stores never come back there again.

The item of provisions in the forts, and of the consumption in the armies, is also very considerable in every respect, especially in what regards the Indians who always discover the secret of obtaining double and triple rations.¹

The King's stores are stripped of all sorts of goods; the last detachment for La Présentation has emptied them; and the Marquis de Vaudreuil informed me a few days ago, that he absolutely required a certain number of outfits and cloth for the Indians who would come down, and for the operations previous to the arrival of the ships from France. I was informed that there were 100 bales of merchandise at La Chine which private individuals were carrying to the upper countries; I had them purchased. These bales will contain, with other effects I have had collected from divers merchants at Quebec, 80 to 100 thousand livres' worth of merchandise at the prices in France, and will amount to at least 400,000 livres. How avoid expending an endless number of millions with prices so excessive? You will be informed of all those prices and of the expenses incurred in 1758 by the memorandum in detail which I shall have the honor to address to you by the last ships.

The war, besides, is now carried on in Canada in all respects as in Europe; the troops have their conveniences and a great many officers have as good cheer with the army as in France. A part of the expenses which the King incurs in this war, is also to be attributed to this mode of carrying on the war.

The Marquis de Montcalm continues to complain of the bad treatment of the Officers of the Line; he says they have not wherewith to live; 'tis true. Board is 300 francs a month, exclusive of wine; a Lieutenant cannot support himself at this rate. This General is impatiently waiting for a favorable

¹ See note 1, p. 869.

The articles set forth above are sufficient to show the price of everything that has been left out, the enumeration of which would weary. A safe rule to go by, is to suppose them seven times greater than they generally cost in France, although many are twenty times as high. For instance, a skein of thread or silk which usually costs 6 liards or 2 sols, sells at a constant price of 30 sols. As it is the nature of an evil which cannot be remedied to grow worse, we should expect even before the year 1759 closes, to see the prices of everything doubled or tripled.

OBSERVATIONS

The excessive rates which this table shows, and it is such that one can never have seen its equal, proceed less from a real dearth than from the enormous expenditures of the Government, which have multiplied paper money without any consideration either for the quantity of the commodities or for the number of consumers.

1. To furnish for each officer and his servant the same rations during the winter as while in the field. This will not cost much more as they are furnished under the terms made with the contractor (Cadet).

2. To confirm as regular the supplementary pay which, on his convincing representations, the intendant had already temporarily advanced. This is justified also by the advances in pay granted to the French troops in Europe.

3. To provide the pay of the officers in bills of exchange of the first term, i.e. payable the first year, instead of being extended over three years. See *Série C¹¹ I*, Vol. 104-1, p. 181, also given in New York Documents, Vol. X, p. 965.

These proposals may be compared with the concessions made by the minister in his despatch of January 8th, 1759.

² M. Bernier wrote the letter of 15th April, 1759, on the general conditions of the colony, to M. de Crémille, who at this time was associated with Belle Isle in the Ministry of War. It is given in *Série C¹¹ I*, Vol. 104-2, fol. 349; also in New York Documents, Vol. X, p. 968. Montcalm may have urged the writing of this despatch, as, in his own letter to Crémille of 12th April, he states that Bernier was sending this letter to explain the financial difficulties of the regular officers in Canada, and specially commends its contents to the minister. He asks him, also, to refer to Doreil, who has returned to France, for such further particulars or explanations as may be necessary (see *Série B*, Vol. 108, p. 959). Bernier went out to Canada, first in the capacity of aide-de-camp to Baron de Dieskau. His son accompanied that general on his ill-fated expedition against the English colonies and was captured with him and sent to England in 1756. He was confined for a time in Edinburgh Castle. Soon after this Bernier, senior, returned to France and was sent out a second time, early in 1758, as assistant to Doreil, Commissary of War under Montcalm. He arrived about the end of June but was laid up for a time. Doreil said he had ability but was quite a novice in the duties of the office. Nevertheless, on November 11th, 1758, he succeeded Doreil as Commissary General. He was being instructed, however, by Sr. Rochette who was quite familiar with the functions of the position (see *Série C¹¹ I*, Vol. 103, p. 765). Bigot had committed to his charge the military hospital at Quebec, and as he was acting in this capacity when the city was captured he was allowed to continue his functions without being made prisoner, and to communicate with the French forces and others. He also acted as the representative of Vaudreuil and Levis in their negotiations with the English general. A series of his letters while in charge of the hospital are given in Vol. X, pp. 1-41, of the Levis Collection. These show that he remained at Quebec until after the 6th of November, 1759. On returning to the French army he resumed his duties as commissary. He made a report to Belle Isle covering conditions in Canada from June to September 1760, in which he accounts for the weakening of the French army through the desertion not only of the Canadians but also of the regulars, especially those who had married in Canada. On his return to France with the army in 1760, he continued to serve as commissary for the returned troops located at Poitiers until they were discharged, absorbed in the regular army, or otherwise disposed of. In the translation by E. B. O'Callaghan of the letter of 15th April, 1759, as given in the New York Documents, Vol. X, p. 968, "argent" is rendered as "silver" instead of "money". Thus Bernier is represented as claiming that Canada had in circulation more silver than Peru, which, of course, was absurd. Neither could such metallic currency have been depreciated, as Bernier states, to one seventh of its face value. The obvious reference is to the paper money with which the colony was being flooded.

Some kinds of imported commodities have become scarce but the quantity of foodstuffs which are of prime necessity has always been the same, or the scarcity of one kind has been made up by the abundance of others.

The price of provisions has risen by steady degrees, and these degrees have been in ratio with the expenditures of the Government.

These expenditures which may be estimated from the total of the bills of exchange drawn upon the Royal Treasury, have mounted as follows:

This is approximate, as an individual can know them only from public rumour.	{	in 1754 to 7 or 8 hundred thousand livres.
		1755 " 4 millions.
		1756 " 8 millions.
		1757 " 13 or 14 millions.
		1758 " 24 or 25 millions.

It may be that this year, 1759, they will go up to 50 millions or more, whence it is easy to foresee what will be the price of commodities before January 1760.

There is no other money in Canada but what is sent there by the King; now this steady rise in expenditures proves that the amount of money in the hands of individuals has been doubling each year, while the quantity of commodities, and that of persons to consume them has remained unchanged. The purchaser, artisan and worker no longer haggle about the price of things. Those engaged in business have greatly increased, in every activity and in all departments.

A comparison of the volume of money and of the number of persons in Canada with those in France should establish the prices of commodities in both on the same basis.

Let us suppose in France 18 million people and 14 hundred millions of money in circulation; which gives about 75 livres per head. In Canada it cannot be supposed that there are above 80,000 persons; and the circulation in August was over 30,000,000 which gives nearly 400 livres per head. Now the volume of commodities in Canada being in proportion to that of France, their price should be six times greater than that in France, since the representative tokens exceed by six times the things to be represented. Now these tokens coming in profusion into the hands of those engaged in business, they do not feel the increasing rates. The officers attached to the bodies of troops of the line which the King has sent to serve in Canada, are the only victims of this deluge of money which comes to light in all shapes and forms. Outsiders and without business connections, they have only their pay, as it was fixed on their arrival; ample then, it scarcely suffices at present to make their condition equal to that of a private soldier.

It is sufficient to prove from the table the actual price of everything and to show by these observations that the exorbitant rates are due less to a real scarcity than to the enormous increase of paper money, regard being had to the number of persons and to the discredit of this paper.

Investigation into the cause of this increase of paper money does not come within my jurisdiction. If the situation in which the officers sent from France find themselves can be seen by the minister just as it is, I shall have fulfilled my duty.¹

[Not signed.]

¹ This is a fair sample of the higher class reports on conditions in Canada as sent to the minister. It takes a purely theoretical view of the conditions affecting prices. It assumes as beyond question the validity of expanding prices in Canada by working out

CRITICISM OF BIGOT'S ADMINISTRATION OF THE FINANCES

Versailles, August 29, 1759.

M. BIGOT.

I am replying, Sir, to your two letters of December 3, 1758,¹ and April 15, 1759,² respecting the expenditures of the colony, by the first of which you intimate that instead of 16 millions of bills of exchange which you had drawn at the end of 1758, there may be drawn to the extent of 24 millions, a part of which arises from outlays made in preceding years, which were not known or paid until 1758; and by the second, that you estimate that the drawing of such bills will be this year, 1759, from 31 to 33 millions. I believe that there has never been an instance of such enormous expenditures, nor of the easy manner with which you announce them, as if you supposed that sums so vast could be raised without difficulty, despite the expenditures of the other colonies and the multiplicity of those to which the King is subjected in the midst of a general war. There is no longer a limit to those in Canada, the increase of which, with the same number of people and the same objects of expenditure is almost doubled every year, without it appearing that you give any other attention to them than to see them paid. Can you imagine that I can possibly have such administration recommended to His Majesty, and that it will suffice to certify that you have ordered payments to the amount of 33 millions, in order to draw such an immense amount out of the Royal Treasury, and that for expenditures made without orders, and often without necessity, always without economy; an overcharge upon the least part of which would suffice to make a considerable fortune, and the amount of which is so little known to you that having believed that you had acquitted them all for 16 millions, you find 24 millions of them two months later.

mathematical proportions between the paper in circulation and the population in the country, as compared with similar calculations in France. As a matter of fact, of course, apart from the fallacy of the method as applied to France itself, there was extremely little in common between general conditions in France and the very special situation in Canada at this period. There would have been no serious congestion of so-called money in Canada, had the French government met its financial obligations. The greater part of the reputed money consisted simply of unpaid, and it was increasingly feared unpayable bills of exchange drawn on the French treasury for expenditures in Canada. Fears as to the possible failure to redeem the paper issues being confirmed, their values rapidly declined. Prices soared independently of all ordinary conditions of supply and demand. When an exactly similar situation as regards the incurring of obligations was created in Canada, under the British government, in the war of 1812, there was the usual increase in prices due to a lively demand for all kinds of supplies and services, but no inflation due to an accumulation of unpaid bills of exchange on the home government. It is true that the French officers felt very keenly the discrepancies between their pay and their expenditures beyond the equipment furnished by the government. But much of this outlay was voluntary expenditure and could be regulated when necessary. In the case of the troops, little was called for beyond what the government provided, hence they were practically unaffected by variations in prices. On the other hand, Cadet was tied down by the terms of his contract, and in this respect was a very real sufferer from increasing prices. Beyond his contract, however, he could protect himself. The attempts of the intendant to regulate prices as between producers and consumers, especially as regards wheat, had varying effects, very hard to determine as the enforcement was quite difficult. At the outlying posts they reaped great profits. This line of reasoning, however, will be better appreciated when it is known that the writer was specially commissioned by Montcalm and the other superior officers to make out a good case for them with the minister. See note 2, p. 907.

¹ This letter is not available in full but a summary of it is given at p. 867.

² See Bigot to Berryer, p. 901.

Charged with the duty of the administration of Canada, particularly in the matter of the expenditure, the payment of which has been facilitated for you (*perhaps too greatly facilitated*)* by permitting you to draw bills of exchange, do you conceive that you have vindicated yourself from responsibility for the confusion that reigns there, by asserting that everything has gone up in Canada to an excessive point, that it is no longer possible to meet the expenditures of the posts, that at any sign of retrenchment the troops complain and the Indians threaten, that the greater part of the expenditures are incurred without your knowledge, and that abuses are great! I ask what measures you have been taking to reduce these expenditures, what representations you made to M. de Vaudreuil with the object of avoiding those which might be dispensed with, and where are the letters you have written to me or to my predecessors to give details of all the abuses, to name their authors, to point out the means of remedying them. In your correspondence I see only general phrases from which may be inferred much negligence and indulgence on your part. This is the corruption you are permitting. Here is that which is attributed to you directly; of having embarrassed trade in the free provisioning of the colony; of having handed over this furnishing of provisions to a single individual,¹

¹ This was Joseph Cadet, Purveyor-General for the French forces in Canada. Cadet was quite a remarkable personage and played a very important part in the commercial and financial affairs of Canada, especially during the last five years of French rule. Although of humble birth, he developed exceptional ability, energy, and administrative talent. The son of a butcher, he was born at or near Quebec on the 24th December, 1710. He began life as a cattle dealer and butcher. Bigot has given a very remarkable account of him, especially as to his economic transactions in Canada, official and otherwise. But having considered that Cadet, in his later evidence before the court and as the price of his own favourable treatment, had sought to unjustly implicate himself and others, Bigot proceeds to denounce him in quite unmeasured terms and to represent his career in the colony in a very sinister light. The extravagance of this attack, regardless of the strain under which it was made, has done much to discredit Bigot's own case, apart from that of Cadet. See Bigot's *Memoire*, second volume, pp. 210 et seq. For most of the particulars regarding the career of Cadet after returning to France we are indebted to the memoir of M. Alfred Barbier, *Un Munitioinaire du Roi à la Nouvelle France, Joseph Cadet (1756-1781)*, Poitiers, 1900. According to M. Barbier, his full name was Joseph Michel Cadet. His father's name is given as François Joseph Cadet or Caddée, and that of his mother as Marie Devenne. He married Angélique Fortier at Quebec, and had three children, one son and two daughters. The daughters afterwards married well in France. From his boyhood Cadet was connected with the cattle industry and soon acquired a wide knowledge of the agricultural resources of the colony. Circumstances enabled him to utilize his special knowledge, alike for the benefit of his country, his own gain, and that of his associates. From the intendency of Hocquart he had special connections with the commissariat department and had filled his engagements with promptness and efficiency. During the peace which followed the treaty of 1748, his well-organized and widely connected business in food products was rapidly developed. He was thus able to tender on advantageous terms for the steadily increasing commissariat requirements which the aggressive policy of France in America required. He was equally at home in the foreign trade of the colony. He had a growing fleet of his own and a varying number of chartered vessels engaged in the St. Lawrence and Atlantic trade. Deschenaux, the secretary of the intendant from Hocquart's time, recognized in Cadet a merchant of quite exceptional business capacity and enterprise among the Canadian traders, and realized the prospective advantages of hitching his own wagon to this ascending star. He laid his plans accordingly. Péan (q.v.) was also associated with Cadet and Deschenaux in their commercial transactions. These constituted the famous triumvirate who carried on so much of the general trade of the country. This organization played two quite distinct rôles in Canadian history. We have, on the one hand, their function as a remarkably efficient and successful commercial association, taking advantage of the usual conditions in time of war to carry on very extensive transactions, for the most part at high rates of profit. At the same time, on the testimony of even their critics and enemies, they effectively met the requirements of the government, alike in the camps and at the posts. On the other hand, we have the same association as seen

who, under the name of commissary general has made himself master of everything and gives to every man the price he asks; of having bought on the King's account at second or third hand, what you should have bought at first hand at half the price, of having made the fortune of individuals who

through the lenses of envy and malice on the part of unsuccessful competitors, strongly enforced by the general sufferings incidental to a war ending in defeat. From this point of view, apparently, no tales of heartless villainy were too mythical to obtain credence among the populace, or to be set down in the voluminous anonymous memoirs with which Berryer filled the colonial cabinets. It was, unfortunately, in the ministry of marine and colonies that Mde. de Pompadour found shelter for Berryer when his methods as chief of police and confidential spy for the court had so outraged the public sentiment in Paris, that he had to hastily resign that position, carrying with him to his new office the only equipment which he possessed. We soon find him indicating to Bigot, Cadet, as in this despatch, and other colonial officers, that he has accumulated new and confidential information regarding their operations which will enable him to thoroughly understand the conditions in New France. As a result of his reliance on these extensive anonymous accusations, his despatches revealed more ignorance of the actual conditions in Canada than those of any of his predecessors, and his failure in the department was more complete and more conspicuous than theirs. Thus he had soon to be removed, but many of his accumulated secret memoirs remained to deceive successive historians. Cadet's commercial enterprise, operating on his thorough practical knowledge of the economic resources of Canada, was the fundamental factor in the success of the triumvirate. His methods were quite modern. He bought up heavily when world supplies were abundant and cheap, and disposed of his accumulations at corresponding profits in times of scarcity. To facilitate these operations he had erected several good storehouses, conveniently located for both land and water transport, and in these he was able to carry supplies for two, or even three years. He also leased the largest and best equipped mills for the production of flour. Thus in years of scarcity such as 1755 and 1757 he was practically independent of the scanty Canadian harvests. This was a great boon to the public as preventing excessive competition for inadequate supplies, while his extensive purchases in years of plenty prevented a disastrous slump in prices for the farmers. Indeed he played the part in Canada of his illustrious namesake in Egypt, and apparently with as little gratitude on the part of those chiefly benefited. It is a popular conviction that private profit and public benefit cannot possibly coincide. Moreover, as the profits of Cadet and his associates accumulated, even in the lean years, there was a common public feeling that in some way Cadet's operations produced, or at least aggravated the dearth. Another of the far-sighted commercial enterprises exhibited by the association and frequently cited in the anonymous memoirs as further evidence of their malevolence, was the establishment at Quebec of a large commercial depot, from which were offered, at both wholesale and retail, all kinds of goods,—an early prophecy, indeed, of the modern departmental store. Alike to those who flocked to it for bargains, and by the general body of the merchants who found its competition ruinous, it was known as "La Friponne" or "The Rogue". It proved so successful that a branch was opened at Montreal with equally profitable and therefore reprehensible results. Incidentally it may be observed that Cadet was accomplishing what had been urged upon the government nearly a century before, by an observant official in France, that it should force back to the productive work of the farms the greater number of the petty retail traders, who even then overflowed the towns and even the country villages. Similar recommendations were being made to the government just before the loss of the colony, but the unpopularity of anything tending to reduce the swarms of petty middlemen was almost beyond expression, Cadet however was not content with negative contributions to the policy of "back to the land". He devoted part of his capital to engaging the unemployed in clearing and cultivating suitable lands, especially in the district of Quebec where the local food supplies were as a rule inadequate. The people so employed were paid in part in food from Cadet's stores. Apart from his unpopular commercial enterprises Cadet was noted for his kindness and generosity, including a lavish hospitality. Naturally, however, owing to the circumstances of his birth, his early associations, and want of education, he was sadly lacking in that conventional polish and refinement of manners so affected in the fashionable circles of Quebec, at that time more fastidious as to the social conventions of Paris than Paris itself. Cadet's purveying of government stores had extended with the needs of the aggressive expansion in Canada until, in 1756, he was practically discharging the functions of a commissary general. Already the French government was painfully conscious of the rapidly increasing outlays involved in its American policy. It recognized, also, the difficulty of controlling its own officials in the transportation and distribution of sup-

have relations with you, by the advantages which you have enabled them to derive from these purchases and from other enterprises; and of keeping the most magnificent establishment and of gaming on the grandest scale in the midst of the public misery. Also all the letters from the colony unite in attri-

plies over such vast territories. At length the Minister of Marine, Machault, inquired from Bigot whether among the purveyors in Canada any one could assume the whole responsibility of provisioning the government forces, military and civil, throughout New France, including such Indians as might be specified by the government. At first Bigot was doubtful of finding a single contractor to undertake so heavy and increasing an obligation. He considered, however, that at the time Cadet was the only one at all equipped for the task. It appears that Cadet himself had contemplated some such development from his existing contracts, and had submitted to the minister a general proposition in that line. The minister requested Bigot to examine this, as a possible escape from the prevailing abuses. See the minister to Bigot, 31st March, 1756, *Série B*, Vol. 103, p. 223. As a sequel to this Bigot asked Cadet, with Deschambeaux as most familiar with the conditions involved, to draw up a detailed contract to meet as effectively as possible all probable contingencies. The contract as drafted and finally approved by Bigot, was submitted to the experts of the Marine department in France. The terms of the contract are given in full by M. Barbier *op. cit.* in an appendix of documents, see p. 349. In his reply to Bigot of May 1757, (*Série B*, Vol. 105, p. 238 *et. seq.*) the minister grumbled at what he considered to be the high prices to be paid. The various rations and the prices to be allowed for each are given in articles 25 to 31 of the contract, see pp. 354-6. He professed to believe that prices would fall materially during the course of the contract which was drawn for ten years. As a matter of fact, of course, prices rose quite rapidly, as shown in the table of prices following this document, and as Montcalm and his officers so constantly represented to the minister with abundant quotations of a similar nature. The minister was more accurately prophetic, however, as to the probability of popular opposition in Canada to the monopoly features of the contract. He was careful to stipulate, therefore, in accepting it, that if it did not result in a considerable saving to the King, or even if it should otherwise give rise to valid criticisms, he should be at liberty to cancel it at any time. On the other hand, no remedy was afforded to the contractor should conditions prove exceptionally onerous for him. The contract was accepted by Bigot on behalf of the government, 26th October, 1756, to go into effect on January 1st, 1757. Needless to say, the contract was never repudiated, since, on the ground covered by it, it proved very economical to the government. For the same reason it was excessively unpopular with those who had previously benefited from the abuses complained of by the minister. Public sentiment ran strongly with the smaller dealers who found themselves shut out. The contract contained such terms as that the export of provisions from Canada should be prohibited until Cadet had acquired in either Canada or France two years' supplies of pork, beans, and flour. He was assured, also, of the services of a sufficient number of men to transport the provisions to the various parts of the country where they were to be delivered. As feared by the minister, this support by the government added to the local unpopularity of Cadet's contract. Taking advantage of the general dissatisfaction, a number of the Quebec tradesmen and produce merchants, associated with several members of the Council, submitted a proposal to furnish certain supplies for three years at rates which compared favourably with those of Cadet. To accept their offer meant a virtual rupture of the contract just made with Cadet. With characteristic shrewdness, however, Bigot took advantage of the stipulations inserted by the minister and invited the new organization to make good their offer. When thus taken at their word they with one accord began to make excuses, admitting, when pressed, that they were in no position to carry out their proposals, which they had evidently expected to be rejected, in view of the recent contract. None who had not Cadet's exceptional organization and equipment for an effective and economic handling of the situation could have sustained for more than a few months the burdens involved. He had to face dearth in Canada from 1757, increasing captures by sea of his own and his chartered vessels with their cargoes, which no insurance could replace in Canada. There was, above all, the rapidly declining value and final collapse of the paper in which he was paid. Under such increasing disabilities Cadet implored to be relieved from his contract, but Bigot refused, throwing the responsibility on the home government, in other words, on Berryer. Pending the outcome of his appeal there, and to prevent the forfeiture of the very large sums already due from the government, Cadet continued to fulfil his obligations with remarkable efficiency up to the final surrender of Montreal. Montcalm, May 15, 1759, pays tribute to the efficiency of his services and the spirit of good will which accompanied them in the midst of the most trying circumstances. See Barbier, p. 360. Meantime, the Crown could not meet its obligations to Cadet or protect by sea

buting this misery to bad administration, and in blaming M. de Vaudreuil for weakness in not having taken it upon himself to reform it, which it would perhaps be useless to hope for. But as it is of supreme importance for the Kingdom to put a stop to the stream of bills of exchange, of which you give

the supplies which he was sending to Canada to fulfil his obligations there. Among the letters on this subject, see the correspondence of the Marine Department from 4th January 1758 to 20th November 1759, *Série B*, Vol. 108, pp. 269, 272-4, 277, 309-12. A partial offset to his losses under the specific terms of the government contract, was obtained from special supplies and equipment of various kinds furnished to the commandants and other officials at the various posts. These were furnished under the direct orders of the commandants themselves, on the ground that they were essential to the King's service and were duly certified by them and the local controllers as to their character and value. Some of these supplies in both the west and the east were paid for in the shape of certificates for extra rations. This arrangement was utilized, for instance, by Vaudreuil on a large scale, as when, at the siege of Quebec, the governor pressed into service several of the vessels owned or chartered by Cadet, a number of which were destroyed or captured. For these Cadet was remunerated in the shape of blocks of certificates for rations, supposed to have been issued by him in the west, chiefly at Niagara. This arrangement coming to Bigot's notice, the certificates were cancelled and Vaudreuil, at a much later date, applied directly to the home government for the payment. See Vaudreuil's official declaration 28th September, 1767, given by Barbier, p. 381. The ultimate cost to the King was much the same by either method, but the technical irregularity of such transactions afforded excellent ground for charges of wholesale fraud by those entrusted with the prosecution of the Canadian officials. One result of Cadet's close fulfilment of his obligations under the contract and one of the chief causes of clamour from the populace of Quebec, Montreal and other urban centres, was the fact that the troops, militia, and civic officials, with their waxing and waning halo of savages at every western post, were regularly supplied with rations from Cadet's ships and stores, while in times of local dearth the urban population of the colony was sometimes on the verge of starvation. The rural population was equally indignant because everything, which in the opinion of the officials they might spare, was requisitioned under Bigot's orders at rates intended to be a compromise between normal and famine prices. Thus, in the effort to equalize the calamities of war, the unfortunate intendant was execrated by the farmers as a robber and by the townspeople as an extortioner. After the capitulation of Montreal Cadet returned to France with Vaudreuil and the other chiefs of the colony. The court, whose bad management of the war was being reflected in successive disasters the world over, which roused adverse public sentiment to a high pitch of alarm and indignation, naturally cast about for victims to draw the lightning. These seemed to be provisionally supplied in the lately arrived officials from Canada, the scene of the last great disaster. Accordingly they were ostentatiously seized upon and cast into the Bastille. Those who had managed in a more or less miserly spirit to conceal their wealth, assuming the garb of poverty or of injured innocence, were soon released, regardless of their personal responsibilities for the irregularities incidental to all wars; while those who had displayed their wealth, especially in the form of generous relief of public suffering or lavish hospitalities to the officers and other elements of high society at Quebec and Montreal, were extremely opportune objects of attack and were followed up with great rigour. Among the latter the most prominent were, of course, Bigot and Cadet and they drew the lightning accordingly. Cadet, in addition to a specific fine, was condemned to make restitution to the extent of six million livres and was banished from Paris. When the storm of popular feeling had spent itself, justice assumed a more lenient mood, in the case at least of those for whom court favour or other influence could be brought to bear. Cadet was one of the favoured. Not only was he allowed to return to Paris but actively employed by the government in disentangling some of the financial features of colonial administration. See letter of grace from the King, 5th March, 1764;—Barbier, p. 377. In the course of time it was discovered that he had many extensive and valid claims against the government for extraordinary services and expenditures after the suspension of payments. On the ground of adjusting his affairs in Canada, he was not only permitted but assisted by the government to return there for a time, after the peace of 1763. This visit gave considerable alarm to Governor Carleton whose military point of view enabled him to perceive in the visit the laying of plans for the recovery of Canada by France, should friction continue to develop with the British colonies to the south. See Carleton to Hillsborough, January 18, 1769, Q. 6, p. 9. For the French side of the promotion and assistance granted to Cadet for this visit, see *Série B*, Vol. 120, pp. 357-60. After reorganizing his finances, Cadet embarked on a remarkable career of land speculation in the purchase and renovation of ancient French estates with

notice for the end of this year, it is the purpose of the King, to whom I have reported on them, that you shall draw absolutely no more except for the pay and maintenance of the troops of the line and those of the colony, and for the indispensable expenditures of the colony respecting the military service, to which H.M. urges you to apply the greatest possible economy, as you must have observed from my earlier letters. And you will take care to indicate either in the heading or on the margin of the bills of exchange which you issue, the nature of the expenditure for which they are drawn. I warn you that, in default of this precaution, these bills will not be paid in France.¹

[Not signed]

* *In My Lord's writing.*

P.S. In My Lord's writing.

I beg you to reflect most seriously on the manner in which the administration confided to you has been conducted up to the present. It is more important than perhaps you think.

I REQUEST FOR COINED MONEY FOR BILLS OF EXCHANGE

II DRAWING OF BILLS OF EXCHANGE

I. Year 1759.

.....

The intendant has begged the officers and private persons who have coined money in their hands, to be good enough to remit it to him for bills of exchange on the Royal Treasury or on his banker. He has need of it to purchase wheat.²

.....

dilapidated chateaux. Over the head of this enterprise he sought, but without success, to have himself vested with one at least of the ancient titles incidental to these estates. After a period of promising fortune, his land speculations, chiefly through an incompetent associate, turned out very badly and by 1774 he was deeply involved in debt. He died practically bankrupt in 1781.

¹ As to Berryer's knowledge and treatment of the Canadian situation see note 1, p. 887.

² Anticipating the suspension of payment of the Canadian paper, confirmed by the order of 15th October, 1759, see p. 929, following several postponements, the decree by the government resulted in its almost total discredit in the eyes of the common people. Most of the farmers refused, save under immediate compulsion, to part with their produce for anything but coined money, hence this appeal by Bigot, who, like Cadet, was employing his own resources in both Canada and France in support of the King's service. This action of Bigot's is touched upon also by M. Bernier in his historical summary of the note referred to in his despatch of September 19, 1759, to the Duc de Belle Isle (see N. Y. Documents, Vol. X, p. 1009, with quotation from p. 1003): "Provisions began to fall short; we were about to be conquered by famine. All those who had specie were invited to give it for bills of exchange at sight on the Intendant's bankers; with that wheat was obtained from the farmers". He adds that beef was available because the farmers could not hide their cattle as they did their grain. This action on the part of the intendant resulted in almost the last of the coined money in the colony following nearly all of the previous importations into the pockets of the *habitants*, with the result that those who returned to France carried with them nothing

II

.....

The 7th [October] Malartic¹ left, by order of the General, after the petition of the five battalions, to go to Montreal, to request bills of exchange for the subsistence of the troops of the line from the first of May to the first of November, and to work at providing quarters for the seven battalions that were to winter in the Government of Montreal. He arrived on the 9th, found the roads very bad and learned that the intendant had been forced to give bills of exchange to the merchants, on the well founded remonstrances they had made to him. A proclamation was beaten giving notice that the next day they would begin to receive the *ordonnances* for the drawing of bills of exchange up to the 15th inclusive.*

On the 11th another proclamation was beaten to announce that the withdrawal of the *ordonnances* would end on the 13th, p.m. That caused a great outcry.

.....

**Note by Malartic*: "They call *ordonnances*, money notes for the sums of 20^s, 3^l, 6^l, 12^l, 24^l, 48^l, and 96^l, which in the month of October were returned to the Treasurer, who gave receipts which were next converted into bills of exchange on the Treasurers of the Colonies, payable in three years. There were also cards, engraved with the King's arms, of 5, 10, and 20^s, 3^l, 6^l, and 24^l."

but paper. Bigot's own account of this transaction is given at considerable length in his memoir. After all official efforts had been made, on the combined authority of the governor and intendant, to requisition supplies in the district of Montreal, with the offer of 30 livres per bushel for wheat, nothing was forthcoming, the women being in charge of the farms. Bigot applied to Montcalm to induce his officers on patriotic grounds to advance what coined money they had in return for bills of exchange of the first draft. They declined, however, unless Bigot would furnish drafts on his own bankers in France. This he ultimately consented to do and raised thereby 110,757 livres in coin, with which he purchased wheat at 15 livres per bushel (*minot*). See Bigot's *Mémoire*, part 1, pp. 217-19.

¹ Malartic went to Montreal to make the arrangements referred to as the result of a conference of all the commanding officers of the troops with Levis, after the death of Montcalm. Levis is the general referred to. Ann Joseph Hyppolyte de Maurès, Comte de Malartic was born at Montauban 3rd July, 1730. His family was one of the most ancient in Armagnac. In 1745 he entered the regiment of la Sarre and shortly afterwards passed to that of Béarn. With the latter he went to Canada in 1755 in the army of Dieskau. After Montcalm's arrival he was attached to him in all his operations, having the rank of major and was intimately associated with Levis, Bourlamaque and Bougainville. He compiled Montcalm's journal of the expedition which resulted in the capture of Oswego, August 1756. He was wounded at the battle of Ticonderoga, or Carillon, 1758, and received the Cross of St. Louis. He was with Montcalm at the battle of the Plains and was also with Levis in the counter attack on Quebec, April 1760, where he was again wounded. He returned to France with the army and was afterwards, 1763, promoted to the rank of colonel. He continued to serve with distinction in various parts of the world, as in the West Indies, being commandant at Guadeloupe in 1770. In 1792 he was established at l'Île de France as governor of the French posts to the east of the Cape of Good Hope, with the rank of Maréchal de Camp. He died there in July 1800. Much interesting information on the closing years of French rule in Canada is furnished in his *Journal des Campagnes au Canada de 1755 à 1760*, published in Paris 1890.

THE FINANCIAL SYSTEM OF NEW FRANCE IN 1759¹

REMARKS ON THE GOVERNMENT [ca. 1759]

FINANCES.

There is an intendant who has under him a commissary performing the functions of controller and stationed at Montreal. The intendant himself resides at Quebec which is the place at which all the ships coming from France discharge. There is a controller who resides at the same place, as also an agent of the Treasurer of the Marine, with a sub-agent at Montreal. There are several chief clerks and ordinary clerks, a store keeper for the King's goods and other articles, and one at Montreal. From these two places all the expeditions sent to the posts of the colony leave, and there purchases are made when all the necessary goods do not arrive from France. In each fort, there is a store keeper who makes deliveries on the orders of the commandant; the storekeepers of Quebec and Montreal do so on those of the intendant or commissary.

The intendant issues, so far as he deems necessary, currency notes which are the money of the country. They are of forty-eight livres, twenty-four livres, twelve livres, six livres, three livres, thirty-six sols and twenty sols, and, for a year past, there have been some of ninety-six livres and of one thousand livres. In addition, there are cards which are of twelve, six and three livres and of thirty and fifteen sols: these are signed by the governor, intendant and controller. In the month of October, all those who hold these notes or cards bring them to the treasurer, who gives them receipts for their total amount and at the end of the period, which is towards the 25th October, the treasurer accepts no more. Bills of exchange are then sent to those who hold the receipts. The total amount is divided into three terms and, in accordance with this arrangement, there are sent to each person, three bills of exchange, the first payable at the end of the year, the second at the end of the following, and the third at the end of the third year. These bills are issued by the treasurer and signed by the intendant.

No payment is made at the Treasury which is not authorized by the intendant at Quebec, and by the commissary controller at Montreal. Purchases are paid for on certificates issued by the store-keepers, to which are attached the receipt of the seller and the order for payment. Other expenditures, as for day labour, public works, wages, salaries, are paid on a simple order. In the case of the special works surrounding these two cities, there is an approved person who gives certificates for day labour or for sums due, stating the reasons for them, which certificates are taken by those who have earned them, into Montreal or Quebec, but more commonly into Montreal, where the intendant or commissary countersigns them, after which the treasurer pays them without

¹ Charles de Plantavit, Chevalier de la Pause, from whose papers the above is an extract, was an officer of the battalion of Guyenne. He served during the war in Canada from 1755 to 1760 discharging many important commissions. Like Malartic and Desandrouin he kept a journal, affording a record of the actions and activities in which he was engaged. The importance of this for the military history of the period is generously attested by Senator Chapais in his volume.—*Le Marquis de Montcalm* (Quebec, 1911); see preface, p. x.

question. One fourth denier per livre is retained from all that passes out of the Treasurer's office, and one livre for every receipt at the forts on the certificate of the store-keeper countersigned by the commandant.

.....

VAUDREUIL'S EXCUSES FOR NOT SUPERVISING THE FINANCES

Montreal, October 15, 1759.

My Lord:

I had the honour to inform you by my letter of May 20, that the existing circumstances did not permit me to take cognizance of the finances, and that I could not do it so long as the war lasted.

M. Bigot wrote me as soon as he received your letter on this subject, and indeed he sent it to me to know if I wished to sign the notes which serve as money and give my attention to the duties you charged him with.¹ I replied to him that that would not be possible for me, so long as the war continued.

The Intendant, since our return from the army, has again spoken to me on the matter, and he has shown me the letter he had the honour to write to you on this subject, in reply to yours.² I agree with him as to the difficulty of explaining the reasons for the notes on the Treasury which are to serve as money in place of the cards. He had the honour of laying before you the inconveniences. What is certain is that there must be some sort of paper which may circulate in the country for lack of cards, or coin must be sent from France, but the simpler course would be to increase the million of cards that there are in the colony, by several other millions. It will be for you, My Lord, to decide, and if you still think it necessary for the good of the service that I take cognizance of the finances, I shall do so when peace is restored.

I cannot conceal from you, My Lord, that the Intendant has imparted to me his grief for the suspicions you appear to entertain as to his administration, as appears from the letters he has received from you.³ He does not deserve them, I am sure. He is full of zeal for the King's service, but as he is rich, or at least, passes for such, and as he is a man of merit, the malevolent people are jealous of him and insinuate that the King's finances have contributed to his riches. Intimations of this kind have been made to me against him, but I have good reason to be assured that all he has done is contrary to what people have wished to make me believe, and I see no person who has more at heart the interests of the King or who is a better citizen than he.

The Intendant notified me after the return of the paper at the Treasury that there was thirty million livres of it, including what he must give to the commissary. I was not surprised at it, because the expenditures must be much greater this year than last. He asked me if I thought he ought

¹ See Berryer's letter to Bigot, 19th January, 1759, given at p. 879. A similar letter was sent to Vaudreuil on the same date, see *Série B*, Vol. 109, pp. 47-52.

² This despatch of Bigot's has not been found; probably it did not reach France.

³ This doubtless has special reference to Berryer's letters, 19th January, see p. 879; 3rd February, see *Série B*, Vol. 109, fol. 65, and especially that of 29th August, 1759, given at p. 911, in which for the first time the minister makes a savage attack upon Bigot personally.

to have the bills of exchange drawn for four terms instead of three, or to return to the public a quarter of the notes turned in, and draw only for three quarters. I advised him to do nothing of the kind and to continue the practice of the three terms in its entirety for all the paper returned. For if he did otherwise, that would lead to an increase in the price of everything, which is already driven up excessively; there would be a total discredit of the paper, which the proximity of the enemy is already causing to too great an extent, and it might be feared that the inhabitants of the country districts would envy the situation of those in Quebec who receive for their work coined money only.

Finally, My Lord, I imagine this is the last year in which the expenses will be carried so high. I am of opinion that they will diminish considerably next year.

[Signed] VAUDREUIL.

SUSPENSION OF PAYMENT OF BILLS OF EXCHANGE

I

Versailles: October 15, 1759.

THE KING HAVING HAD PRESENTED to him in his council an account of the bills of exchange drawn in the last three years on the Treasurers General for the Colonies by their agents in Canada, Louisiana, St. Domingo, Martinique and Cayenne, arising from the expenditure on the war, together with the payments made on them by the said treasurers; His Majesty observes that the bills of exchange matured to date, and amounting to very considerable sums, have been punctually paid at their maturities from the funds which, in spite of the difficulties of the times, he allocated for that purpose. But there remain to be paid, of those registered in the usual way by the said treasurers, in the order in which they have been presented to them, several millions payable at various maturities in the last months of this year and in the course of the years 1760 and 1761. He has been informed, at the same time, that, beyond the bills of exchange remaining to be paid of those registered by the said treasurers, there have been others drawn for very heavy amounts, for what purpose is not known, since they have not been presented to the said treasurers and the accounts pertaining to them have not arrived. And His Majesty having considered, on the one hand, that in the present condition of the finances and with the other expenditures which the war renders unavoidable, it would be absolutely impossible to pay the said bills of exchange with the same promptness which has characterized the payment of those maturing up to the present, and, on the other, that it was necessary to check the excessive amounts of the said drafts by putting limits to them in each colony, he has resolved to explain his intentions both as to the payment of the registered bills still unpaid and as to the limitation of the purposes for which it shall be permitted to the agents of the said treasurers general in the colonies to draw in the future; also as to the form in which they are to be made out, both as regards bills which have been drawn up to the present but have not been registered, and those which may still be drawn before the said limitation can be put into effect in the colonies; and also as to measures necessary to put an end to the abuses which have crept into the expenditures and employments giving rise to the said drafts. Wishing to provide for which, the report [*etc.*] having been heard,

THE KING, being in his council, has ordered and hereby orders that there shall be a suspension, during the war, of the payment of the bills of exchange registered by the Treasurers General of the Colonies (a statement of which is attached to the certificate of the present decree); that, beginning three months after the conclusion of peace, payment of the said bills shall be punctually made by the said treasurers general, at the rate of five hundred thousand livres per month, according to the order and dates of their maturities, and that meanwhile interest at the rate of five per cent. per year shall be paid by the said treasurers general every six months, reckoning from the day of their maturity until the day of their payment. His Majesty desires and requires that, in future, there shall be drawn on the said treasurers by their agents in the colonies, no bills of exchange save only for those sums necessary for the payment of the salaries of the officials and employees in each colony, for the pay of the troops there maintained, for the outlays made for the ordinary subsistence and clothing of the said troops, for the special subsistence of expeditionary detachments, and for the purchase of arms and munitions of war. His Majesty expressly prohibits and forbids the said agents to draw on the Treasurers for the Colonies for any other purposes whatsoever and under any pretext whatsoever. His Majesty also orders that, in all the bills of exchange hereafter drawn, express mention shall be made of the nature of the expenditures for the payment of which they have been issued, that they shall not be issued until after they have been countersigned by the intendant of the colony, and that whenever an issue is made of bills of exchange thus explained and endorsed, there shall be rendered special statements for each form of expenditure, which shall distinguish the bills of exchange by numbers and shall set out their amounts, their dates and their maturities as well as the names of those to whose order they are drawn. And these statements, signed by the agents and endorsed by the intendant, shall be sent without delay by the agent to the Treasurers and by the intendant to the Secretary of State for the Department of the Marine, to be by him accounted for to His Majesty, together with the memoranda, which the intendant shall be obliged to attach to them, of the expenditures relating to the said drafts. His Majesty from this present date enjoins the said treasurers to pay promptly at their maturity and from the funds to be assigned therefor, the bills of exchange made out as specified and included in the said statements. And with regard to the extraordinary expenditures made and to be made in the colonies, other than those the purposes of which are above indicated, His Majesty desires and orders that the said intendants shall verify them by memoranda which shall distinguish the various types, their purposes and their amounts, and that they despatch the said memoranda to the Secretary of State for the Department of the Marine, in order that, on the report thus rendered by him to His Majesty, he may ordain that which is fitting with a view to accomplishing the definite liquidation of the said expenditures and providing for the payment of that which is legitimately due. And as to the bills of exchange which may have been drawn and delivered since the issue of those registered by the treasurers general, [His Majesty] orders that their payment shall be suspended for eighteen months, and that the said intendants shall send to the Secretary of State for the Department of the Marine, memoranda of the expenditures for which they were given, in order that, on a similar report by him to His Majesty, he may ordain what is fitting as to the payment of the said bills of exchange, both principal and interest. And in the case of law suits arising from the suspension of payment of the said bills of

The terms concerning the bills of exchange drawn and remaining to be paid, and those which may be drawn up to the time when the arrangement prescribed comes into effect, tend to impair the credit naturally attaching to bills of exchange. But, in the end, the interest allowed to the holders during the period of suspension meets all that justice and equity can require in a measure of this kind.

With regard to the terms involved in the prescription for bills of exchange in the future, they are of no interest to the merchants of France, except in so far as they should be made acquainted with the form appointed for those which are drawn in consequence of this prescription.

You will see by the decree that the King reserves to himself the cognizance of the disputes which may arise out of the suspension of payments, and you will easily perceive that this provision is intended to save trade from the multiplicity of suits to which it would be exposed without it.

I am very pleased to acquaint you in advance with these arrangements, with a confidence of which it is always a pleasure to afford you evidence. I rely so much on your zeal as to have no doubt that you will follow a course in accordance with the explanations I have entered upon with you.

[*Not signed*]

INSTRUCTIONS AS TO BILLS OF EXCHANGE TO BE DRAWN
IN 1760

Versailles, Feb^y 8, 1760.

TO M. BIGOT.

I was only too correct, Sir, when last year I indicated to you the painful impressions the administration of the finances of Canada had made upon me. I foresaw then the distressing situation in which we should find ourselves in meeting such great expenditures, and the cruel necessity of suddenly stopping payments. It is only after having exhausted every resource that the King has decided to suspend the payment of bills of exchange. I shall not enter with you into any greater detail in this regard; you will find the motives sufficiently explained in the decree of the Council, which I attach hereto.¹

I merely observe to you that His Majesty, having always before him the interests of the merchants in whose hands all the bills of exchange are to be found, has confined himself to ordering a limited suspension, allowing to the holders of the bills of exchange which have been registered the interest during this suspension; but as, on the other hand, it is indispensable to set limits for the future on all these drafts, His Majesty has prescribed the objects for which bills of exchange may be drawn, and has fixed the amount. To inform you regarding both, I attach herewith the tabular list which His Majesty has prescribed. You will observe that it amounts to a total of 2,400,000 livres. His intention is that under no pretext whatsoever are bills of exchange to be drawn this year in excess of this sum. They would not be paid. But on the other hand, as arrangements have been made to meet this amount, His Majesty is agreeable that the 2,400,000 livres be paid in the course of the year

¹ Given at p. 929.

1761. You will, in consequence, have all bills of exchange drawn only upon that appropriation, distributing the dates of maturity over the last nine months.

Before entering into particulars with you as to the operations you must conduct alike for the payment of the expenditures for the current year and for the drawing of the bills of exchange relative thereto, I observe to you again that His Majesty expects that you will give all your care to allaying the apprehension which this suspension may cause in people's minds; the attachment to the service which the people of Canada have shown at all times and on which His Majesty relies as firmly as ever, leads him to hope that you will find no difficulty in succeeding in this, when you let them know the desperate situation of the finances of the Kingdom, the special concern that has been shown in granting interest to the holders during the delay in payment, and finally, the assurance which you can give them, on behalf of His Majesty, of the payment of expenditure within a year which he has thought fit to fix at 2,400,000 livres. His Majesty relies so much on your zeal that he is confident that you will make good use of this explanation of his intentions, and he knows too well the fidelity of the Canadians not to be assured that they will yield themselves willingly to compelling circumstances, His Majesty having the firmest resolution to pay off the capital as well, just as soon as times become more propitious.¹

Furthermore, you will see by the decree of the Council that His Majesty reserves to himself the cognizance of disputes which may arise as the result of the suspension of the payment of the bills of exchange. If dispute should arise among the inhabitants or on the part of the trade of France with them, you will suspend them. They will easily understand, as the merchants in France have done, that this measure has no other object than to spare the inhabitants and merchants from the multiplicity of suits to which they might be exposed.

You will have to look after an operation ordered by the decree of the Council which directs you to send me special schedules of the bills of exchange which have been drawn and issued since the distribution of those which have been registered by the Treasurers General of the Colonies, the payment of which is suspended for eighteen months. As appears from the schedule you sent me last year of those which were drawn, you will not have made out any bills of exchange, at least I presume you have issued none since those that arrived in France by the last vessels; but you will have to draw up a detailed statement of the expenditures paid or remaining to be paid on the operations before and after the decree, up to and including December 31 of last year, and you will send it to me, so that I may know the total amount of the expenditures the payment for which is suspended.

After having thus arranged the expenditures prior to 1760, you will have an exact register kept of all those made during the current year; you will deliver, for new expenses only, the notes on the Treasury which I am sending

¹ Choiseul as chief minister did not at all agree with the drastic policy of the suspension of payment of the bills of exchange, especially on the professed ground of the exhaustion of the national treasury. He foresaw the natural consequences to be, not only the total discredit of the colonial paper, but a serious impairment of government obligations in any form. See his letter to the Controller General of 25th October, 1761, when he took over the department of the colonies from Berryer, *Série B*, Vol. 113, pp. 286-92. This would account for Berryer's feverish anxiety to prevent confirmation of this criticism by a general discredit of the colonial paper, and therefore his desire that the governor, intendant, and bishop should employ every possible means to calm the minds of the people of the colony on the subject of the suspension. See also his circular to the French Chambers of Commerce, given below p. 947.

to you by the vessels from Bordeaux, and which are drawn up in a new form; you will identify these notes according to the nature of the expenditure which gave occasion for their issue, and in relation to the several headings contained in the statement which His Majesty has decreed and which I am sending to you signed by myself. When in the month of October these notes are returned to be converted into bills of exchange, you will correspondingly specify on the bills of exchange, with their amount, the nature of the expenditure as indicated on the notes which form the subject of the conversion. No extensive specification is necessary, it will suffice to indicate the headings of the sections.

This detail to which I desired to subject the classification of the expenditures of Canada last year, and which you considered impossible on account of the multiplicity of the expenditures, will be easier today, partly on account of the reduction of these expenditures, and partly on account of the small amount to be drawn for, which is fixed at 2,400,000 livres. You will find the printed bills of exchange which I am sending you, along with forty notes of a form equally new.¹

This new form in the notes and bills of exchange is given to them solely to assist you in making up the schedules of the former expenditures, and in order that, in the inspection of the money notes, they may be easily distinguished. This form is in no way intended to favour the previous expenditures. It merely proceeds from the terms of the decree of the Council, and will contribute to make your work clearer.

[If, however, circumstances force you to exceed the expenditures of the colony, as fixed at 2,400,000^l, although in no case are you to draw in excess of this sum, you will be good enough to have a schedule drawn up of the excess expenditures and to send it to me as exact as is possible.] I should think, indeed, that the 2,400,000 livres will be sufficient, since the greater part of the items of the expenses consisted in the consumption of goods which took place in the forts and the distant posts, and the reduction in the number of forts and the nearness of those remaining ought to bring about a reduction in the expenses, and greater facility in establishing order and preventing abuses. [Since I am not entering into details as to the finances with M. de Vaudreuil, I request you to communicate to him this letter, so that he may

¹ These new forms of treasury notes and bills of exchange did not reach Bigot, although the instructions regarding them and the limitations of expenditures did. The latter were sent up from Gaspé, which the French vessels referred to reached in the spring of 1760. Bigot, writing to the minister from Montreal, 26 June, 1760, (*Série C^{II} I*, Vol. 105-1, p. 224) states that, not wishing to infringe on the instructions prescribed as to the drawing of exchanges for that autumn and which were limited to a total of 2,400,000 livres of the treasury notes of the new form, he had narrowly restricted his payments. He had drawn for only the permanent salaries, the soldiers' pay, ordinary and extraordinary gratuities and the wages of employees specified in the list sent him. He points out, however, that in the payments authorized no provision was made for the civil administration, the clergy, ordinary supplies such as provisions and firewood, travelling expenses, including the transport of workmen, the construction and operation of batteaux, emplacements for artillery, hospitals, etc. Obviously, without provision for such services as these the French operations in Canada must be quite paralyzed, hence Bigot indicates that until he receives more specific instructions from the minister he will continue the more indispensable services. Should the new treasury notes and bills of exchange arrive before the end of the year, he will conform to the instructions regarding them from the 1st January next, 1761. Before that time, however, no further assistance having arrived from France, Vaudreuil had surrendered the whole colony, 8th September, 1760.

become informed as to the intentions of His Majesty and the arrangements which have been made. He will be able to assist in allaying the anxiety of the people as to the currency notes and the bills of exchange¹.] Furthermore, in the statement drawn up, you will find some items of expenditure set out in full, such as the pay of forty companies of infantry and two companies of artillery, and as neither of them is complete, there should be a surplus, as well as under the heading of salaries to be paid to employees for the distribution of provisions in the colony. I shall enter into greater detail with you with respect to these provisions, in a special despatch.

Not signed.

FUTURE PAYMENT OF BILLS OF EXCHANGE

Copy of the letter written by the Marquis de Vaudreuil and M. Bigot, Governor and Intendant of Canada, to all the Captains of the Parishes of the Colony, dated Montreal, June 15, 1760.

We have just received, Sir, a letter from the minister, who orders us to announce on behalf of the King, to the colonists and inhabitants of Canada, the suspension of the payment of the treasurer's bills of exchange which His Majesty has been forced to make. He directs us to explain to them that the bills of exchange drawn in 1757 and 1758 will be punctually paid three months after the peace, with interest to be computed from the date they fall due until that of payment; that those drawn in 1759 will be paid in 18 months, and that the treasury notes or ordinances will be retired and fully paid as soon as circumstances permit.

His Majesty at the same time orders us to assure all subjects that it required nothing less than a total exhaustion of his finances to determine him to come to such a decision; but that he counts sufficiently upon their fidelity and attachment, of which they have given so many proofs, to be assured that they will await with patience and confidence, the payment of all these sums.

You will read this letter at the door of the church at the close of the mass on a holy day, and you will explain it to the *habitants*.²

[*Signed*] VAUDREUIL & BIGOT.

¹ Berryer did, however, write to Vaudreuil on February 22nd, re the suspension of payment of the bills of exchange, urging him very particularly to calm the minds of the people owing to the popular uneasiness which the action on the part of the government was likely to produce. The circular letter which follows was the joint response of the governor and intendant.

² Bernier, writing from Trois Rivières five days later says that the news of the order of 15th October last suspending the payment of Canadian bills of exchange, together with the rumour of the investigation to be held as to the purposes for which these bills were issued, has occasioned a panic in business and in the sentiments of the people, more easily imagined than described. The rumour, also, that the bills certified as for the pay and sustenance of the troops will be promptly paid has occasioned further complaints. General Levis has issued an order to the army corps, that each one send in to him their bills of exchange and ordinances which he will petition the minister to pay. It is impossible to imagine the effect of the order on the paper money which is their only means for procuring supplies. The intendant has used every means possible to create a favourable view of the royal order and has issued a circular letter on the subject. See *Guerre, Correspondance*, Vol. 3574, pp. 115-121. Murray's comment, which follows this document, did not improve the credit of the Canadian Paper. When later the loss of the colony was confirmed, subject to the terms of the subsequent peace, Vaudreuil and Bigot issued a further circular dated

MURRAY'S COMMENTS ON THE FOREGOING¹*General Murray to the Captains of Militia.*Quebec, 27th June, 1760.

Sir:

We have seen the circular letter dated Montreal the 15th June and signed, *Vaudreuil and Bigot*. As they have been pleased to address certain explanations to Canadians who are his Britannic Majesty's subjects, we think fit to submit to you those which they wish to omit.

By the *arrêt* rendered by the King of France on the 15th of October, 1759², he promises to pay the registered bills of exchange of 1757 and 1758, commencing three months after the peace, at the rate of 500,000 livres a month, with interest; the whole payable according to the order of their maturity. As this includes the paper of all the other Colonies as well as that of Canada, it needs no great arithmetician to calculate in how many years 100 or 120 millions will be paid at the rate of six millions a year.

15th September 1760, in which they state that in view of the alarm of the people as to the redemption of their paper money, they wish to assure them of their personal confidence, supported by the promises of the King, that this money will be redeemed when circumstances are more favourable, the present delay being due only to the exceptional expenditures necessitated by the war. The Canadians should therefore await the outcome with patience and confidence. They promised to spare no pains on their return to France to obtain from the King the fulfilment of his promises with the least possible delay. On these grounds they exhort the Canadians to continue among themselves the circulation of the paper money. See Haldimand Papers (Canadian Archives' Series B), Vol. 1, p. 129, also Vol. 27, p. 52. The following day a copy of this notice was sent by Haldimand to Amherst, with an inquiry as to what attitude should be taken with regard to it. To this Amherst replied from Montreal that no official notice could be taken without implying a certain sanction of it. But in order to favour the common people as much as possible, it was desirable to shut ones eyes to the fact of the voluntary circulation of the paper money (B, Vol. 1, p. 132). Colonel Burton when put in command of the district of Three Rivers, took a different view of the situation. Assuming Murray's declaration of June 27th 1760 to be evidence of the worthlessness of the paper money left in the country, he regarded all efforts to promote its circulation as attempts to defraud the people. He therefore issued an order, of September 22nd 1760, to the Captains of the Militia throughout the district, to be read by them to the inhabitants of the respective parishes forbidding them to receive or give in payment for goods any of the cards or other paper money, those who violated this order to be severely punished. See report of the Public Archives 1918, *Règne Militaire*, pp. 84-5. Later, Burton and Amherst had evidently discussed the subject of the official attitude to be taken towards the paper money. In a letter of November 19th 1760, Burton, writing to Amherst, states that if he had understood him aright all disputes as to property and all obligations involving paper money shall remain undisturbed for the present. Replying to this on January 1st 1761, Amherst approves of the understanding that the paper money is not to be regarded as having any standing. All disputes which cannot be settled by voluntary agreement between the parties must remain suspended until the King's pleasure is known. See Series B, Vol. 21, p. 32. Thus the matter stood for a time; but, finding that arrangements were being made in France looking to the liquidation of the bills of exchange which had been transferred there, the holders of the miscellaneous paper in Canada, chiefly cards, ordinances and receipts for these, began to agitate for its redemption. Thus Burton writing to Amherst, 5th April 1762, reports that the people in the district of Three Rivers are becoming clamorous for something to be done towards a settlement in some form of the paper which they hold. Nothing definite, however, could be done until the ultimate fate of Canada was settled by treaty. See also note 3, p. 993.

¹ New York Documents: Vol. 10, p. 1099. Revised Translation.

² Given above p. 929.

The circular letter of Mess^{rs} Vaudreuil and Bigot conveys that the bills of exchange drawn in 1759, will be paid 18 months after the peace; but the King's edict says expressly, that as regards those of 1757 and 1758 which are not registered, as well as those of 1759, they will not be examined until 18 months after the peace, his Majesty reserving to himself to order then whatever he shall see fit.

It is to be presumed that the circular letter speaks more truly when it says, that the notes or ordinances will be retired and duly paid as soon as circumstances will permit, because circumstances will never permit.

His Majesty, as it appears to us, seems to believe that the malversations of his servants have fully contributed to the bankruptcy he is obliged to undergo.

You will read this letter at the door of the church, at the close of the mass on a holy day, and you will explain it thoroughly to the *habitants*; after which you will cause it to be affixed to the said door, and take care that it be not removed on any pretext whatsoever.

[Not signed]

A true Copy

[Signed] H. T. Cramahé.¹

Indorsed—Circular Letter to the Captains of Militia in answer to that from Mons^r de Vaudreuil & Mons^r Bigot, in B. G. Murray's Sec^{ys} of Sep^r 10. 1760.

¹ Hector Theophilus Cramahé was born 1720 of a family of French refugees who had settled in England in 1740. He entered the British army as a volunteer. Most of his services from 1741 were in the foreign field in connection with the 15th Regiment of foot. This permitted of his fairly rapid promotion until he had reached the rank of captain in 1754. He served in the West Indies and in campaigns in Flanders and on the borders of France. He was at the siege of Louisbourg in 1758 and that of Quebec the following year. When Murray succeeded to the command at Quebec he appointed Cramahé as his secretary, in which capacity he signed numerous official documents, such as the one here given. On November 2nd, 1760, he was appointed a member of the military council at Quebec of which he was also the official secretary. In 1761 his regiment was ordered south, but he obtained Lord Amherst's permission to sell his commission and remain at Quebec in a civil capacity. At the close of the military regime he was continued by this patron Murray as a member of the new council, but, as in his previous appointment, without the official sanction of the home government. This difficulty he was able to have remedied when he went to England in 1766. The Board of Trade recommended to the King that his position should be regularized by the issue of a royal mandamus confirming his appointment with all rights and privileges from the first. The mandamus was duly issued and registered in the council of Quebec 24th September 1766. Thus was preserved his seniority in the council and his claim to the position of president. Later, when Carleton left for England in 1770, he succeeded, by proclamation of 9th August of that year, to the position of administrator of the province in virtue of being the senior member of the council. He received his formal commission in 1771 and continued to serve in this capacity until Carleton's return, 18th September, 1774. Previously, when those appointed by the home government in 1764 as lieutenant governors of Montreal and Three Rivers refused to act under Murray, the latter reported to council that he regarded the positions as vacant and appointed P. E. Irving as lieutenant governor of Montreal and Cramahé of Three Rivers. After the passing of the Quebec Act Cramahé received a commission as lieutenant governor of the province, but he lost this office, May 1st, together with his position as a member of council, retaining only the office of judge advocate on the American staff, which, in 1782, seemed likely to disappear also. He had much to do in various ways with the currency and finance of the province. At an early meeting of the council of Quebec, after the establishment of civil government in 1764, Cramahé and Dunn were appointed a committee to prepare a draft ordinance for the regulation of the currency of the province which was then in much confusion. In July 1767 when Thomas Mills, the first Receiver General of the pro-

DESPERATE CIRCUMSTANCES OF OFFICERS RETURNED
FROM CANADA¹

I

La Rochelle, 25th November, 1760.

TO MARSHAL DE BELLE ISLE.

.....
 May I, before terminating this letter represent to you the circumstances in which all the officers, from the highest to the lowest, who are returning from Canada, find themselves. They are absolutely without money; their pay has been issued in bills of exchange up to the last of August. Each of them may perhaps have paper money but that is of no value here.

II

La Rochelle, 25th November, 1760.

TO M. DE CREMILLE.²

.....
 Three months' pay is still due them. If it be possible, my Lord, to have them paid by the Marine from the 1st of September to the 1st of January, it would be a great relief to them for the journeys and other expenses they have to undergo, and whilst waiting the maturity of their bills of exchange, the majority having no other means than their pay.

UNPAID BILLS OF EXCHANGE TO BEAR INTEREST

Circular to the Chambers of Commerce

Versailles, Dec^r 15, 1761.

There was nothing I desired more sincerely, Gentlemen, when the King entrusted to me the Department of Marine and Colonies, than to submit a proposal to His Majesty to restore to the bills of exchange of the colonies the credit they had lost. His Majesty, convinced of the benefit and of the necessity of giving fresh life to these bills, which were simply dead in the hands of

vince, left for England his papers were entrusted to Cramahé and on August 27 he took the oath as acting Receiver General. From 1782 to 1785 he frequently petitioned the successive ministers having charge of the colonial department, for assistance in the way of a pension or a sinecure office. Various appointments of the latter nature were suggested for him, among them the position of Sir Thomas Mills, as non-resident Receiver General, also that of Lieutenant Governor of Detroit the latter of which appears to have been assigned him. He died a few years later.

¹ As may be observed by reference to the complete documents these excerpts are from the letters of Chevalier de Levis, who succeeded Montcalm in command of the French troops.

² M. de Cremille was associated for a time with Marshall de Belle Isle to lighten his work as Minister of War.

the holders, had desired to extinguish them and pay the principal of them, but it was not possible in the existing situation, as you will yourselves understand. His Majesty has therefore done all that was practicable, as you will see by the decree which he has issued in his Council, of which I send you some copies.¹ It assures, first of all, to holders the interest on the bills due from the dates of their maturity until December 31 of this year. He has had this interest added to the amount of the bills to form a single capital sum, to which has been assigned interest at 5% per annum, until the capital sum can be paid. The amounts on which interest will be paid will be made up accurately. That is all that the circumstances permit in favour of trade, to which I shall extend protection on all occasions.²

[Not signed.]

PLAN FOR THE FUTURE CURRENCY OF CANADA

MEMOIR ON CANADA BY M. DE BOURLAMAQUE.³

1st August, 1762.

.....
 No other money shall be current in the colony except that of printed paper and of the same form as was in circulation there formerly, with this

¹ This arrêt is copied in *Affaires Etrangères, Amérique*, Vol. 10-2, p. 424. It is dated 15th October, 1759, and makes new and special conditions for the liquidation of the paper of the various French colonies, other than Canada. It is stated that the bills drawn from Canada will be treated in an equitable manner, the details of which have not yet been decided upon.

² This is written by M. de Choiseul Stainville who found it necessary to replace Berryer, under whom things had been going from bad to worse in the Department of Marine and Colonies. He became minister, October 13th, 1761. Etienne François de Choiseul, duc de Stainville, was born June 28th, 1719. He entered the military service at an early age and rose to distinction, becoming a colonel in 1743 and lieutenant-general in 1759. He was created Comte de Stainville in 1743. He married the daughter and heiress of the celebrated financier Crozat, who was interested for a time in the Mississippi trade. Extravagant in his personal expenditure, Choiseul incurred heavy debts which, after his death, his wife employed her fortune in paying off and then retired to a convent. He had formed a close alliance with Mde. de Pompadour, to whom his abilities rendered him very serviceable. He proved an able ambassador at Rome and at Vienna. In 1758 he was created a peer as Duc de Stainville, and on the 3rd December of that year became Minister of Foreign Affairs. On the death of Belle Isle he was appointed Minister of War, 27th January, 1761, transferring the department of foreign affairs to his cousin Duc de Praslin. On 13th October, 1761, he took over the joint department of Marine and Colonies, uniting it in 1762 with the department of War. The affairs of France were at this time well nigh desperate. He made, however, a dramatic appeal to the patriotism of all classes throughout the kingdom. This was eminently successful and enabled him to reconstruct the army and rebuild the navy. In 1766 he re-exchanged places with his cousin Praslin, himself resuming the department of Foreign Affairs. Under him were completed the final arrangements for the liquidation of the Canadian and British claims on the Canadian paper. One of his chief reform movements in France involved the suppression of the Jesuit Order, under the edict of 1764. Falling out of favour he was dismissed in disgrace 24th December, 1770. He died at Paris 8th May 1785.

³ *New York Documents*, Vol. 10, p. 1146. Revised translation. This is an extract from an extensive and interesting memoir by Bourlamaque furnishing a comprehensive survey, largely from a military point of view, of the past conditions, present situation, and future possibilities of the French Canadian colony, to be confined within reasonable and defensible limits not further to the west than Lake Ontario. It is founded on the assumption, which he strongly advocates, that Canada should be returned to France at the peace. He recognized that hitherto the safety of the colony had depended chiefly on the non-military character of the adjoining British colonies. On the other hand, the financial ruin of Canada had been chiefly

difference, that the ordinances shall be marked with a stamp and signed not only by the intendant, but also by the governor-general and a commissary or comptroller appointed for that purpose.

The ordinances shall be taken, as formerly, to the treasury annually, before the departure of the ships, in order to be withdrawn by the treasurer and replaced by bills of exchange at one or more terms in favor of those who bring them in.

A minute shall be drawn up of the ordinances converted into bills of exchange, which shall be signed by the intendant, comptroller, treasurer, and *viséd* by the governor-general; which minute shall be transmitted to court. The

due to the enormous and wasteful expenditures necessary to retain the favour of the Indians, and connected with which most of the frauds and colonial fortunes had arisen. Recognizing the indolence and lack of enterprise of the general body of the French Canadian colonists, he recommended an effective system of taxation intended to develop the country and provide for the support of a permanent military force, leaving the people to cultivate their farms, develop the fisheries and shipping, etc. Relatively to the resources of the colony, the taxation would be considerably more severe than that about to be proposed by the British government for the English colonies. The portion of this extensive memoir here reproduced deals only with the proposed reforms in the currency and exchange of the colony. His plan for a permanent currency is fairly simple. Its essentials are very much the same as those embodied in the system of army bills employed in Canada during the war of 1812-15; the latter, however, were retired when the war was over. On August 18th, the minister acknowledged the receipt of the memoir and spoke favourably of the general purpose of it. Bourlamaque went out with Montcalm in the spring of 1756 as a colonel of engineers and third in command, after Levis. Although later quite eulogistic of Bourlamaque's abilities and services, Montcalm was at first quite critical of him as lacking in initiative and personal resource. See, for instance, his letter to the Minister of War of 1st November, 1756, given in Dussieux, p. 283. This attitude appears to have been due in some measure to Bourlamaque's original deference to Vaudreuil who was technically in supreme command in Canada in military as well as civil affairs. When he turned to Montcalm for orders he plainly improved rapidly in quality and received the highest commendations to the minister. He distinguished himself at the capture of Oswego in 1756, in recognition of which he was raised to the rank of brigadier general. He had charge of the preliminary operations for the attack and capture of Fort George, August 9th, 1757. He was left in command there for a time, returning to Quebec for the winter. In the opening of the campaign of 1758 he was at Fort William Henry and was designated by Vaudreuil and Montcalm to command at Carillon until relieved by Montcalm. He was wounded in the battle of 8th July and returned to Quebec. On April 16th, 1759 he was given command of the army of observation to be assembled at Carillon on May 1st. With three battalions of regulars and a section of the militia he received instructions re the defence of Carillon. It was recognized that his force was inadequate to meet in the open the larger British army under Amherst. He was instructed therefore not to risk a major action but to hold the enemy in check as long as possible and then fall back after destroying the fortifications behind him, first at Carillon then at St. Frederick. Under these conditions Bourlamaque managed to so retard the advance of Amherst that when he took up his final position on the Richelieu, at Ile aux Noix, Amherst gave up the idea of proceeding further that season. Thus was achieved the chief task assigned him, to prevent the junction of the forces of Wolfe and Amherst before Quebec. In the end, however, Quebec fell to the army of Wolfe alone. In the spring of 1760 he took part with Levis, as second in command in the battle of St. Foy, April 28th, in which Murray was driven back upon Quebec and probably saved from more serious consequences by the timely arrival of the British, and not the French fleet. The French officers then recognized the impossibility of saving Canada, since the British were coming on in force. They sought merely to gain time in the hope of the declaration of an armistice as a preliminary to peace negotiations. This idea prevailed in the council of war at Montreal in which Bourlamaque took part. Time being refused by the British officers, they proceeded to formulate the articles of capitulation. Bourlamaque and Levis protested against the final form of the articles, especially the section preventing the officers and troops from serving again during the war. Vaudreuil, however, would not risk an action and

notes which have been withdrawn shall be burned and the record of their numbers preserved, that they may be replaced under the same designation, according as need shall be.

As efforts should be made to give the most advantageous circulation to the paper money, it would be for the King's interest to withdraw from Canada the gold and silver coin which the English will possibly leave there; and to this end, as soon as there shall be in circulation sufficient paper money for daily trade, a bank should be established which would convert gold and silver coin into bills of exchange payable at sight, with a moderate premium. This operation would prevent gold and silver coin depreciating the value of the notes, or passing by means of smugglers into foreign countries.

Not signed.

PLAN TO INCITE A REBELLION UNDER COVER OF ASCERTAINING THE AMOUNT OF CANADA PAPER¹

MEMOIR ON CANADA²

(Attached to the letter of M. Glemet of December 13, 1763.)

'Tis not for me, simply a private individual, to pry into the wise views of the Ministry, but 'tis permitted me, as a good citizen, ardently to wish that

surrendered the whole colony. In December 1762 Bourslamaque was made a major-general, and in February 1763 he was appointed governor of Guadaloupe. In April 1764 he received the temporary appointment as governor of Martinique. A note from the minister to a relative, dated 23 September, 1764, expresses regret on learning of his death.

¹ Translation Revised from New York Documents; Vol. 10, p. 1155.

² The writer of this memoir was in all probability Cardenau, see note 1, p. 977, who, in the portion which follows that reproduced, refers to the fact that his survey of previous conditions is only a précis of the memoir sent to the minister in March last. This is apparently the memoir making a survey of conditions in Canada from 1728 to 1762, and given at p. 973, and which deals very fully with the development of the paper money. It was doubtless sent in March but bears the date of 30th April, when it may have been docketed. The similarity in style and sentiment of the two documents, especially in the portions relating to the motives of the writer is sufficiently convincing. It is evident from both documents that he was intimately acquainted with the districts about Montreal. In the portion of the document not here given, he proposed to undertake most of his scheme in that district. The first part of the memoir is a general introduction to the proposals made. It is claimed that the important resources of Canada have never been adequately represented to the Court. He refers particularly to the special qualities of the French Canadians, who are easily led by those who once gain their confidence. They are particularly devoted to the French Crown, as indicated by the hardships which they patiently endured during the last ten years of French rule. The striking contrast between the harsh conduct of the French authorities and the mild and kind treatment of the English officials is likely to be the only serious obstacle to the accomplishment of his plan. In the section which follows the portion reproduced he hopes much from the success of the Indian revolt then in progress in the west under Pontiac. He claims to know quite well the character of the Canadians, and that they are quite responsive to the same methods as succeed with the Indians. He then sets forth in detail his measures for accomplishing his plans in the district of Montreal, after making arrangements for his retreat through the Indian connections with the west, and his return to France by way of New Orleans.

the State never lose sight of Canada. Events sufficiently propitious may intervene to restore the possession of it, as well from the composition of the government of England as from the aversion of the Indians towards the English, and the friendship all the tribes feel for the French.

In this idea, it were well to find means to prevent the extinction of that love which the inhabitants of the Colony may still preserve in their hearts for the rule of France.

These are the means I propose.

There remains in Canada a pretty considerable sum in notes, the circulating medium before its invasion. I estimate that $\frac{3}{4}$ ^{ths} at least are in the hands of the parish habitants who are persuaded, for the English never cease to insinuate this, that France will never pay them.

The King should indertake to devise a project of some kind in connection with finding a method for retiring these notes. This method would serve as a pretext for sounding the habitants as to how they are disposed. But two or three persons, well known to them, must be found for whom they entertain some respect, persons of both discretion and intelligence.

They would be invested with orders from His Majesty to pass, with the approval of the Court of London, to Canada to take up those notes and to conclude with the habitants such an arrangement as could be agreed upon, under pretext of a close examination of the expenditures of the Colony, of which it is desired to exclude the amount due to the irregularities of the administration. The pretext will appear, unfortunately, rather specious.

'Twould not be necessary to have the habitants brought into the towns; on the contrary, 'twould be better for the object of the operation, to go from parish to parish, in order to be more at liberty to converse with them, on pretence of unwillingness to divert them from their work.

Perhaps I shall be told that the proper persons for the execution of this project would be hard to find. I believe there are plenty sufficiently disinterested to give up their personal interest in order to concur with that of the State, and the delicacy of whose mission is not liable to suspicion. But in that there could not be too much caution and discretion.

[Not signed.]

PRELIMINARY ARRANGEMENTS FOR PAYING THE CANADA PAPER

I

Versailles, Nov^r 23, 1762.

TO M. DE FONTANIEU.¹

The procedure that has been arranged, Sir, on account of the frauds committed in Canada, being almost completed, it is necessary to make arrangements to provide at the earliest possible moment for the liquidation of the

¹ Gaspar-Moïse de Fontanieu, Marquis de Fienne was born at Paris 1694. His father was Treasurer of the Marine from 1701 to 1710. In the latter year he was appointed Councillor to the Marine and placed in charge of the Bureau of the Colonies with the title of Director of Maritime Trade in the Colonies. He died in 1725. The son rose gradually through a series of important appointments, chiefly of a legal nature.

paper of that colony, in order to procure for trade the funds of which it has been deprived for a long time. But as it is necessary at the same time to take measures to ascertain the legitimate owners of this paper, relatively to what may be decided by the Commission of the Châtelet¹, I have thought that

Among them were those of Councillor to Parliament, Master of Petitions, Intendant of the Army in Italy, 1733, and regular Councillor of State, 1751. On October 4th, 1757, he was appointed, by an order-in-council, Commissioner of the Bureau of Commerce, in succession to Machault d'Arnouville. He accumulated what is still recognized as a famous collection of books, manuscript documents and engravings, which were purchased by the King in 1765. See *Bonnassieux, Conseil de Commerce* p. xlix. As indicated in the decree which follows, he was one of the commissioners appointed in 1758 for the liquidation of the accounts of the navy and colonies. On October 29th, 1761, Choiseul, immediately after becoming colonial minister, wrote to him as controller-general, expressing his disapproval of the policy represented in the establishment of the commission for the liquidation of the colonial debts, and the subsequent decree of 15th October, 1759, suspending the payment of the colonial paper. He declares that the Department of Marine (under Berryer) had quite lost public confidence. The establishment of the commission began its weakening and the suspension of the payment of the colonial bills of exchange had ruined it. See *Série B, Vol. 113, pp. 286-92*. He represented the necessity for restoring the claims of the colonial creditors, hence the new line of policy outlined in the circular to the Chambers of Commerce, given above, see p. 947. In the order which follows this document, Fontanieu was appointed to *visé* the declarations sent in to Rochette. He was afterwards appointed as head of the board of liquidation for the Canadian paper, and exercised large advisory and discretionary powers in dealing with the property of those condemned by the tribunal of the Châtelet, in connection with the so-called Canadian frauds, as well as in dealing with claims for payments, especially those presented by the British holders of Canadian paper. The nature of the problems which he had to meet in this latter connection, is indicated in the despatch of the Duke of Praslin to Choiseul of 25th August, 1764, see *Série C¹¹ I, Vol. 105-3, pp. 854-6*. See also the substance of his conference with Messrs Hume and Vialars, the representatives of the British committee, *Série C¹¹ I, Vol. 108, pp. 26-38*. He was among those who shared, in succession to some of the chief favourites at the court, in the privilege of purchasing portions of the highly priced plate which had graced Bigot's hospitable table at Quebec. Fontanieu was still in charge of the operations connected with the liquidation of the Canadian paper when he died, 26th September, 1767. His functions were taken over by Sr. Feydeau de Marville.

¹ As already indicated, the Duc de Choiseul, after establishing his political power early in 1761, having observed the disastrous consequences of the policy followed by Berryer in the associated Departments of Marine and Colonies, and of the operations of the commission which he had appointed in October 1758 for the revision and liquidation of the Canada Paper, followed by the decree of 15th October 1759 totally suspending the payment of the Canadian bills on the treasury, resolved to radically change the policy of the Government. He saw that the general credit of the national treasury was being destroyed, and when this was capped by the loss of Canada itself, which had occasioned the greater part of the enormous debts of the Marine and Colonies, there followed a rapidly rising tide of bitter criticism and animosity towards the central Government whose conduct of affairs had resulted in successive disasters at home and abroad. Shrewdly estimating the psychology of the popular discontent, Choiseul dismissed Berryer, himself taking over the Departments of Marine and Colonies, 13th October 1761, suppressed the commission dealing with the liquidation of the Canada Paper, and successfully turned the main tide of popular animosity against those connected with the administration of affairs in Canada, the loss of which was for a time the most prominent feature in the history of national reverses. This was accompanied by appointing a special judicial commission for the trial of those most prominently connected with the administration of the colony and the expenditure of its funds. This commission, while it lasted, might draw the lightning of mob violence and allay the popular demand for personal victims at home, while the provision for compelling those who had profited at the public expense to restore the funds thus obtained, promised some relief for the national treasury. By an Order-in-Council of 12th December 1761 countersigned by the Duc de Choiseul, supported by letters patent from the King, of 17th December, it was ordered that proceedings should be taken against those responsible for the monopolies, abuses, operations and breaches of trust which had been committed in Canada. After considerable discussion as to the nature and composition of the tribunal, a special commission was appointed to deal with these matters, and its judgments were to be sovereign and final, any questions arising regarding the judgments or their execution to be referred not to the courts but to the Gov-

nothing better could be done than to issue a decree of Council obliging all holders of this paper to make declaration of it. I have the honour to send you the draft of this decree.

You will find in the first article a blank space for the time for making the declarations which are prescribed therein; it appears to me that four months will be sufficient to allow for that purpose.

With regard to the person who should be appointed, in accordance with article 3, to receive in Paris the declarations of the holders and owners of the paper, one cannot do better than to entrust it to S^r La Rochette¹ formerly agent

ernment. This special court or commission was composed of twenty seven judges of the regular court of the Châtelet, so called from the building in which it sat. It was presided over by M. Sartine, who was Lieutenant-General of Police from 1st December 1759 to 1774, though formerly a member of the court of the Châtelet and afterwards criminal prosecutor in it. He was Minister of Marine from 1774 to 1780. M. Dupont, a member of the court, was appointed registrar. M. Moreau, the regular prosecuting attorney of the court of the Châtelet, was employed in that capacity for the special commission, and after the rendering of judgment by the court was instructed to proceed against those condemned, to recover the penalties and fines imposed upon them. As regards the reaction of the new proceedings upon public sentiment, it may be observed that the chief officials of the colony and especially those who had made a display of their expenditure, such as Bigot and his circle, were ostentatiously seized and committed to the Bastille pending the outcome of the prosecution. Although most of the available documents and evidence to be considered had been already arranged and passed in review by the commission of investigation and liquidation appointed in 1758, which body and its records were placed entirely at the disposal of the Commission of the Châtelet, yet under pretext of the volume of papers to be examined and evidence to be taken, the proceedings were dragged out over a period of fifteen months. In April 1763 it was officially announced from the Châtelet that the investigation was practically completed, and judgment about to be rendered. But this proving to be an inconvenient period to allow public attention to be diverted elsewhere, the proceedings were kept up until the 10th of December before the sentences were passed. A close survey of the sentences, in the light of the actual transactions in Canada, indicates plainly enough that political effect combined with personal influence, rather than abstract justice, was an important determining factor in the judgments rendered. Officials who had made large fortunes in brief periods, but who had managed to keep out of the public eye, were passed over almost without notice, while those who had made personal display of their wealth, and especially those who had generously employed it in mitigating the hardships of the French officers in frontier campaigns or in the dreary existence of barrack life during the Canadian winters, and especially those who had sacrificed most in the public interest were treated with extreme rigour, obviously on account of their public prominence and notoriety. The influence of personal interest was manifest in the subsequent mitigation and cancellation of penalties and fines which took place after popular interest was diverted into other channels. These features were but concrete examples indicating the condition into which the public life of France was falling before the outbreak of the revolution.

¹ M. de La Rochette began his career in the public service as a clerk in the Department of Marine at Toulon. When Doreil was appointed chief commissary in connection with Dieskau's expedition to Canada in 1755, Rochette accompanied him as secretary, and when his chief returned to France, in the end of 1758, he left his effects in his charge. In the end of August 1758 Doreil specially recommended him to the Minister Massiac, saying that when he went to Canada it was understood that he would receive due promotion, but this had never been realized. Doreil had depended upon Rochette to instruct Bernier, who was to succeed himself as-Commissary General, see *Série C*¹¹ I, Vol. 103, p. 828. Previous to this Rochette had come under the favourable notice of Montcalm who had commended him to the previous colonial minister, Moras. Replying, on February 10th 1758, Moras informs Montcalm that he is quite favourably disposed towards Rochette, and in view of Montcalm's interest in him is pleased to be able to state that Bigot had suggested that the Treasurers General of the Marine should be able to arrange something to his advantage. See *Série B*, Vol. 107, p. 108. It appears that the Treasurers General, in the spring of 1758, had in mind his appointment as assistant to Imbert, the treasurer in Canada. This, however, had not been carried out; indeed the new Minister, Massiac, writing to Perichon, the Treasurer General of the Colonies, on September 22nd 1758, says that Bigot was then unwilling to have Rochette appointed to succeed Imbert, and wishes

of the Treasurers-General of the Colonies, in Canada: he has been employed with much advantage in arranging the procedure and in elucidating the facts and the complicated operations which took place in the colony, and he appears better qualified than any other to carry on this work.

It appeared to me, as a matter of security, to be necessary that the declarations which are received by Sr Rochette should be *viséd* by you, and that is the purpose of the terms of article 4 of the draft of the decree.

I beg you to examine this draft and let me have your opinion both as to the conditions it contains and those which you consider it expedient to add to it.

[Not signed.]

to know what were his reasons or motives in the case. No reply to this has been found. The writer of a memoir of 29th April 1764, see *Série C¹¹ I*, Vol. 105-3, pp. 868-79, who was probably Cardenau, is very critical of Rochette's qualifications for the position of treasurer. He claims that he had a very inadequate knowledge of the real conditions and course of events in Canada before he assumed office. His experience is given as simply that of a clerk in the service of Cadet. As regards the bills of exchange which he drew in 1759 the writer declares that he was in a state of confusion and was the victim of numerous frauds which led to the gambling in Canada paper which soon reduced its value by forty per cent. He suggests that Rochette should be confronted with these circumstances and indicates various tests which the Government should apply to his transactions at that time. In spite of Bigot's hesitation as to his appointment, Rochette succeeded Imbert in October, 1759. It is true that early in 1759 he was associated with Cadet, having taken the place of Corpron. His first duty on becoming treasurer was to draw the bills on France for the certificates returned that year. Owing to his inexperience as compared with that of Imbert, after the defeat of Montcalm and the capture of Quebec, more confusion prevailed. It was claimed that the friends of the administration were first served; also that the usual period for drawing bills was suddenly curtailed with the result that a great part of the certificates issued that year could not be converted into bills of exchange. These remaining in Canada, with a very uncertain value, contributed to the demoralization of the financial condition there and the impossibility of procuring supplies. This was the crisis in which Bigot sacrificed what specie he had and obtained on his personal credit what could be had from the chief officers and officials. This specie followed all the previous supplies into the coffers of the *habitants* and small dealers. On his return from Canada, as indicated in this and the following documents, Rochette was employed to receive and arrange the claims and accompanying statements of those holding the Canada paper. As already pointed out, however, in the note on Imbert, see p. 883, the papers dealing with the financial transactions in Canada which had been sent to France in October 1758, were captured by the British and deposited in the Admiralty Office in Dublin and were not returned to France until after the peace of 1763. It was not until after July 9th 1764 that these papers were examined, in pursuance of an *arrêt* of council of 29th June 1764, regarding the liquidation of the Canada paper. See among other references *Série C¹¹ I*, Vol. 105-3, p. 874 and *Série B*, Vol. 120, p. 187. One may realize, therefore, how meagre were the records available for the investigation of the alleged frauds by the Commission of the Châtelet. The decree which follows this discussion was amended by several others, extending the time for the registration of claims to 1st April 1764. Under the decree of 29th June 1764, they were to be finally dealt with, and on their return to Rochette, duly signed and *viséd*, he was to proceed with the liquidation of them by the delivery of debentures bearing interest coupons at four per cent. Details as to the nature of these securities are given in the decree of 20th July 1764. Another decree of 17th January 1766 directs Rochette to burn the Canada paper which has been redeemed through his office. In October 1767 we find Rochette still in charge of the liquidation of the Canada paper through the payment of the coupons on the bonds, the first of which were due on 1st January 1765; but the first interest payment was postponed to the 1st January 1769. On March 12th 1769 Rochette was instructed to send in to the Treasurer of the Marine or Colonies as the case might be, a full account of the paper he had redeemed in connection with both departments. The total amount of Canada paper redeemed was ninety millions—forty-five in bonds and forty-five in specie.

II

Decree of the King's Council of State ordering the owners and holders of Canada Paper to make certain declarations respecting it; December 24, 1762.

Extract from the Register of the Council of State.

THE KING being informed of the progress of the proceedings respecting the frauds committed in Canada, the cognizance of which His Majesty has assigned to the officials of the Châtelet; and desiring, immediately after judgment has been rendered in the case of the accused, to provide without delay and in the most equitable manner, for the liquidation of the various forms of paper, which had circulation in that colony. This cannot be done without knowing the total amount and who are the owners, an operation requiring time and which it is necessary to undertake immediately;

THE KING being in his Council, has ordered and hereby orders as follows:

First Article.

Every individual having Canada paper in his hands, whether belonging to him or delivered to him by way of deposit or on commission, shall be obliged to furnish certain declarations respecting it within the period of four months, reckoning from the day of the publication of the present decree¹; after which time the said declarations shall be no longer received, and the owners of such paper shall be deprived of the payment of the same; saving, nevertheless, the recourse of those who shall have remitted it by way of deposit or commission, against the trustees or agents, who have neglected to make the said declarations.

II

Each declaration shall cover only what belongs to a single person; it shall give the name, standing and domicile of the owner, and also of the trustee or agent. There shall be furnished for each form of paper the various information called for in the model² annexed to the present decree, and which will serve as a guide for drawing up the said declarations.

III

They shall be made out in duplicate, certified correct, signed by the holders of the said paper, and presented, either by the owners, trustees, voluntary or judicial, or commission agents, or by their correspondents or other persons, to whom they may entrust them, in Paris, to S^r de la Rochette, formerly agent in Canada for the Treasurer General of the Colonies, whom His Majesty has appointed to receive them, as well as to furnish vouchers, extracts, abstracts, calculations and other processes which shall be deemed necessary in this regard, in accordance with the orders given to him by the Secretary of State having the Department of the Marine.

¹ This period would expire on April 24th 1763. By that time the greater part of the French holdings had been recorded but others, finding it impossible for various reasons to register their claims before that time, a further decree of 15th May 1763 was issued extending the time for registration until August 1st, that extension to be final and without remedy, see *Série F³*, Vol. 16-1, p. 326.

² There were attached to this decree the tabular forms on which the Canadian paper was to be recorded.

IV

The said S^r de la Rochette shall retain one of the copies of each declaration, and shall have it registered; he will hand the other to the person who has presented them to him, after having certified that it agrees with the one remaining in his hands, and that the said declarations have been *viséd* by the S^r de Fontanieu, Councillor of State in ordinary, the senior commissary of the Bureau of the Commission appointed for the liquidation of the debts of Canada, and by S^{rs} d'Aine and de Vilevault, Masters of Requests, Commissaries of the said Office; and the said *visé* will give validity, when signed by two of the three commissaries, in the absence of the third.

V

His Majesty makes very express restrictions and prohibitions to all owners, trustees, or agents of the said paper, to enter it in the declarations they make, under other names than their own; and to all persons of whatever condition or standing they may be, to lend their names for such purpose, on pain of confiscation of the said paper, and of the rigorous prosecution of the said owners, trustees or agents, and those lending their names. It is His Majesty's pleasure that the present decree be read, published and posted up wherever it may be necessary.

Done in the King's Council of State, His Majesty being present, held at Versailles, December 24, 1762.

[Signed] THE DUKE DE CHOISEUL.

III

Circular.

Versailles, Dec. 31, 1762.

It being the King's purpose, Sir, to make the most suitable arrangements for the liquidation of all the Canada paper, and being unable to settle them finally until the nature of this paper, its amount, and the real owners are known, His Majesty has deemed it indispensable to issue the decree, some copies of which you will find herewith. You will observe that all holders of this paper are ordered to make their declaration respecting it within four months, from the day of the publication of the decree. His Majesty therefore desires you to have it read, published and posted up, so that the purpose of it may not be delayed. And as it is necessary that the Commissaries named in the decree be fully informed as to everything relating thereto, I beg you to return to me one of the copies which I am addressing to you, with a certificate subjoined as to the day on which the publication of it has been executed in your department.

Not signed.

To 13 Intendants of Provinces

To 3 Intendants of the Marine, etc. etc.

MEMORIAL OF BRITISH MERCHANTS FOR REDEMPTION OF
CANADIAN PAPER, 1762¹

To the Right Hon^{ble} the Earl of Egremont one of his Majesty's Principal Secretaries of State.

The Memorial of the Merchants trading to & concerned in the Prosperity of Canada—

Humbly Sheweth

That from the best Authorities your Memorialists can collect they do calculate that at this Time there does subsist in Canada a species of Paper Money or Bills of Credit issued to the French Inhabitants in the years 1757, 1758, 1759 & 1760 by the French Kings Officers & by the Authority of their Government at home, to the amount of about 80 Millions of Livres in lieu of subsistence to the Forces & in payment for Provisions, Carriages, Horses & other Contingencies necessary & partly imprest for the service of the French Armies then engaged in different Expeditions against the colonies of Great Britain & afterwards in the Defence of the said Colony against the Invasion of the Troops of Great Britain, for which, in Case of Cession of that Colony to Great Britain, no Value can be received, unless an Indemnification shall be previously stipulated & guaranteed by an article of the present Negotiation.

That your Memorialists apprehend that the total Loss of so considerable a Sum of Money & so large a proportion of the Property of many Thousand Individuals, Inhabitants of Canada, will be attended with many fatal consequences to the Trade & Prosperity of that valuable Colony in its present infant state as a British Settlement, in as much as the immediate Ruin of many industrious & valuable Subjects will be the Consequence of an Annihilation of the present Dependance they place upon the Validity of these Bills of Credit, & in as much as the Trade of Great Britain in general, & that of many British Adventurers in those Parts will immediately feel the Effects of such a Diminution of private Property in that Colony.

That your Memorialists do apprehend that many British Merchants in Canada have given valuable Considerations for considerable Sums of these Bills of Credit & that the Invalidity of the Principal Sums thereof will be attended with great Loss to such private Adventurers

Your Memorialists therefore beg Leave to submit to your Lordships Care the Representation to his Majesty of the present critical Situation of the almost ruined Inhabitants of Canada humbly hoping that his Majesty will take into Consideration such Relief as to his paternal Goodness may seem meet

Endorsed: Copy of Memorial to The Earl of Egremont of

The Merchants trading to Canada

concerning the French Paper Money in that Colony

1762

with an Inclosure

¹ C. O. 5, Vol. 65, p. 21.

PETITION FOR BRITISH INTERVENTION TO SECURE PAYMENT OF THE CANADA PAPERS

MOST HUMBLE AND RESPECTFUL ADDRESS OF THE CITIZENS OF THE TOWN OF MONTREAL TO HIS BRITANNIC MAJESTY.

SIRE :

The citizens of the town of Montreal in Canada venture to take the liberty of prostrating themselves at the foot of Your Throne, fully persuaded that there dwells the sanctuary of justice and the temple of all the virtues.

The preliminaries of peace signed in the month of November last between Your Majesty, and their Most Christian and Catholic Majesties leave us no longer room for doubt that Canada being about to become part of your territories, we are to become your subjects. It is in this capacity that we have recourse to the most generous and magnanimous of Kings. Kindly father of his people, we flatter ourselves that he will deign to listen to the tale of our misfortunes.

The scourges of war and famine, long before the surrender of Canada, afflicted its unfortunate inhabitants, expenditures of funds multiplied beyond reason had, long before its downfall, spread about an extraordinary quantity of paper; companies as avaricious as they were powerful, were formed. All the trade was captured, and the merchants of Canada were helpless on-lookers at business which should have been theirs. Would to Heaven that the ministry of France had been earlier informed as to these injustices! It would have imposed a check on abuses so antagonistic to the welfare of a colony!

These same merchants had made purchases of goods in France in the years 1757 and 1758. The fear of these running risks on the sea in time of war led them to take the resolution to await more favourable circumstances. They adopted the expedient of leaving their goods in warehouses, until peace was restored. This peace, so dear to them and so much desired, aroused the hope of commencing their labours anew; but vain hope, Canada passed under the dominion of Your Majesty.

From this time, paper money, the only kind which circulated in the country,¹ became totally discredited and entirely useless. The suspension of the payment of bills of exchange brought upon us the last blow; in a word, all classes and conditions of the people found themselves and are finding themselves in terrible distress, and in a situation most deplorable. The public markets are filled to overflowing with goods and chattels absolutely necessary to maintain the existence of our families.

¹ It is true that, in accordance with Gresham's Law that, in circulation, inferior money will replace good money, little other than paper money in its various forms was in general circulation in Canada. Practically all of the large quantities of specie which had been brought to the country had passed into the hands of the *habitants* and petty local tradesmen remaining in Canada after the conquest. It gradually returned to circulation under British rule and was granted the privilege of legal tender at more than its intrinsic value. It thus became the inferior currency of the colony preventing the circulation of the better British and American silver for three-quarters of a century, or until after the union in 1841.

In the midst of these misfortunes, the wise and generous governor¹ of this town has stretched out a helping hand to those most heavily stricken; kind-hearted and compassionate, he has reckoned his days by his good deeds; such men do honour to humanity; it is to be hoped that we may keep him for a long time.

Still, the future casts dread over the people of Canada. What will become of them if the payment for their money is long deferred? What will become of their families? The rural labourer will find at least in the fertility of the soil, a reward for his labours; he will live, but, more unfortunate than he, the inhabitants of the towns will have no resources; they will do everything in their feebleness to assist one another, because they suffer in common.

The truly Royal heart of your Majesty is touched at the sight of this feeble portrayal of our misfortune; it pities the fate of so many unfortunates. Permit us, then, Great King, to seize this happy moment to obtain your favourable notice. Deign to interest yourself in the prompt payment of our paper; long enough and too long have we suffered without complaining; we are not the authors of the disorders which have been perpetrated in the finances of Canada; and nothing can be more just than to discriminate between the innocent and the guilty.

Deign also, to grant us permission to bring from France our merchandise which was purchased long since, and which will become a total loss if it lies longer in warehouses. This object is not so considerable as to be able to prejudice, in the least, the trade of your old subjects; no abuses can creep in on account of the precautions which will be taken to send out nothing that our agents cannot prove to have been purchased in the former period.

We humbly beg Your Majesty to be so good as to grant us your royal protection. If our submission, our zeal and the ardent wishes which we cherish for you are sufficient to merit it, there are no people in the universe who are more entitled to it than the most humble and faithful subjects of Your Majesty.

[Signed]

The Body of the Clergy:

MONTGOLIER, Vic. Gen.

S^r SIMON, Superior of the C.G.N.D.

SISTER CATHERINE MARTEL, Superior of the *Hotel Dieu* of St Joseph.

M. M. LAJOMMERAIT, WIDOW YUVILLE, Directress of the General Hospital.

The Body of the Noblesse:

DAILLEBOUST DE CUISY

LE CHEV^r DAILLEBOUST DARGENTEUIL

LA CORNE S^t LUC

DESRIVIÈRES BEAUBIEN

LA VALTRIE

COUNT DUPRÉ

The Body of the Merchants

[Here follow the signatures of 52 individuals]

Endorsed: in Gov^r Gage's of Feb^y 12, 1763.

¹ General Thomas Gage who on September 22nd 1760 was appointed by General Amherst, then Commander-in-Chief in North America, to be Governor of Montreal and its district. He was transferred to New York in October 1763.

PAYMENT OF THE CANADA PAPER¹

Declaration of his most christian Majesty's Plenipotentiary with regard to the debts due to the Canadians (attached to the definitive Treaty of Paris 10 Feb., 1763).

THE King of Great Britain having desired, that the payment of the letters of exchange and bills, which had been delivered to the Canadians for the necessaries furnished to the French troops, should be secured, his most Christian Majesty, entirely disposed to render to every one that justice which is legally due to them, has declared, and does declare, that the said bills, and letters of exchange, shall be punctually paid, agreeably to a liquidation made in a convenient time, according to the distance of the places, and to what shall be possible, taking care, however, that, the bills and letters of exchange, which the French subjects may have at the time of this declaration, be not confounded with the bills and letters of exchange, which are in the possession of the new subjects of the King of Great Britain.

In witness whereof, we the underwritten Minister of his most Christian Majesty, duly authorized for this purpose, have signed the present declaration, and caused the Seal of our Arms to be put thereto.

Done at Paris the 10th of February, 1763.

(L.S.) CHOISEUL DUC DE PRASLIN.

ORIGIN OF THE PAPER MONEY AND ITS CONDITION IN 1762

NOTES, OBSERVATIONS, OR WHAT YOU WILL, ON THE VARIETIES OF CANADA PAPER

After 1728 the money of Canada was in the form of cards signed by the governor general, intendant and controller of Canada. There appeared another sort of money, in ordinance notes signed by the intendant only. Such was the money which circulated in Canada. These cards and ordinances were taken to the treasurer of the colony who furnished, yearly in the month of October, bills of exchange on the Treasurers-General in France, payable in the first six months of the following year.

In 1754 M. Bigot, the intendant, had the bills of exchange for the cards and ordinances mentioned, drawn payable in three terms, to wit:—a third in 1755, a sixth in 1756, and the half in 1757. Since then, he has had the bills of exchange drawn payable in three years, the first year a quarter, the second a half, and the third the remaining quarter. This new mode of drawing the bills of exchange occasioned an increase of 20 per cent on all merchandise and country supplies, to make up for the delayed payment of the bills mentioned.

In 1755, there passed from France to Canada, certain regiments of infantry, who were at first paid in French money. Still the officers and men did not find themselves able to make their purchases on better terms with écus and louis d'or than with the country paper owing to its public credit; so they

¹ A Collection of all the Treaties of Peace, Alliance and Commerce between Great Britain and other Powers, from the Revolution in 1688, to the Present Time: Vol. ii: 1727-1771. London: J. Almon, 1772.

paid the officers and men in ordinances signed by the intendant, these they so completely regarded as the King's money that there were several persons hanged in Canada, not only for having forged this paper, but even for having altered and increased the denominations, and they were hanged as counterfeiters, not as forgers.

Bills of exchange were ordinarily worth 20% more than ordinances, since these ordinances could not be exchanged for bills until a year later; and since the intendant had drawn for three year terms instead of for 6 months, as was the practice before 1754, it was possible for him to draw for a still longer term.

There now remain to be paid four kinds of Canada paper: bills of exchange, certificates, cards, and ordinances.

Bills of exchange were at par in French money, with a discount of one half of one per cent per month and even less, until they fell due.

The confidence in bills of exchange lasted in Canada until 1760. They stood on the same footing as the gold and silver of France. As a consequence sales and purchases were made as for real value; and even the English, since the taking of Quebec, have accepted them as cash for merchandise as well as for freight and passenger fares to Europe; no person doubted as to the real value of these bills of exchange, since they had their origin in ordinances which had been issued for officers' salaries, soldiers' pay, labour of the people, and the reward for the blood and life of so many brave officers, soldiers and others, who sacrificed themselves for the defence of Canada.

As for the cards and ordinances, for which bills of exchange had not been drawn, they have not the real value of the bills of exchange, the certificates being in the same case.

Towards the end of November, 1759, M. Murray, English General at Quebec, caused it to be proclaimed that the dollar and the *écu* of 6 livres would have the same value, as also the guinea and the louis d'or, but that the ordinances and the money of the country would have no value, being (according to what he said) merely the result of public brigandage; but the inhabitants, in spite of this prohibition, accepted the ordinances at double the amount for which they sold their wares in the money of France or England, and the merchants sold their merchandise and goods at one half less in bills of exchange than in ordinances. Even the judges of the Government of Quebec, in view of the order of the English general prohibiting payment in ordinances, have adjudged and condemned individuals, who owe in ordinances, to pay half the amount in French money.

Furthermore, in the beginning of 1760, we were informed of the suspension of payment of bills of exchange. That has not affected their real credit; we would have to pay double and even more in ordinances for bills of exchange; it may be said with truth that the discredit of the ordinances has been so great in Montreal that a *velte*¹ of brandy worth no more than 80 livres in bills of exchange, has been sold for 500 livres in ordinances.

I know there are many persons who hold these ordinances who might have obtained bills of exchange for them, if they could have managed to get them to Montreal in 1759, and others who have accepted them in payment of debts, or as repayment of capital, but that can form but a small part of what remains, including the certificates, which cannot be of any greater value.

¹ A *velte* = 7½ litres.

Under the pretext that there have been many malversations in Canada, and frauds on the King, it has been claimed by some that it was necessary to make a general reduction both on the bills of exchange and on the ordinances and certificates. It might be replied that such a reduction would be as fair as to levy on a whole town for 100,000 livres which had been stolen from the collector of the capitation tax by ten individuals of the same town; in this way the thieves would be favoured and the innocent punished.

But I am persuaded that the bills of exchange properly acquired and belonging legitimately to the holders, will have the same treatment as those of the other colonies, and that as for the ordinances and certificates, regard will be had to the real value they had in Canada in 1760.

If it is asked how we shall recognize the legitimate bills of exchange, I offer, if desired, to furnish a short and certain method, with explanations, for distinguishing and recognizing bills of exchange legitimately acquired, being convinced that of the bills of exchange to be paid, half belong to suspected persons.

It may be said that I am not partial to ordinances and certificates. By way of reply, I hold nearly 20,000 livres of them, which belong to me partly through sales and partly for the payment of debts and repayments which have been made to me.

I am partial to justice and to truth and that none may marvel, I state that I had given up my property and interests to sacrifice my life without being obliged to do so by my position, but solely through zeal—or if you will through folly—to defend the colony of Canada.

There may be persons who furnish memoranda in which their interests have as great a part as the truth and the general welfare; as I have no other design than to assist in distinguishing what is equitable from what is unjust, I have written the foregoing in order that it may be of use, if thought *à propos*, and to give an assurance that I put forward nothing that I am not in a position to prove.

I have signed

CARDENAU¹

Paris April 30, 1763.²

DECLARATIONS AS TO PAPER MONEY TO BE MADE TO CRAMAHE AND PANET

BY HIS EXCELLENCY JAMES MURRAY, ESQUIRE, GOV. OF QUEBEC, &C., &C.

On representations which have been made to us by the citizens, merchants and inhabitants of the town and government, that they have learned with pleasure by the publication of the declaration of the Duke de Choiseul,³

¹ Outside of what is stated in this memoir little that is definite is known of Cardenau, beyond the fact that he served in Canada during the last war and had acquired there considerable financial interests. It is fairly certain, however, from a comparison of the present and other documents, that he was the author of the memoir of which a portion is reproduced at p. 953. See also note 2, p. 953. There is also considerable internal evidence that he was the author of the memoir of 29th April 1764, giving an estimate of the total French debt as seventy-five million, which it is declared ought to be reduced by at least three-fifths.

² This date was probably added afterwards. The document was evidently written before the French Government had determined its policy with reference to the redemption of the paper money, as finally set forth in the decree of 24th December 1762.

³ Given at p. 973.

that His Most Christian Majesty would make arrangements for the payment of the paper and notes which he owes in Canada, that they had seen by this same declaration that it is His Most Christian Majesty's intention to avoid confounding the paper which is in the hands of the French with that belonging to the new subjects of His Britannic Majesty, and that they, being desirous of complying with this intention as far as possible, wish to make faithful declaration of the notes, cards, bills of exchange and certificates which belong to them, before such persons as we would be pleased to appoint; We having regard to this, and wishing to give, on our part, proofs of the paternal affection which we have for the new subjects of His Britannic Majesty, and to prevent, as far as in us lies, their paper from being trafficked in at a low price, as we know has been proposed, from a letter addressed to us from London, we therefore authorize the citizens, merchants and inhabitants of this town and government, to make their declarations before Messrs. Cramahé, our secretary, and Panet,¹ chief clerk of the council, of all the bills of exchange, cards, ordinances, notes, and certificates which belong to them; and to do this without

¹ This was Jean Claude Panet, who first comes under notice in 1743 in a dispatch of 26th April from the minister to Intendant Hocquart. From this it appears that he had come out to Canada as a soldier but had procured his discharge, being ambitious to make his way in civil life. Evidently he was already bringing influence and a certain native persuasiveness to bear upon the minister, who responded with a declaration to the intendant, that, if Panet continued to show promise, Hocquart might appoint him to the position of official notary at Quebec, rendered vacant by the death of Sr de la Tour (see *Série B*, Vol. 76-1, p. 233). He was duly appointed to this position and evidently continuing to develop his capacity to ingratiate himself with the ruling powers, he naturally attached himself to Bigot. The great intendant specially recommended him to the minister, who replied, on June 8th 1753, that he would be very pleased to do anything in his power to assist Sr Panet, who fills the office of attorney and notary at Quebec (see *Série B*, Vol. 97, p. 138). Any special favours which he may have received before the conquest did not necessitate his giving up the position of official notary, in which office Murray found him when he took over the administration. Being particularly susceptible to flattery, Murray immediately came under his spell, realizing, however, that Panet had capacity as well as an ingratiating pushfulness. Immediately after the final defeat and capitulation of the French forces, Murray set up by proclamation, on November 2nd 1760, under article forty-two of the general capitulation at Montreal, a court and special Council for Quebec and its district. Of this he appointed Panet chief clerk; he accepted the office, taking the oath of fidelity on the Holy Scriptures. He evidently discharged his duties with zeal and ability and thus came in for other special appointments, such as the one referred to in this document. Always anxious to improve his existing prospects, he was evidently not above fishing in troubled waters. In the latter part of 1765, whether in connection with the final settlement of the Canadian paper money, or on some other ground, he was permitted to visit France on special leave. While there he made overtures to the French Government to abandon the British and enter the French service, should the French Government make it pecuniarily worth his while to do so. He apparently interviewed the Minister of Marine and left with him a memorial, backed by various testimonials, representing that he was still at heart a loyal Frenchman and declaring, as evidence of this, that he had refused various attractive offers from the British Government. The minister was evidently much impressed with these evidences of long-suffering devotion to France and on 14th January 1766 strongly recommended him to the Controller General for some good position in the French service, which would enable him to suitably support and educate his large family of eleven children. Moreover, such assistance to a prominent French Canadian would doubtless induce others to return to France (see *Série B*, Vol. 125, p. 20). Apparently, however, the Controller General had nothing sufficiently attractive to offer and, his period of leave drawing to a close, Panet was fain to return to Canada, where he had an easier task in impressing the British authorities with his loyalty and devotion to their cause. As one result, as soon as order was re-established in Canada after the passing of the Quebec Act, Panet with Adam Mabane and Thomas Dunn were appointed, by commission of July 23rd 1776, members of the first court of civil jurisdiction for the district of Quebec under the Quebec Act. Other favours followed.

confusion and without expense, each individual will be required to make two lists, in the following form:

Canada Paper.

Declarations made in consequence of the decree of Council of Dec. 24, 1762.

I, the undersigned declare that I have in my possession, the Canada Paper, hereafter mentioned, which belongs to me or to¹

To Wit.

Bills of Exchange

Money Notes or Ordinances

.....
 one copy of which shall remain deposited in the Secretary's office, and the other be delivered to the holder after having been signed by Messrs. Cramahé and Panet. Each person will be required to make out his list on suitable paper and well written; This ordinance shall be read, published and posted up in this town and in all the parishes of this government to the end that no person may be ignorant of it.

Done and given at Quebec under the seal of our arms and countersigned by our Secretary, May 27, 1763.

[Signed] JA: MURRAY.

[And countersigned] H. T. CRAMAHÉ.

[A true Copy] H. T. CRAMAHÉ.

PAPER MONEY IN MONTREAL²

Montreal, Aug^t 28th 1763.

My Lord,

As soon as I was acquainted with the Declaration of the Duke de Choiseuil, respecting the Debts due to the Canadians, I directed the Magistrates to make out a state of all the Paper Money of every species, remaining in the Government of Montreal; That the Amount of the whole might be ascertained as exactly and as soon as possible: And I thought this step necessary to be taken immediately, before People in France, encouraged by the Declaration to hope for a readier Payment here, than in that Kingdom; should have Time to convey the Paper They had carried there, back into Canada, The Accounts are made out agreeable to a Form given by the French King in his Edict of 24th Dec^r last, in order to ascertain the Quantity of Paper Money struck in Canada, which had been Transferred into France. By which method the French Court will get the Same Information, concerning the Paper in the Possession of the Canadians, as has been demanded of the French subjects.

A Ship sailing in a few Days for London, I take that opportunity to transmit the above Accounts to your Lordship, under the Care of Lieu^tEllis, a reduced

¹ Here follow the tabular forms referred to in note 2, p. 963, as prescribed in the decree of 24th December 1762.

² Q. 1: p. 208.

officer of the 44th Reg^t who has Directions to leave them, with this Letter, at your Lordship's office. The Governor of the Three Rivers¹ has pursued the same methods in this Business, which we have taken here; and I hear Orders to this End, have been given by The Gov^r of Quebec, so that I have Reason to believe, your Lordship will be shortly possessed of the total Amount of the Paper Money, remaining in Canada. And the People anxious for a final Decision of this Affair, which the French Court has so long delayed to their great Loss & Prejudice, beg your Lordship's favorable Reception of the Memorial, which I have the Honor to inclose to you.²

.....

[Signed] THOS. GAGE.

Right Hon^{ble} Earl of Egremont.³

POSITION OF THE CANADIAN DEBTS

MEMOIR ON THE PRESENT POSITION OF THE COMMISSION APPOINTED FOR THE LIQUIDATION OF THE CANADIAN DEBTS. [1763]

At the time of the last meetings held on April 27 and July 6, of the present year, among the number of exhibits made to the clerk of the Commission, in consequence of a decree of Council of March 13, preceding, there were only three claims on which definite decisions could be made; and that was done on the dates mentioned:—April 27 and July 6, 1762.

¹ Col. Ralph Burton, who on September 22nd 1760 was appointed by General Amherst, then Commander-in-Chief in America, to be Governor of Three Rivers and district. In October 1763, under an order from Amherst, he succeeded General Gage as Governor of Montreal and district.

² The memorial, in French, which accompanies this dispatch is endorsed—"Memoir from the Prin^l Inhabitants of Montreal to the Earl of Egremont, respecting their Paper Money." In this, they thank the Colonial Secretary for what he has already done. They have taken as great pains as possible to have the statement of the different kinds of paper in the hands of the people of the district (sent by them through General Gage) conform to the *arrêt* of the previous 25th December. They bespeak his interest on their behalf to have this paper promptly paid as they are suffering much for lack of means (Canadian Archives, Q 1, p. 214). An interesting sidelight on this situation is presented in a letter to Paris from Sr. Landriève, who had been in the commissariat service in Canada from 1742, chiefly at Montreal, serving for a time as Commissary of Marine at Fort Carillon, and who had been left in Canada as the official representative of the French interests between the conquest and the Treaty of Paris (10th Feb. 1763). His letter is dated from Montreal, September 10, 1763. In it he refers to the Chamber or Board established at Montreal in the interest of justice and police, and composed of captains of militia of the district. This body, he says, had sent, on behalf of the district, a petition to the King to procure payment for the paper there, vaguely estimated at 40,000,000^l (*Série C*¹¹ I, Vol. 105-2, p. 729). The petition referred to is the one enclosed in Gage's dispatch. It is in French and is signed by French names only, representing the chief old families of the district.

³ Sir Charles Wyndham, born 1710, became second Earl of Egremont in 1750 and was connected with the British negotiations with France and Spain in 1762. He was one of the Principal Secretaries of State from October 9, 1761, until his death in 1763. As senior secretary at this date the administration of the American Colonies came under his direction.

The official in charge then reported respecting the other exhibits and proved that the largest, such as that of S^r Martin¹ for supplies of brandy, to

¹ Sr. Martin was one of the most enterprising of the French merchants in Canada. He came to the colony not long before 1750, and immediately began to investigate its natural resources with a view to utilizing them for both public benefit and private profit. That he had influential social connections in France, is evident from a dispatch of the 25th Feb. 1751, from the minister to the governor and intendant, stating that the Countess de Castellanne was much interested in Sr. Troppez Martin, a merchant at Quebec, and that it would afford pleasure to the minister should they be able, his conduct justifying, to assist him as occasion might afford. See *Série B*, Vol. 93, p. 29. Troppez or Tropes was not Martin's christian name, but the name of his chief partner in business. Early in 1752 Martin submitted to the minister, a project for establishing a central storehouse or reserve dépôt for grain at Quebec. This was afterwards extended to include stores at Three Rivers and Montreal. These dépôts were intended as an insurance against famine, which was sometimes threatened by the poor harvests that at intervals the colony had experienced. He and his associates proposed to undertake this enterprise under government subsidy and regulation. The minister sent a copy of the proposal to Duquesne and Bigot, asking them to examine it in consultation with the bishop and ex-Governor Jonquière (see *Série B*, Vol. 95, fol. 27). They all recognized the recurring difficulties of the colony as to inadequate food supply, but they did not favour Martin's scheme, as it ran counter to the very strong prejudices against monopoly on the part of the over numerous middlemen, who chiefly profited from the periods of scarcity. Meantime, as we have seen, Cadet, in a thoroughly practical manner and with increasing efficiency, was dealing with this very problem without government assistance or interference (see note 1, p. 913). Towards the close of the year 1752, Martin again wrote to the minister giving the results of an investigation of his storehouse project by the Canadian authorities. He admits that he has not been long enough in the country to fully appreciate all the local conditions, but hopes later to submit a more detailed plan regarding the storehouse, which he intends to submit to the Superior Council of Quebec. He then passes on to other matters which have interested him. He expresses special satisfaction over the encouragement which the minister had extended to himself and his company for supplying oak timber and planks for both the royal and private ship yards in France (see *Série C¹¹ I*, Vol. 98, pp. 363-371). On the 8th of June of the same year, 1752, the minister had directed the governor and intendant to assist Martin and his associates in getting out oak and other timber suitable for ship building. It appears that he had already sent samples of Canadian timber to Rochefort and Marseilles and was hopeful of good results, although he finds the cost of equipment for getting out the timber to be very heavy, and the available vessels could carry but very small quantities of it. In those days timber could be carried only on deck. In the same memoir Martin refers to his activities in again promoting the production in France of the scarlet cloth so indispensable to the Indian trade, and of which the British had hitherto enjoyed a practical monopoly. He would copy the British also in a more extensive use of muskrat skins as a substitute for beaver. He believes also that he has discovered a native Canadian root known to the Indians which may supplant, as a scarlet dye, the madder then obtained at great expense from Holland. That the minister was impressed by these and other evidences of public spirited enterprise, is indicated in two of his despatches to the governor and intendant, of June 8th of the following year. One despatch states that he finds it impossible to accept the proposals of Martin with reference to the storage of grain, but urges them to take other suitable precautions against periodical famine. The other instructs them to give every protection and assistance to Martin in his efforts to develop the timber trade and the other enterprises in which he is engaged; and closes with the general statement that men of his quality should be encouraged (see *Série B*, Vol. 97, fols. 23 and 25). The outbreak of the Seven Years War interrupted Martin's numerous projects for developing the natural resources of Canada, and diverted the attention of his company to those lines of trade and supplies which were likely to be most in demand and more promising in profits. They evidently laid in extensive supplies of liquors, particularly brandy, which they prudently stored beyond the city of Quebec while besieged by the English. When, therefore, there was a very urgent demand for brandy to encourage the militia and Indians to assist Lévis in his attack on Quebec in the spring of 1760, it was found that Martin and his associates had the only extensive supply available. On the urgent and reiterated demand of Lévis, Vaudreuil instructed Bigot, 25th March 1760, to purchase from Srs. Martin and Tropez 250 quarter casks of brandy at the price agreed upon between them (*Série F³*, Vol. 16, fol. 75). The contract was duly executed and paid for in bills of exchange on the French Treasury. Martin returned to France after the general capitulation in 1760, and soon found himself in great financial straits, most of his assets being in the shape of claims upon the government,

the amount of over 500,000 livres, and that of the widow of S' Arnoux,¹ containing a claim for 108,000 livres for hospital rations and various contracts, were not in a position to enable the Commissaries to give their opinion regarding them; since it was necessary to obtain light on certain important facts, the cognizance of which is at present pending before another tribunal, which necessarily suspends the decision of these matters, the verification of which was indispensable.

The decree of Council of March 13, 1762, which has just been mentioned, in assigning to the commission the cognizance of all the debts contracted, in Canada up to the period of the final evacuation of the colony, fixes the 6th September last as the date until which creditors would be allowed to make their exhibits, and declares forfeit the claims of all those who had not submitted their papers within the extended period of six months, allowed by this decree.

Definite as it is, as regards this second period, it has not had the success we were entitled to expect, since, including claims already settled, the total number submitted amounts only to 85.

the payment of which under one pretext and another was being postponed indefinitely. In November 1761, the minister, writing to a friend of Martin's who had forwarded a memoir from him representing his situation, acknowledged without reserve the very great hardship of that merchant's position and stated that he was then engaged in making some special arrangements for similar cases, and that his would be included. As we see, however, from the document before us, nothing definite had been done at this date; later an *arrêt* was drawn up dealing with the various classes of claims which were to come under the *arrêt* of 29th June, 1764. In this, special attention was given to the claims of Tropez and Barthelemy Martin (indicating another confusion of names), amounting to a total of 554,673¹¹, the details of which, with the attached vouchers, are given. The claim is allowed on the basis of five per cent reduction, and much praise is given to Martin for his public spirit in the service of the King (*Série C¹¹ I*, Vol. 105-3, pp. 932-45). This, however, does not seem to have disposed of the matter, for, in March 1765, the minister again forwards to Fontanieu a memoir from Tropez and Barthelemy, partners of Martin, setting forth once more the details of the claim for over a half million livres for the brandy supplies already referred to. Possibly Martin the head of the firm had already passed away. At any rate, no further references to him have been found and it is uncertain whether any part of the claim was ever paid.

¹ Sr. Arnoux went out to Canada in connection with the army of Montcalm, in which he held the rank of Surgeon-Major. He was in charge of the base hospital at Catarqui in the latter part of July 1756, and organized there a field hospital to accompany the expedition for the attack on Oswego. He was in charge of the medical hospital service in various phases of the succeeding campaigns, during the closing days of French rule. He evidently yielded to the prevailing temptation to increase his income by dealing in hospital supplies. He was engaged in establishing and equipping the temporary hospital services for the army of Lévis, both before and after his attack on Quebec in the spring of 1760. Under the circumstances, the opportunities for profiteering in this connection would be very great, while it would be equally difficult to obtain complete evidence as to the supplies actually delivered. Arnoux died in Canada later in 1760, and it fell to the lot of his widow to present and press his claims, which amounted altogether to 108,000¹¹. Without doubt she was lacking in neither zeal nor persistence in presenting her claims upon the government, before enlisting the assistance of others. In 1767, for lack of the required vouchers, her claims had been reduced to 30,970¹¹. The claim was still being presented in 1775, when the minister, in reply to a lady of quality whose sympathies and influence had been enlisted on her behalf, stated that these claims had been presented at least twenty times and had been rejected as often. On the other hand, however, generous compensation had been granted to the widow and daughters, indicating that her importunity had not been unrewarded.

Since September 6, two claimants only have presented themselves to the clerk, but their exhibits were refused on account of the order contained in the decree of March 13.

What has been observed respecting the two claims made by S^r Martin and Widow Arnoux, is applicable to almost all the claims which have been formulated; the same insufficiency may be noted in the supporting papers, in which, when the form is more closely observed, the lack of knowledge of the facts which are being investigated in the Bastille, do not allow decisions to be made.

To arrive at a knowledge of the value of the merchandise delivered in Canada, during the last years of the war, an attempt was made to get an abstract of the supplies furnished for some years previous; this task was suspended on the 12th August last by order of the Duke de Choiseul to the officer in charge, directing him to deliver to the commission sitting in the Bastille, the schedules which were used in making up the abstract.

Besides the information which it was hoped to gain from this work, the Commissioners considered it still more necessary to learn the rate of insurance arranged in France in 1756, 57, 58, and 59, for vessels sent to Canada; details with this end in view have been requested from the Chambers of Commerce and the Admiralty offices. Replies have been received through several memoranda and S^r Colon who has taken note of them is to render an account to the Commissioners.¹

[Not signed.]

ALLEGED ATTEMPT BY FRANCE TO BUY UP THE CANADA BILLS²

Separate.

S^t Jame's Nov^r 12th 1763

GOVERNOR OF QUEBEC.

Sir,

I have been informed, that some Persons, employed by the French Ministry for that purpose, have, by insinuating to the Inhabitants of Your Government, that the Canada Bills will never be paid, purchased from them considerable Quantities of those Bills at a very low Price. As such a Proceeding (if true) is so highly dishonorable to the French Government, and so injurious to the Property of His Majesty's new Subjects in Canada, I must desire You will make immediate Inquiry into the Truth of this Report, and inform me, whether any such Practices have been attempted, and to what degree They may have prevailed. And in the meantime I think it necessary

¹ Appended to this is a table giving a summary, without names or details, of eighty-five claims which had been submitted. There is also indicated the nature of these, the gross amounts of them, and the general attitude of the commission towards them.

² Q. 1: p. 175.

to acquaint You, that His Majesty's Ambassador at Paris¹ and Myself are, by his Majesty's command, exerting our Endeavours to obtain from the Court of France an exact Performance of the Stipulations contained in the late Treaty of Peace, with respect to those Bills.

.....
I am &c^a

DUNK HALIFAX²

ACCOUNT REQUIRED OF THE CANADA BILLS³

St Jame's Dec^r 9th 1763

HON^{ble} JAMES MURRAY,
Governor of Quebec

Sir,

It being necessary that the Amount of the Paper Money, called Canada Bills, in the Possession of His Majesty's Subjects under Your Government, should be accurately ascertained, in order to enable me to state, with Precision, the Sum which is to be demanded of His Most Christian Majesty according to His Declaration in the late Treaty of Peace,⁴ concerning the Payment of the said Bills. It is His Majesty's Pleasure, that You should forthwith, by Proclamation, or such other publick Method as You should think most proper, require each, and every of His Majesty's Subjects, as well English, as French, within the Province under Your Government, to deliver in, at such reasonable Time as You shall prefix, and to such proper Persons at Quebec, Trois Rivieres, and Montreal, as You shall appoint to receive the same, a true & exact Account of the Canada Bills, Papier Royal or Lettres de Caisse, of which He, or She, is possessed: In which Accounts are to be Specified the nominal Value, the date, and all other necessary Particulars of each Bill, and the Means by which each Possessor acquired the same.

And if any Persons have by their Necessities, or otherwise, been induced to sell, at a low Price, any of the Canada Paper, of which they were possessed at the Time of the Cession of that Country to the Crown of Great Britain, You will cause a separate Account, to be circumstantially taken, in each of the Places above mentioned, of all the Bills so sold, by whom, to whom, and at what Prices. And You will transmit the whole to me, with all possible Dispatch.

I am &c^a

DUNK HALIFAX

¹ At this time the British Ambassador to France was Francis Seymour Conway, Earl of Hertford, afterwards Marquis of Hertford. He was a nephew of Sir Robert Walpole.

² George Montagu Dunk, second Earl of Halifax, was one of the most prominent and active Commissioners of Trade and Plantations. He was president of the Board from 1st November, 1748, to 21st March, 1761. In this capacity he promoted the development of the Town of Halifax, which was named after him. Under him the commerce of the American colonies was actively encouraged. He was first Lord of the Admiralty in 1762, and one of the two Principal Secretaries of State from 9th September 1762. He was senior secretary and therefore in charge of the American department, from 9th September 1763 to 12th July 1765. He was again Secretary of State from January to June, 1771, in which year he died.

³ Q. 1: p. 184.

⁴ Referring to the special Declaration attached to the Treaty of 1763, given at p. 973.

MURRAY'S EFFORTS TO DISCOURAGE TRADING IN CANADA
PAPER¹Quebec, 14th Feb^{ry} 1764

My Lord:

I am honored with your Lordships separate Letter of the 12th November last, the several subjects of which I shall now endeavour to answer.

In the first place, I shall lay before you, all I know relative to the Transactions here for Canada Bills.

The definitive Treaty was hardly come to hand, when I received certain Information, that many of the Merchants here were empower'd by their correspondents at home, not only to sell in Paper Money, but likewise to buy it, provided they could get it at a very considerable Discount. A Gentleman in London wrote to me, that he had desired his Friend here to lay out upward of fifteen thousand pounds in that way. Hence it was natural for me to think, the people intrusted to my Care must in the end be very great losers by this Traffick, and that it was my indispensable Duty to put a stop to it, as much as in me lay: to this End I published a Declaration dated 27th May, Copy of which is here inclosed; I likewise assembled the Canadian Merchants, shewed them the Gentleman's Letter, and represented to them the absurdity of parting with their money for almost nothing, considering the stipulations relative to it in the Treaty, that it was certainly better for them to wait with Patience the Result of these stipulations, than sell it to Merchants, who would not buy it, were they not well assured of immense Profit. In short, I omitted to say nothing, which Prudence would allow me to utter upon the Occasion; But as it was absolutely impossible to ascertain the Value of it, from the great uncertainty How, when, and where the same was to be paid, nothing could be done authoratatively, without risqueing the Odium in the case of non-payment, Every one was therefore left to himself, to act as he thought best. However to put it out of the Power of the Court of France to make any objection to the payment of the money actually in Canada, by alledging that what did not appear at the different offices in France, agreeable to the inclosed Edict,² might be sent to their correspondents in Canada, by those, who in France durst not avow the Possession of it, I open'd an office, and invited every one to register their Bills, in the very Form, and manner as directed by the french Edict: I hope most of the paper money was register'd, because it was done gratis, and now happen what will, if the poor People are not paid, the whole Odium must fall upon their former Masters.—The Governors of Montreal, and Trois Rivieres did soon follow my Example,³ hence I flatter myself I

¹ Q. 2: p. 32.

² Referring to the decree of 24th December 1762; given at p. 963.

³ Murray had written to Burton, Feb. 10th, stating that he had a complete account of the paper money in his district, and asking that he and Haldimand should send him an account of what remained in the districts of Montreal and Three Rivers. Murray being as unpopular with the English military as he was with the English civil element, the governors of Three Rivers and Montreal, so far from following his example or complying with his request, avoided doing so until he was officially appointed Governor of the Province and they were formally notified of the fact. In prospect of such an appointment, Gage and Burton sought appointments elsewhere to avoid coming under Murray's authority. The first returns of the paper money from

shall be able to send to your Lordship an exact account of all the paper money now in the Province, and likewise of what has been sent out of it, since the Navigation was open last summer.

Inclosed is the account of the Quebec district. the moment I receive those of the other two; they shall be transmitted to You: Your Lordship will observe by this account that a Mons^r Perthuis¹ connected with M^r Rybot a Merchant in London has been the most considerable Dealer in this way. I likewise know of a Mons^r Porlier² at Montreal who has been deeply concerned, he corresponds with Isidore Lynch of London, these two Men came from England last summer, Perthuis returned to London in the Autumn, Porlier is still at Montreal: But there is hardly an English Merchant who has not taken of this Species, to a considerable amount, encouraged to it by the great prospect of gain, if a part is ever paid; for in goods, upon which they take care no doubt, to state a reasonable Profit, few give more than fifteen Livres for a hundred, no less than eighty five discount—

Montreal and Three Rivers had already gone to Britain. The action taken by General Gage at Montreal is set forth in his dispatch of 28th August 1763, given at p. 981. Gage had already posted up throughout his district, copies of such features of the Treaty of Paris of 10th Feb. 1763, as particularly affected the Canadians, including the convention attached to the Treaty, and promising payment of the paper money left in the hands of the Canadians. Governor Burton of Three Rivers had appointed Sr. Louis Perrault to make out a register of the paper money held there. This he accomplished between the 11th and 30th June, 1763. The report was transferred to London in August of that year, and acknowledged by Lord Halifax on the 14th of January, 1764. Halifax informed Burton, however, that he must send in a more detailed report, showing what was in the possession of each individual, in order to comply with requirements of the French Government. Steps were taken throughout the three districts in Canada to comply with these conditions. Haldimand took over the government at Three Rivers in succession to Burton, who, although desiring like Gage to leave Canada on Murray's appointment as governor, was persuaded to remain for a time at least, as Governor of Montreal, in succession to Gage. Haldimand ignored Murray as long as possible and corresponded with Burton on the subject of the paper money, sending through him his returns, until ordered by the Secretary of State, Halifax, to send them through Murray. On 14th February, 1764, he asked Burton for information as to the future. So far he had followed Burton's declaration as to the worthlessness of the paper money and his prohibition of its circulation. The terms of the Treaty of Peace, however, had altered conditions. Now it appears that the paper money was to be conserved and returns of it sent in. On the following date, 15th February, he issued a public notice counselling the holders of the paper money in the district not to part with it at a heavy discount, or to traffic in it. On the 17th he wrote to Murray, explaining his inability to send him the returns asked for, stating that what trafficking there was in the paper with a view to transmitting it to France or England, was chiefly in his own district or that of Montreal. On March 11th 1764, he issued another notice in accordance with the orders received from Lord Halifax, through Murray, calling upon those possessing the Canada Paper to furnish the prescribed statement of their holdings. See Canadian Archives Report 1918, *Règne Militaire*, p. 150. On April 1764, he reports progress in the registration of the paper money, and states that there is little trading in it in that district (Q 2, p. 98).

¹ No evidence has been discovered as to what relationship this M. Perthuis may have borne to Attorney General Joseph Perthuis, who returned to France after the Conquest (see not 1, p. 761). Joseph Perthuis had two sons, Joseph and Charles. Out of special consideration for the past services of their father, his pension of 600 livres was converted, October 1778, into two pensions of 200 livres each for the two sons (*Série B*, Vol. 164, ff. 324 and 379).

² A person named Porlier was appointed clerk of the district of Montreal, after the dismissal of Sr. Raimbault in 1732. His commission was dated September 1732.

About forty years ago, the Paper money of this Country fell into discredit the Court owed a long arrear, and compounded with their Creditors for three eights of the Debt: This Precedent cannot but alarm all the concerned.¹

The Peasantry, and a very few of the most sensible Citizens who had realized in time, are tolerably comfortable in their circumstances, the rest of the People are greatly distress'd to subsist themselves, and families, and naturally chuse to secure a little, rather than risque the whole.

I have not yet been able to discover that the French Ministry have had any hand in buying up the Paper money of this Country; I rather incline to believe, that Greed of Individuals on the one hand, and necessity on the other have hitherto promoted these transactions; I shall however, give a particular attention to this affair, and beside the fresh warning I give them on this Occasion, Copy of which is here inclosed,² I shall not fail to put a final stop to it, if it shall be found to proceed from what your Lordship imagines; and should the Information be confirmed I hope likewise to receive His Majesty's Instructions thereon, before the busy time of the year.

.....

[Signed] JA: MURRAY

REGISTRATION OF THE CANADA PAPER

I

Quebec 5th March 1764³

My Lord:

I had the honor to write to your Lordship very fully the 14th Feb^y last on the Subject of the Paper money of this Country in answer to yours of the 12th November last.

I am since favored with Your Lordships of the 9th December⁴ relating to the same affair, in consequence of which I have issued a Proclamation⁵ to order

¹ This evidently refers to the reduction in value of the card money at the close of the first period of its issue and circulation. By a declaration of the King, of 5th July 1717, supplemented by a declaration of 21st March 1718, the card money was reduced to one-half its face value, and redeemed in bills of exchange on that basis. The first of these declarations will be found in Vol. I, at p. 399, and the second at p. 433.

² In the despatch of November 12, 1763, from the Secretary of State, Lord Halifax, to Murray, he had stated that reports were current that the French government had employed persons to purchase the paper money in Canada at a low rate, on the alleged ground that it would never be paid (Canadian Archives, Series Q, Vol. 1, p. 175). The warning here referred to was issued by Murray, February 8, 1764. (Q, Vol. 2, p. 47).

³ Q. 2: p. 54.

⁴ P. 991.

⁵ This proclamation which bears the same date, 5th March, is given in French among the Haldimand papers (Canadian Archives, Series B. Vol. 23, p. 3).

all His Majesty's British and French Subjects residing within this Government, and Dependencies thereof, to make a full, and true Declaration of the Paper Money they possess, and by what means acquired, as also of what may have been disposed of by them at low Prices since the Cession of the Country, and have given them to the 30th April inclusive for so doing, at which Time the Entries are to be closed, and the whole to be transmitted to Your Lordship with as much Dispatch as the Nature of the Thing will admit.

[Signed] JA: MURRAY

The Right Hon^{ble} The Earl of Halifax
One of his Majesty's Principal Secretarys of State

II

Quebec 24th April 1764¹

My Lord

.....
We have been obliged to allow the People another month to register their Paper money, the Snow melted so early this year, that all communication with some of the Parishes has been cut off for some time, it will therefore be the first of June, before I can have the honor to transmitt to Your Lordship the Registers of the Canada Paper, of which I already find there is much more than I expected in the Country, And I am persuaded, that no Agents have been employ'd by the Court of France to buy up any of it.
.....

[Signed] JA: MURRAY

The Right Hon^{ble} The Earl of Halifax
One of his Majesty's Principal Secretarys of State

III

Montreal May the 3^d 1764.²

My Lord,

I have been honored with your Lordships letter, dated St James January the 16th 1764,³ acquainting me, with your having received by Lieu^t Ellis, my letter of the 30th of August 1763, with a Petition of the Canadian Inhabitants of the Trois Rivieres, and the Recapitulation of the Paper Money, due to them, by the Crown of France; which last, your Lordship says, is insufficient to settle the liquidation of the Account, with the French Ministers. I find there has been some difference in the steps taken, in the Government of Trois

¹ Q 2: p. 104.

² Q 2: p. 126.

³ The original letter from Halifax to Burton, here referred to, is dated 14th January (Series Q, Vol. 2, p. 3). As sometimes happened, the date was apparently changed when a copy of a letter or despatch was made.

Rivieres, to ascertain the amount of the Paper Money remaining in that Government, from those followed in the Government of Montreal, I beg leave to observe to your Lordship, that the Registering, and the Form of doing it, were proposed, and carried on by a Committee of the Canadian Inhabitants, to whom the Plan adopted in the Govern^t of Montreal, was communicated; it was not an act of Govern^t, but only countenanced by me, as I was informed it was by General Gage in his Govern^t; after the operation was finished, they desired I should forward it to the Secretary of State, and recommend it, to His notice, as General Gage proposed to do the same a Copy of the Register they had made, ought certainly to have been sent, inclosed in my letter to your Lordship. As that matter is not yet settled, and new steps are now taking, to bring the whole to an unquestionable point of light, which I hope will procure His Majesty's new Subjects, the recovery of their Just Debt; I flatter myself, that the inclosed Copy, of the Register of last year, containing the whole amount of the Paper Money, of every Specie, then declared remaining in the Govern^t of Trois Rivieres, will be thought Sufficient.¹

[Signed] R. BURTON

To the Right Hon^{ble} The Earl of Halifax &c &c &c.

ACCOUNTS OF THE CANADA PAPER DEFECTIVE²

St. James's June 9th 1764

Honble James Murray }
Governor of Quebec }

Sir,

.....
The account which you have transmitted to me of the Canada Paper of every Denomination in the hands of every Inhabitant of Quebec, appears to be defective in many Particulars, (such as the number, date &c^a of each Bill) which are required by the Form prescribed by the French Edict & by your Proclamation which were specified in a like Account which I received from the Lieutenant Governor of Montreal. I have however transmitted the Quebec Account as I did that of Montreal to His Majesty's Ambassador at Paris, with Directions to deliver them to the French Ministers, in order to their being examined and liquidated.

And if any objections should be made to the Defects which I have mentioned, I hope they will be supplied in the Account which you have since directed to be taken, & which you promise to transmit to me as soon as it is finished.

From the District of Trois Rivieres I have as yet received only an Abstract of the Amount of their Canada Paper which is of no use. I must therefore desire you will take care that a full and exact Account of each Bill of every

¹ There follows this, in French, Q 2, p. 128, a register, dated 1st July 1763, of the total amount of ordinances, cards, certificates and bills of exchange in the district of Three Rivers amounting altogether to 1,735,370^l.

² Q 55: p. 3.

Denomination, according to the Form annex'd to your Proclamation be prepared and sent to me as soon as possible, unless you shall find upon Enquiry that the Lieutenant Governor in consequence of my Letter of the 14th of January has already transmitted such an account.¹

.....

I am &c^a

DUNK HALIFAX

REGISTER OF PAPER MONEY IN ALL CANADA²

Quebec 20th August 1764

My Lord:

.....

The former account of Canada Bills transmitted from this Government, was intended only to give your Lordship some Idea of the debt owing by the King of France to His Majesty's New Subjects; the instant I receiv'd your Instructions on that Head, I set about getting a more particular State thereof, which is herewith transmitted, together with the Bordereaus deliver'd by the Proprietors, of which a duplicate is preserv'd in this Office.

The Registers taken in the several Districts of the Province, and Bordereaus, are packed up in a Box which will be deliver'd to Your Lordship by Lieut Grandadrier: I likewise herewith inclose a summary account of the whole.

¹ Haldimand, writing to Gage from Three Rivers, March 9, 1764, states that Murray had sent him a copy of the despatch from Lord Halifax of December 10, 1763, in which the King prescribes a new return of the paper money, requiring a statement from each person through whose hands it had passed, the manner in which he had acquired it, and the person to whom he had disposed of it and at what rate. He promised to do his best to complete the return (Series B, Vol. 2-1, p. 130). On April 18, 1764, writing directly to Lord Halifax, he reports progress in the registration of the paper. Incidentally he repeats what he had previously stated to Murray and Burton in February, that there had been very little paper money sent directly to France from his district. Such traffic from Canada as there might be, must have been from the districts of Quebec and Montreal, particularly the former where there were many country peddlers, who would accept the paper if they could get it cheaply enough (Series B, Vol. 2-2, p. 13). Burton had stated to Haldimand on February 16, 1764, that jobbing and trafficking in paper money had been done in Canada. He states that some merchants came from Europe last summer "and sold their cargo for paper money at a very great discount" (Series B, Vol. 9, p. 40). On May 31, 1764, Haldimand inquired of Burton as to whether he was making his returns of the paper money through Murray, or directly to Halifax. If it were through the latter, he would forward his to be enclosed with Burton's. Incidentally he remarks that he considers that they are independent of Murray, until at least his new commission is received in Canada. To this Burton replied January 2nd, that he was sending registers of the paper money to Quebec to be forwarded to Lord Halifax, in accordance with the latter's instructions to Murray, and through him to the others. Haldimand accordingly followed his example. On June 20, 1764, he writes to Halifax that he is sending his returns to Murray to be transferred to him. The return is dated June 14th and Murray's acknowledgment of it the 20th of the same month. Haldimand adds that the Canadians have been so used to false promises on the part of the French government, that they still expect little or nothing from its professions. Whatever, therefore, comes to them as the result of the action of the British government will be the more highly appreciated (Series B, Vol. 2-2, p. 28).

² Q 2: p. 166.

From many concurrant circumstances it has proved a tedious Operation; the difficulty of communication at certain Seasons of the year, the Ignorance of the People, and the Ships not sailing so early as expected this Season, in hopes of the Indian peace, which I am informed is at last happily effected, prevented your receiving this account sooner. I believe it to be very exact, and flatter myself it will now be satisfactory.

Right Hon^{ble} The Earl of Halifax

[Signed] JA: MURRAY

RECAPITULATION GENERAL OF THE PAPER MONEY IN THE PROVINCE OF QUEBEC

GOVERNMENT OF QUEBEC

	l	s.	d.	l	s.	d.	l	s.	d.
In Canada... Letters of Exchange.....	683,413	18	3						
Ordonnances.....	4,614,167	16	—						
Cards.....	318,569	17	6	5,738,937	—	7			
Certificates.....	122,785	8	10						
In Europe... Letters of Exchange.....	766,359	9	—						
Ordonnances.....	702,325	5	—	1,501,943	14	—	7,240,880	14	7
Cards.....	33,259	—	—						

GOVERNMENT OF MONTREAL

	l	s.	d.						
Letters of Exchange.....	667,650	6	6						
Ordonnances including the Receptis- sés.....	6,548,869	10	—				7,980,298	8	4
Cards.....	220,479	15	—						
Certificates and Etats.....	543,298	16	10						

GOVERNMENT OF TROIS RIVIÈRES

	l	s.	d.						
Letters of Exchange.....	78,743	5	—						
Ordonnances.....	1,297,579	15	—						
Cards.....	70,755	16	6				1,561,330	13	11
Certificates.....	114,252	2	5						
Total.....							16,782,510	1	10

JA: MURRAY.

TERMS OF LIQUIDATION

I

PRÉCIS CONCERNING THE KING'S DEBT ON ACCOUNT OF CANADA¹

This debt amounts to more than eighty three millions. It consists of forty nine millions in bills of exchange; twenty five millions in currency notes, and nearly nine millions in credit documents, for supplies and other expenses, which have not been redeemed in that colony, either by bills of exchange or by currency notes.

These immense sums, which have accumulated owing to the suspension of payment ordered by the decree of Council of October 15, 1759, arise prin-

¹ This précis, prepared by M. Fontanieu and his associates Daine and Villevault, was the basis of the decree which follows and the draft of which accompanied the précis, as stated in the last paragraph of it. The précis was approved by the King in Council on June 29th, the date on which the decree accompanying it was passed. Its presentation of the reasons for the varying treatment of the different classes of paper issued in Canada, is repeated in substance in a score of different memoirs and replies to the representatives of the English government, or holders of the Canada paper who were endeavouring to procure, under the declaration attached to the Treaty of 1763, a more equitable treatment of the paper which they held and which they had obtained from the Canadians. By comparing the statements here made, with the contemporary documents dealing with the issues as they were made and the disposal of them, it may be observed how the records were employed to suit the objects of the French Court.

cipally from the excess of expenditures occasioned by the frauds and by the discredit of the paper money, the inevitable result of the prodigality in its issue and circulation by the intendant.

It would not be equitable that the King, who alone bore all the burden of this criminal administration, should pay in their entirety the claims which it has created against him. No reduction will ever have a more legitimate foundation than that which is about to be declared on these claims.

We know of only two modes of proceeding; one consists in the pecuniary penalizing of those who participated in the frauds and who have shared in the illegitimate profits.

The other is to proceed against the money itself, on account of its evil origin and of its resulting discredit.

The former of these modes appears impracticable; criminal procedure has been exhausted, civil would involve endless difficult, perhaps even useless legal processes, and of which the least inconvenience would be to delay all proceedings.

There remains, consequently, no resource except in the second mode, to which this memorandum is confined; that is to reduce the value of the Canadian paper in the proportion of its discredit in the colony, a discredit of which the progressive increase corresponded to that of the expenditures, which almost doubled each year from 1755 until 1760.

Let us take for example the year 1759. The price of everything during the course of the year was from three to four hundred per cent above ordinary value. Would not every vendor be left a reasonable profit if the product of his sales were reduced by only one half?

The same reduction might be made for the preceding years, although the dearness was much less in proportion, for the reason that this difference was compensated for by the actual payment of a part of the paper circulating at the time, since the practice in Canada was to draw bills of exchange every year payable in the three following years. Those of the first term of 1758 fell due and were paid before the decree of suspension of October 15, 1759. Those of the first and second terms of 1757 were in the same case, as well as all those of earlier years, except some which have been delayed.

The suspension of the drawing of bills of exchange and of their payment increased, in 1760, the discredit of the currency notes, which at that time were the only paper money with which the expenses of the King could be met. Their current value, in comparison with that of the bills of exchange, was found to be less than a half; their reduction should consequently extend to three-quarters.

The only issues which, on account of their origin, may be exempted from any reduction are the bills of exchange drawn in 1760 for the subsistence of the armies, the amount of which is 285,000 livres. These were employed according to their intent, and given as cash.

These are the principles on which the reductions may be based, but it is essential to recognize that, in pursuing them strictly, the King would injure a number of persons who deserve to be specially recognized; such are the French merchants who, before October 15, 1759, the date of the decree suspending payment of the Canadian bills of exchange, and the first occasion of their discredit in Europe, accepted them with confidence in their business relations, at the same discount as, and often in preference to better public

issues circulating at the same time. The deprivation of their capital and interest is already causing them a real and very considerable loss, and to subject them to a reduction would be to withhold from them money from which they have not profited. The others are the officers and employees in the King's service in Canada whose allowances were fixed by His Majesty; being forced to receive the paper money as payment, they have the same reasons for claiming to be indemnified for its lack of value as the King employs for its reduction. There may perhaps be other cases which should receive favourable treatment, but they will be very rare and will form the subject of memorials and representations;—a resource which it would be well to announce, were it only to soften what may appear harsh in the reduction.

Before setting forth the estimates which result from the foregoing details, it is necessary to make two observations connected with them.

1° That Cadet, formerly commissary, owes the King for advances made to him by the treasurer of the colony, more than nine millions, which he has and will return in kind, that is, in bills of exchange just as he has received them, the persons in whose hands he has placed them having furnished for him declarations respecting them.

2° That the King having deemed it proper, by decree of council of December 24, 1762,¹ to order returns of the Canadian paper, in order to ascertain the owners of it, under penalty of loss of payment, and having granted several successive extensions of time, the last of which expired on the 1st April last, it is indispensable to exclude from the final liquidation all those issues regarding which this formality has not been complied with, leaving for future decision matters proper to be considered. There are nearly eighteen millions in this class.

RESUMÉ

Showing the result of the liquidation according to the propositions indicated above:

	Livres
THE DEBT OF THE KING IS.....	83,000,000

DEDUCTION:—

For paper money and other credit documents which the various debtors of the King will have to restore to him in kind by way of restitution, and advances made to the commissary, the sum of.....	19,000,000	}	
For paper money not declared.	18,000,000		
			37,000,000

Remaining to be settled.....	46,000,000
------------------------------	------------

LIQUIDATION OF THE SUM DUE:

7,000,000 ¹¹	Bills of exchange which should be paid without reduction....	7,000,000 ¹¹
29,000,000 ¹¹	Bills of exchange and other credit documents which may be reduced by one-half.....	14,500,000 ¹¹

¹ P. 963.

10,000,000 ¹¹ Currency notes and other credit documents, to be reduced by three quarters	2,500,000 ¹¹
46,000,000 ¹¹	<u>24,000,000¹¹</u>
Indemnities to be granted to officers and others for salaries and supplies, and the amounts which it may be necessary to pay for some part of the 18,000,000 not declared, may come to.....	4,000,000 ¹¹
TOTAL.	<u>28,000,000¹¹</u>
The ready money which the restitutions will produce, will amount (after all expenses are provided for) to two millions, which should consequently be deducted from this sum, to the payment of which they will no doubt be applied.....	2,000,000
REMAINDER.	<u>26,000,000</u>

It may be accepted that it is a matter of justice on the part of the King to pay these twenty six millions.

This sum will not appear too great, if it is considered that His Majesty having paid only in part the expenditures of Canada for the years 1756, 1757, and 1758, and almost none of these in 1759 and 1760, it would not have been possible to meet them with a smaller amount, even if they were confined to the most legitimate of them. These expenditures were necessarily immense in time of war in a distant colony, assailed on all sides by the enemy and in which there were constantly maintained on foot more than 10,000 troops.

It must also be considered that the King has not paid, nor will he pay, until the settlement, any interest on that amount the payment of which has been postponed for five or six years, and that the interest which was promised by the decree of October 15, 1759,¹ would amount to over six millions, which the King will also save in the proposed arrangement.

The condition of the King's finances not permitting, for the present, the payment of the capital sum of this debt, it appears proper to provide for the successive discharge of it by equivalent issues. We might, similarly to what has been done for the other colonies, exchange the liquidated papers for acknowledgements of indebtedness, provided with interest coupons, which would be signed by the official charged with the liquidation and countersigned by the commissaries of the King. In view of all conditions, it is thought that the interest might be fixed at 4 per cent, not to commence until January 1, 1765.

If the King wishes to devote annually, in addition to the payment of interest, a sum for the extinction of the capital, the best means of distributing it would appear to be by lot. The most prompt payment will be the most advantageous for the King. In dividing it into equal parts for five years commencing from the first January, 1766, it will cost in interest 3,120,000 livres.

¹ P. 929.
26541—654

The proposals outlined in this précis, are those which are most essential for the disposition of the Canada paper. If they are adopted, there will be drawn up a draft of a decree and a memorandum of instruction which will prescribe all the conditions to be followed in the various phases of its execution.

And, at the end, is written,

Approved by the King in his Council, June 29, 1764.

Copy.

[Signed] LE DUC DE CHOISEUL.

II

Decree of the Council of State of the King ordaining the liquidation of the Bills of Exchange and Money Notes of Canada. June 29, 1764.

Taken from the Registers of the Council of State.

THE KING desiring to make provision for the liquidation of the debts contracted in Canada both in the form of bills of exchange and of currency notes and having had a report of everything relating to these issues made to him in his Council, His Majesty recognizes that it is set forth in the most authentic manner that the extravagant expenditures incurred under authority of his service in that colony, arise as much from the frauds which were committed there and which evoked the rigour of his justice, as from the discredit of this money, which was a necessary consequence of the criminal profusion with which it was issued and put in circulation; that this discredit, beginning in 1754, has continued steadily and rapidly until, at the end of 1758, the face value of these issues exceeded by almost one-half the exchange value of what they were expected to acquit. At the end of 1759, their exchange value was reduced to almost one-fourth, and continued to fall so heavily that, in the course of 1760, the discount amounted to more than four-fifths; that the excessive increase in the prices of all provisions and merchandise has been alternately the cause and effect of the excessive charges on the King increasing in proportion, charges so exorbitant that if they had been made at legitimate rates only, they would have been paid in full by the funds employed to meet the drafts from Canada up to October 15, 1759, when His Majesty ordered the suspension of their payment. These various conditions, so detrimental to the interest of the King and so excessively profitable to the holders of Canadian paper, would justify very considerable reductions in what remains to be paid; nevertheless the King, in consideration of the delay in payment and favourably disposed towards those merchants who, in good faith and in the course of trade, had acquired these issues before their discredit and previous to their suspension by the decree of October 15, 1759, wishes to exempt certain parties and to use moderation towards the others. Similar considerations of justice and goodwill induce His Majesty to indemnify the officers and other employés whose salaries and wages he himself had fixed, for loss they had sustained through the depreciation of the money they received in Canada, in payment of their salaries and wages. Desiring to provide for the above and having heard the report, THE KING, BEING IN HIS COUNCIL, has ordained and hereby ordains as follows:

Article One

Bills of exchange drawn in Canada in 1758 and the preceding years by the agents of the Treasurers General of the Colonies, which have been declared

and viséd in accordance with the decrees of Council of December 24, 1762,¹ May 15, 1763,² and January 5, 1764,³ and which the present owners have acquired in the course of trade or otherwise, elsewhere than in Canada, before October 15, 1759, shall be paid in full.

II

Bills of exchange, declared and viséd as mentioned in the foregoing, and drawn in 1760, stamped for the maintenance of the armies, shall likewise be paid in full.

III

All other bills of exchange, declared and viséd as mentioned in the foregoing, drawn in 1758, 1759, 1760 and previous years, which do not come within the terms specified in the two preceding articles, shall be paid only at half the amount for which they were drawn.

IV

As regards currency notes which circulated in Canada, and the receipts furnished by the agents of the Treasurers General of the Colonies in return for these, declared and viséd as specified in the foregoing, His Majesty will be pleased to pay one quarter of the sums for which they were issued.

V

His Majesty declares null and of no value those of the said papers for which the declarations ordered by the decrees of Council of December 24, 1762, May 15, 1763, and January 5, 1764, have not been made and viséd by the Commissioners of his Council, appointed therefor.⁴

VI

His Majesty desiring to accord favourable treatment to the staff and line officers, the soldiers, officers of justice and other employés in his service in Canada, who are holders of the issues of that colony, has ordered and hereby orders that accounts be made up with them, from the total of which the sums which they have received in bills of exchange and unpaid currency notes shall be deducted only on the basis of their real value, as established by articles III & IV of the present decree; and the balance resulting from the said accounts shall be decreased by the average amount of the reductions to be made in all the paper of which they are holders.

¹ Given at p. 963.

² Given in *Série F*³, Vol. 16-1, p. 326. A printed copy will be found in *Affaires Étrangères, Mémoires et Documents; Amérique*, Vol. 10-2, p. 455. This refers to the decree of the council of 24th December 1762, which prescribed that all returns should be sent in within four months from that date. Various conditions had prevented some returns from being sent in within that period. This decree extended the time to August 1, 1763. Otherwise the terms of the decree of 24th September 1762, remained in force.

³ Given in *Série F*³, Vol. 16-2, p. 182. This refers to the decree of 13th March 1762, *Série F*³, Vol. 16-1, p. 316, prescribing that within six months of that date the creditors of the government for services in Canada, were to produce their certificates and proofs for examination. Some of the creditors, however, were unable to do so, partly owing to the difficulty of obtaining from Canada the necessary proofs, and partly because some of their papers were before the tribunal which was dealing with the alleged frauds in Canada. In view of these circumstances the King had extended to April 1, 1764, the privilege of registering these claims.

⁴ For various reasons the periods for the presentation of a number of these claims were afterwards extended more than once.

VII

Those individuals who, on other legitimate grounds, are in a position to claim similar indemnifications, may make their representations by statements to be delivered to S^{rs} de Fontanieu,¹ Councillor of State in ordinary, Daine² and de Villevault,³ masters of petitions, whom His Majesty has assigned and deputed both for the examination of these statements, that they may, on their advice, be dealt with as seems proper, and also to preside over all the work connected with the liquidation ordered by the present decree, as will be explained hereafter.

VIII

The holders of the Canadian paper, whether as owners, depositaries, voluntary or judicial, or commission-agents, will deliver them with the declarations which have been made respecting them, to S^r de la Rochette whom His Majesty has assigned and appointed for the present liquidation, who will furnish them with a receipt and will draw up for each a schedule in which the said issues will be classified in condensed form, according to their nature, and the reductions therein will be made by him in accordance with the preceding provisions. S^r de la Rochette will confirm and sign the said schedule, which will thereafter be transmitted to S^r Blot, whom His Majesty has appointed to register and audit them.

¹ See note 1, p. 955.

² In note 1, p. 505, referring to Mr. François Daine, it is indicated that after returning from Canada, with his special knowledge of conditions there, he was doubtless the person referred to in this appointment. The general omission of first or Christian names in the French documents renders it very difficult to conclusively identify the persons referred to. After the note referred to was printed, it was discovered incidentally that the M. Daine here referred to, was a brother of François Daine. From still other documents it was found that he had apparently served in the commissariat department in Canada, and that it was probably he who sent to the minister in May 1758, an account of the distress prevailing in Canada (*Série C^{II} I, Vol. 103, fol. 419*). In the resumé of the liquidation of the Canada paper, without name or date, but apparently in the latter part of 1767, Daine and his associates were praised for their very efficient services in connection with it, especially in furnishing effective memoirs and arguments in offsetting the British claims for better terms (*Série C^{II} I, Vol. 105, p. 908*).

³ Louis Guillaume de Villevault was born in Paris in 1716. He was appointed Councillor of the *Cour des Aides* in 1741, Minister of Petitions in 1759, and President of the Great Council, 18th December, 1759. From 1759 to 1767 he was under commission to supervise the affairs of the Department of Marine, first as Royal Councillor for the Company of the Indies, and later under this decree to assist in the liquidation of the Canada paper and other claims in connection with the former administration in Canada. In this latter connection he went to London to treat with the minister, H. S. Conway, and the committee of the British merchants. His conduct of the French case was highly praised. The English committee claimed that they should have representation on the commission appointed by the French government to deal with the Canada paper. After much discussion and exchange of numerous documents, this claim was waived in August 1767. Villevault was first employed in this matter in connection with the decree of 24th December 1762, to visé the papers sent in for registration. With his fellow officials and their documents he was transferred to the service of the commission of the Chatelet, and after the report of that tribunal he was appointed under the present decree to continue the similar but enlarged duties of dealing with the whole of the claims, particularly the British claims, connected with the Canada paper. The experience which he had gained in dealing with the colonial trade led, apparently, to his appointment in November 1767, to the position of Intendant of Marine and Trade. He resigned this office in 1783, and died in 1786.

IX

The schedules thus audited will be returned to S^r de la Rochette, who will lay them before the Commissioners to be examined, viséd and signed by two of them at least.

X

These formalities being completed and the liquidation concluded by the examination and signatures of the said Commissioners, the schedules will be returned to S^r de la Rochette, who, on the return of his receipt, will proceed to the payment of the portions liquidated, in bonds to bearer, furnished with interest coupons at 4%, the form and manner of payment of which will be prescribed and indicated by a decree of Council to be issued shortly for that purpose; and the recipients will be required to give in accordance with the liquidation schedule, a receipt for the said payment, which will serve as a discharge for the said S^r de la Rochette.

XI

In consequence of the present liquidation, His Majesty forbids any individual holder of Canadian bills of exchange, to undertake any recourse against the endorsers, except where an agreement to the contrary has been expressly provided for in the endorsement (or other form of transfer), on which account, if any actions arise, His Majesty has reserved and does reserve them to himself and to his Council and has assigned and does assign the cognizance of them to the Commissioners established by the *arrêts* of Council of October 18, 1759, November 29, 1759 and November 28, 1761, for the liquidation of debts contracted in Canada. His Majesty forbids recourse elsewhere or cognizance thereof by any other judges on pain of non-suit, quashing of the proceedings, and of all costs, damages and interest. His Majesty enjoins that the present decree be read, published and posted up, wherever it may be necessary. Done in the King's Council of State, His Majesty being present, held at Compiègne, June 29th 1764.

[Signed] LE DUC DE CHOISEUL.¹

¹ When the decree of 29th June, with the *précis* on which it was founded, was transmitted to the British Court it was received by those specially interested in the matter with vigorous protests accompanied by more or less violent outbursts in the public press, dwelling on the traditional sharp practice of the French Court in international negotiations. The Earl of Hertford was soon instructed from London to enter a strong protest against the entirely one-sided disposal of all the Canada paper. He accordingly presented, on August 7th, the memoir here referred to. See *Affaires Etrangères, Mémoires et Documents. Amérique*, Vol. 21, p. 197. In this he states that he had been instructed by his Court to remonstrate with the Court of France on its summary disposal of the matter of the Canadian paper. The Court maintained that in a matter which affected equally the interests and rights of the two nations, the French Court had secretly disposed of the whole subject and then for the first time apprised the British ambassador of its action, by sending him the conclusive decree on the subject. After referring to the rights of the Canadian subjects of the

British Crown, as resting not only upon the honour and credit of the French nation but on a specific pledge attached to the Treaty of 1763, he states that the British Court, relying on the good faith of the Court of France, cannot believe that the latter should seek to finally dispose of such a matter without consulting the other party equally interested. It would appear from the decree just passed, that the notes, which are almost entirely owing to British subjects, are to be reduced to one-quarter of their real value, and, under the specified conditions of payment, will be still further reduced in value (see p. 1055 for an admission, in the resumé of the final liquidation of the advantage to France through the inferior character of the securities exchanged for the Canada paper). The unspecified authority for their reduction by three-fourths, might be equally employed for their complete cancellation. Finally, the British minister is instructed by his Court to request that a new liquidation of the Canada paper may be undertaken on a mutual basis. On the following day, August 8th, this memoir was sent by Praslin to Choiseul with a request that he might furnish him with the means for making a suitable reply, explaining the principles on which the King had based the terms of the liquidation prescribed in the decree of 29th June (*Série C¹¹ I*, Vol. 105-3, p. 853). Choiseul, under date of 22nd August, replies to this, stating that he had examined the memoir of Lord Hertford. He submits the draft of a reply setting forth the principles embodied in the plan of liquidation, and the justification for the various reductions in value which were made. In this it is claimed that the English had no interest in the Canada paper before the Canadians became British subjects under the Treaty of 1763, and since then they cannot claim any better treatment than French citizens. Nor can they claim any special profit from the abuses connected with the Canada paper. The case is still stronger with reference to the English merchants who obtained the paper from Canada at a very large discount, particulars of which are given. The liquidation prescribed in the decree is actually very favourable to the British holders. The special article attached to the Treaty of 1763, providing for the liquidation of the Canada paper, must be interpreted in the light of the facts cited. That the French government did not consult the English government as to the terms of the liquidation was due to two considerations. First, that the liquidation pertained only to France; second, that it was necessary to make all the preliminary arrangements in secret. This, it is argued at some length, was really in the interests of the English themselves (*Série B*, Vol. 120, p. 231). Three days later, August 25th, Praslin acknowledges receipt of this draft which, he admits, is quite a good argument for the reduction in value of the paper. It is, however, scarcely applicable to the objections raised by the Earl of Hertford, whose memoir turns on two points:—first, that the plan of liquidation and the details of it have been determined upon and executed without any participation by the English Court, whose subjects are vitally interested:—second, that the greatest reductions made in the liquidation, are applied to the ordinance notes, which, it is claimed, are held almost entirely by British subjects. It is necessary to have an effective reply on these two points, in order to establish the justice of the course followed by the King. He adds that on this subject he has consulted M. Fontanieu, who is intimately acquainted with the details and who seems to grasp the situation. The minister believes that if he were requested to prepare a memoir in reply it would satisfy both Choiseul and himself in establishing the justice of the King, both as to the basic principles involved and the practical execution of them (see *Série C¹¹ I*, Vol. 105-3, p. 854). Fontanieu was evidently instructed to prepare the desired reply. Choiseul had sent him the letter of Praslin of 25th August, which he returned in replying to Choiseul on August 31st. In his reply he stated that Praslin had privately consulted him on the subject. He now encloses to Choiseul the draft of a new reply, in which is treated not only the two points to which Praslin had specially referred, but other points covered in their conversation. In this task he has had the co-operation of Messrs Daine and Villevault. They consider that the reply submitted quite justifies the principles upon which the liquidation was based, and will deprive the Earl of Hertford of the opportunity of making a serious response to it (*Série C¹¹ I*, Vol. 105-3, p. 857). The reply is entitled—"Draft of a reply to a memoir of the Ambassador of England, relating to the liquidation of the Canada paper." Some slight changes were made in this when it reached the Department of Foreign Affairs, and it is the version recorded in the Archives of the Foreign Department which is reproduced in the document which follows.

III

*Reply to the Memorandum of the English Ambassador on the Liquidation of the Canada Paper*¹

The Court of France, in basing, as will be shown, the liquidation of the Canada paper on principles of justice and reason and not employing by any means all the severity which these would sanction, did not consider it necessary to communicate its plan to the Court of London because it could not conceive that an operation in which the subjects of the two powers are treated equally could give occasion to any protest on the part of the English Court. Moreover, secrecy, which it is always important to observe in affairs of this kind, rendered silence indispensable.

The known discredit of the Canada paper and the continued increase in this discredit have constituted the guiding factor in the reductions declared in the Order of Council of June 29th last. No one is ignorant of the fact that the King has sustained all the disadvantages of this discredit because it was only for the payment of his outlays that the money in question was issued and continually disbursed. Again, no one is ignorant of the fact that the mass of paper circulating in this colony and annually increasing, had become in 1760 fifteen times as large as it was in 1750. From this disproportion one may estimate the discredit of this money and easily justify the reduction of which the English Court seeks the motives. The following details will render these truths evident. During 1759 the price of everything in Canada was from three to four hundred per cent above its ordinary value. Is not a reasonable profit left to every seller when he is allowed to retain one half of the product of a sale made with so much advantage? This is what has been realized in reducing by one half the bills of exchange of that year. If the reduction is the same for the bills of exchange of the previous years, which would seem at first sight to merit more favour, it is because the custom followed in Canada of drawing bills of exchange in three terms, a custom which was fully observed up to the 15th October 1759, secured for their possessors the payment in specie of one section of those which they received during those years, and that advantage sufficiently offsets the

¹ On the 4th of September 1764, this reply was sent to the Earl of Hertford and a copy to the French Ambassador in London, Comte de Guerchy, through M. de Blosset. In the covering letter to the French Ambassador the Duc de Praslin urges him to thoroughly acquaint himself with the line of argument set forth in it, that he may be able to effectively meet the criticisms or counter arguments of the British minister, and thus deprive him of any solid ground for a reply. As a matter of fact, no formal reply was sent from the British Court before that of December 25th, as given in the document which follows. A draft reply had been prepared for the British Court, probably with the assistance of the London committee representing the holders of the Canada paper, as it shows a more intimate acquaintance with conditions in Canada than the usual British official papers on the subject. A copy of it, in French, is given in Q 2, p. 403. It is without date, but together with the sections from the above French reply, is endorsed:—"Memorial of the Court of France to justify the Reduction of the Canada Paper Money—with the Answer to it on the part of the Court of Great Britain." The chief points in this draft of a British reply are summarized as follows:

"1st. The Court of France, being the author and cause of this discredit, has no title to be benefited by it.

2nd. In 1759, prices of articles for the King's service were fixed by the intendant at lower rates than those for the general public.

3rd. No reason is given why the Letters (e.g. bills) anterior to 1759, are not entitled to complete payment.

4th. Ordinances and *billets*, of an old date, were the circulating currency of the country.

5th. The Court of France is responsible for the full value, whatever they may have been purchased for. The favour and unfair preference shown to French officers and merchants to the detriment of the Canadians, is proved.

reduction to which these bills are subject. In this matter, however, the King was pleased to make certain exceptions in cases which appeared to him worthy of favour and these exceptions are equally applicable to foreigners and his own subjects.

With regard to the notes called ordinances, they were the ordinary money in Canada. Those who held them took them each year to the treasurer of the colony who converted them into bills of exchange. They afterwards returned to general circulation by being issued by him in payments and disbursements for the King, whence it has resulted that so much of that money as remained in circulation was only that which had been paid out since the last issue of bills of exchange. This fact is certain and will serve to justify the greater reduction of that portion of the Canada paper than of the bills of exchange.¹

It is also certain that the misfortunes of the colony and the suspension of the drawing of bills of exchange united with existing causes, since the drawing in 1759, to further increase the discredit of the money notes, which were the only medium by which the King's expenditures were paid after that period. It is a very moderate estimate of the extent of this discredit not to put it beyond a discount of three-quarters, for it is notorious that what was worth three hundred livres in September and October, 1759, sold during the following winter for 1500, 1800 and even 3000 livres. In a word, after the final loss of the colony, a *velte* of brandy (an article of common use but not scarce) sold

¹ The statements in this paragraph with reference to the position of the ordinances, including the old card money, are exceptionally at variance with the facts. As may be observed from a survey of the documents before and after 1754, the French Canadian *habitants* and small tradesmen regarded the card money, in particular, so favourably that it came to be hoarded more and more closely as later forms of paper money were increasingly issued. Very little card money, therefore, was presented for conversion into bills of exchange. This disappearance of the card money from circulation, first occasioned the issue of the ordinances to take its place in the disbursements of the government. The earlier issues of the ordinances, likewise, had an almost equal credit with the card money and were also largely hoarded. After the outbreak of the Seven Years' War, the issue of the ordinances became greatly extended and the later issues fell in value. To protect the troops from personal losses, if paid in paper, a large amount of metallic currency was sent out with Montcalm's army for the special payment of the troops. This was expected to be returned to the war chest in payment for bills of exchange. But under the varied conditions which led to its despatch to Canada, it was naturally much in demand for hoarding, hence little of it returned to the commissariat, and soon it had practically disappeared from circulation. Thus the newer forms of the ordinances, supplemented by official receipts for larger sums, alone remained in circulation. These were the papers which were returned each autumn to be converted into bills of exchange on France. The Canadian populace, including the smaller tradesmen, had no occasion to return their savings to the colonial treasury for bills on France. Only the larger merchants, the government and the army contractors, bought exchange on France. Thus the bills of exchange which remained to be paid at the close of the war were almost all of this character, and together with the latest ordinances and official receipts, generally refused acceptance by the French Canadians in the last stages of their inflation, were in the possession of the holders in France, or of those who returned there after the loss of the colony. Thus practically all of the old card money which had never been inflated, and the earlier issues of the ordinances which were the least depreciated, together with some of the later, but not the last inflated issues, chiefly in the hands of the smaller Canadian tradesmen and minor employees of the government, remained in Canada in the possession of those who became British subjects. The argument, therefore, drawn from the inflation of the currency and the frauds perpetrated on the government, applied chiefly to the unpaid exchanges and the latest issues of the ordinances, receipts, etc. as held in France and, least of all, to the paper remaining in the hands of the French of Canada. One may realize, therefore, the lack of justification for the payment at par of the majority of the paper in France and at 75% discount on that left in Canada. The draft of the reply to this document prepared for the British government and referred to in the previous note, brings out several of the facts and conditions here referred to, in addition to other phases of the same subject (Q 2, p. 403).

for only fifteen livres in specie, while they demanded for it more than three hundred livres in money notes. It is not less notorious that since the withdrawal of the French, the English merchants settled in Canada have accepted in payment no form of paper money but on a footing of eighty to ninety per cent discount, which amounts to more than four-fifths. And yet the reduction on this paper is for the one class only one-half and for the other, only three-quarters.

After these details, it cannot but be agreed that the different reductions ordered, both on the bills of exchange and on the money notes, are, in general, as moderate as they are just, while those on the money notes might be still greater without any one having reason to complain.¹

The Court of England was not correctly informed when it was told that the notes called ordinances were due admost entirely to the subjects of His Britannic Majesty. According to the very returns sent in by the Earl of Hertford and in which there are found more than one-fifth belonging to French subjects, the English have only about a third of those which are to be liquidated at one-quarter. It cannot be supposed that the Earl of Hertford wishes to enlarge the total by the considerable amounts of this paper which the English bought up at a low price in France with an eagerness known and disapproved of by the most respectable element in his nation.

The declaration annexed to the definitive treaty assures to the new subjects of His Britannic Majesty, the payment of their paper after liquidation has been made: this implies a reduction and that is what is being carried out. One cannot persuade oneself that the Court of England ever desired to stipulate that, in the same matter, the King should treat the subjects of His Britannic Majesty more favourably than his own subjects. In a situation such as the present, the King would doubtless have been justified in placing the inhabitants of Canada in a less favourable position because they have profited most from the extravagant expenditures made in their country to the detriment of His Majesty's finances.

The English Ambassador will understand that it was for France alone to determine a liquidation of which she bears all the costs.

The credit of both nations is not involved. France is the sole debtor. Nothing can ensue affecting the English nation.

With regard to France, the justice of her procedure leaves her no anxiety as to its outcome.

The Earl of Hertford will surely be convinced that it is not on imaginary pretexts but upon well known facts and the justification resulting therefrom that the reductions are based, and that if there is not sufficient justification for wiping out the whole debt, there is at least sufficient for a still greater reduction.

The Court of France has ground for thinking that the King of Great Britain will be satisfied with this explanation and that, being informed of the principles which have been followed in the liquidation of the Canada paper, he will do justice to the good faith of His Majesty and to the regard for equity which has directed its execution.

[Copy]

¹ In Q 2, at p. 402, is given, with some minor variations and the omission of the first paragraph, a somewhat rough copy of this memoir up to this point. The sections reproduced are separated and set over against the corresponding sections in the British reply to them. This reply is referred to and summarized in note 1, p. 1023. Apparently only those portions of the French document were given to which specific replies were made.

IV

Rejoinder to the reply of the Court of France concerning the liquidation of Canada notes.

The Court of Great Britain having considered the reply of the Court of France¹ to the memorandum delivered by the Earl of Hertford on the 7th of August last,² in which the Ambassador demanded that justice be done respecting the liquidation and payment of the Canadian notes and bills of exchange, is fully persuaded that if the Court of France will be good enough to give its attention to certain simple propositions, which it is proposed to offer it will not fail to recognize that it has been led into error, or that a mistake has been made as to the method pursued in this matter.

When a Prince or a Sovereign State gives in payment, instead of coin, notes payable to bearer, of whatever denomination these notes may be, the faith and honour of that Prince or that State are publicly pledged to do justice to creditors who have these notes in their hands, in a manner as simple and exact as, nay even more than, private persons, in that they would not be bound under the same circumstances by the sentence of a court having authority to determine between them and their creditors.

There is no doubt as to the disposition of His Most Christian Majesty to fulfill the engagements of a similar pledge as religiously as any other Prince or State whatsoever. It is in consequence of this persuasion that many persons, foreigners as well as nationals, relying upon his good faith, have entrusted their money to him, although they well knew that in case His M. C. M. determined to refuse to repay them, it would be impossible to employ the same means to secure justice as might be made use of in regard to a private person.³

.....

These principles are clear and of universal acceptance. When the preliminary articles were signed, the Court of London had no doubt that H.M.C.M. would pay all his creditors in conformity with the requirements of justice, but as the decree of 1759⁴ had alarmed those who had these notes in their hands, the King of England deemed it necessary to quiet their anxieties, and, to remove all their doubts on the subject, to request an express declaration on this point at the time of the definitive treaty, which H.M.C.M. made no difficulty

¹ This is the preceding document, p. 1023.

² This is the document summarized in note 1, p. 1019, and given in full in *Affaires Etrangères, Amérique*, Vol. 21, p. 197.

³ A portion of the reply is here omitted as dealing, at considerable length, with certain technical aspects of the paper issued by the French government. These turn on such features as that these securities issued by a sovereign power might be brought in dispute as between individuals subsequently interested in them, and on such points as the methods by which they have been acquired, the nature of the subsequent property or values exchanged for them, the greater or less value of such articles which depend upon a great variety of conditions, as, their scarcity or abundance, interest rates, exchange conditions as between different countries, etc. etc. But the original issuer of these securities is engaged to pay in full any honest holders of them who have acquired them in good faith.

⁴ Given at p. 929.

about giving,¹ since it was in conformity with his own sentiments and with the obligation to which he stood bound by every principle of justice, independently of any stipulation whatever.

In consequence of this declaration, so far as these Canadian notes were, at the time it was made, in the possession of subjects of His Britannic Majesty, this pledge which had as its security, the public faith of H.M.C.M. towards private creditors, has now become the subject of a solemn treaty between the two crowns.

The King of Great Britain had by no means the intention of supporting the claims of those, who might have acquired these notes under circumstances which rendered them open to objection, according to the rules of equity which are observed among private persons, and it was with a view to admitting these objections in cases where they were well founded that it was not stipulated in the declaration that the whole should be entirely paid, but only that which was legitimately due. H.M.C.M. bound himself towards the Crown of Great Britain to pay it strictly, which gives his Britannic Majesty a still more particular right to call upon the Court of France to fulfil its engagement.

There is no question here of examining what might have been the consequences if the matter had been proceeded with regularly, according to the rules of law, and it is impossible to determine anything on this point without entering into a discussion of the proofs on both sides, but not the least step in that direction has been taken.

If an offer is made to pay a part instead of the whole, and the creditors see fit to subscribe to the proceeding, that is a matter of composition and a new agreement. If the creditor refuses the composition, he cannot be compelled to accept it by any rule which does not equally prove that the debtor may refuse the payment of the whole.

The offer of a compensation is not a liquidation. Liquidation signifies the action of establishing, either by agreement or according to the rules of law and justice, what is really due. It would have been useless to have accepted a formal declaration on the part of H.M.C.M. that he would pay such part of his debts as it would please him to pay, since he would certainly do everything it would please him to do, independently of any declaration whatever, but his engagement binds him to render strict justice, that is to say, to pay what will appear to be legitimately due, from a candid and impartial examination, and this is precisely what the Court of Great Britain complains of, that there has been neither enquiry nor settlement, nor an attempt to enquire or to settle. The holders of the notes have never been heard; not a single question has ever been put to them; no distinction has been made between legitimate demands and fraudulent pretensions, presuming there are such, and no distinction has been made with reference to the times and various circumstances under which the notes are found to have been acquired, but an arbitrary composition has been imposed, on certain general pretexts which might warrant with equal authority the payment of any other proportion whatever or the payment of nothing at all.

In so far as the creditors might deem it *à propos* to acquiesce in such an arrangement, that would be their affair, and the King would not interfere, but when those of his subjects who are comprehended in the terms of the declaration, insist upon their rights, His Majesty is inevitably bound by the

¹ The declaration attached to the Treaty of 1763, given at p. 973.

protection which he owes them, to represent in the strongest terms that in the procedure of the Court of France there does not appear to be the slightest appearance of an effort to fulfil any of the terms of the declaration and the King is much persuaded that if H.M.C.M. will view this matter in its true light, he will not fail to act in conformity with the justice of the case, and the positive engagement into which he has entered by his declaration.¹

[Not signed]

Done at Paris, December 25, 1764.

¹ There was evidently a sharp difference of opinion between the official advisers of the Department of Foreign Affairs, on the one hand, and M. Fontanieu and his associates of the Department of Marine and Colonies, on the other. While the French reply to Hertford's memoir of 7th August, to which this document is the counter-reply, was under consideration, an official, evidently a legal adviser of the Department of Foreign Affairs, discussing the validity of the principles laid down in it, observed that if the Canadians who became British subjects could not claim any different treatment, in connection with their paper money, than that of the regular subjects of the French King, then there was no occasion for specifying, in the declaration attached to the Treaty of 1763 providing for liquidation of the paper in the hands of the Canadians, that the paper held by the regular French subjects should not be mixed with that held by the new French subjects of Great Britain. The terms of the declaration plainly indicated a comparatively favourable treatment for the new French Canadian subjects of Britain. This favour, however, did not apply to ordinary British subjects who had acquired this paper only indirectly through purchase, and not directly, as did the French Canadians, from the French government, for services and supplies furnished by them. These ordinary British subjects, as purchasers of the Canada paper, may be treated on the same basis as regular French citizens. It is suggested, therefore, that a statement to this effect might be inserted in a covering letter to Lord Hertford with the official reply from the Duc de Choiseul. See *Affaires Etrangères Amérique*, Vol. 21, p. 213. It is hardly probable that any such statement accompanied the reply of the French Court. When, however, the above British reply, of 25th December 1764, was received, it was submitted to apparently the same legal adviser. In returning it to the minister, he states very frankly, that after reading it carefully, he considers it impossible to make an effective reply to it. He again maintains that the French government should not have brought all British and French subjects under one treatment. The British are quite within their rights in insisting upon the liquidation of their holdings, under the terms of the declaration attached to the Treaty of 1763. To remedy this error it would be necessary to issue a special declaration exempting them from the decree of 29th June, and admitting them to a special liquidation under the terms of the declaration. See *Affaires Etrangères, Amérique*, Vol. 21, p. 280. Fontanieu and his associates of the Department of Marine and Colonies, evidently felt the force of this argument, but could hardly be expected to admit themselves in error before the British Court. Proceeding to prepare a reply to Hertford's memoir, while not admitting themselves in error, they were evidently much influenced by the criticisms of the French foreign office. Many tentative drafts and sections of drafts by several hands were made, some of which are reproduced in the records of the foreign office. The completed draft, in the files of the Department of Marine, is given in *Série C¹¹ I*, Vol. 108, p. 17. On this is noted in the margin, "sent to the Duc de Praslin the 23rd January 1765." The copy in the files of the foreign office is given in *Affaires Etrangères, Amérique*, Vol. 21, p. 264. Quite a number of verbal changes are found on the opposite pages and in some cases there are differently expanded and differently worded treatments of some sections of the draft. These seem to have accompanied the version from the Department of Marine, while some of them are marked "struck out". The copy in the foreign office is dated in the margin, 23rd February 1765, and below this "Copy sent Comte Guerchy the 12th of March 1765. Copy transmitted the same day to the Earl of Hertford". The reason for this not being sent to Britain until March, is given in an anonymous and undated memorandum which follows the copy of the reply, in the foreign office records. In this the opinion is expressed that it might not be so difficult to treat with the British minister and the foreign office, were it not for the fact that the holders of the Canada paper in London, being largely attached to the opposition, by their persistent clamour, more or less force the hands of the ministers in Parliament while it is in session. It were well, therefore, to withhold this reply until parliament closes in March, and then it will be almost a year before the matter can be brought up in Parliament again. See *Affaires Etrangères, Amérique*,

SECOND REGISTRATION OF THE PAPER MONEY¹St James's, 8th Dec^r 1764.HON^{ble} JAMES MURRAYGov^r of Quebec.

Sir,

I received, by Lieutenant Grandadier, Your Several Letters of the 10th 20th 21st & 22^d of August,² and also the Box containing the Registers & Boredeaux of the Canada Paper of every Sort, according to the last Declarations made at Quebec, Montreal, and Trois Rivieres. As I observe by the Abstract

Vol. 21, p. 278. There is little new in the reply of the French Court, of 23rd February 1765. It states, in substance, that the Court of France accepts several of the principles laid down in the British reply, but not their application. The entire devotion of the French monarch to justice and truth is reiterated at every turn. Another constantly recurring statement is that paper which has been purchased at one-fourth of its face value can not be expected to be paid at its full face value. There are many more or less obvious versions of the new economic doctrines of the day, dealing with the variations of value as affected by supply and demand. Once more the point is elaborated, that the court of France, in the declaration attached to the Treaty, did not promise full payment of the Canada paper, but only its liquidation; and what the King meant in this declaration was simply what he invariably means in all his declarations, namely, his determination to strictly abide by justice. What was justice in this case, however, could be determined only after investigation of the conditions under which the Canada paper was issued and afterwards exchanged. Individual hardships there might be:—the King, however, can not take cognizance of these, but only of general results. On these grounds the King of France is convinced that the King of England will listen only to reason and justice, rather than to the clamours of the English holders of the Canada paper and thus accept the settlement which has been made by the Court of France. The British government, however, notwithstanding that Parliament had risen, was not inclined to follow this appeal and accept the settlement made in the decree of 29th June 1764. Finding it increasingly difficult, in view of the adverse opinions from their own foreign office, to maintain a firm attitude as to their right to settle the matter without consultation with the British Court, Fontanieu and his associates devised a new plan for outwitting the English holders. The essential features of this were, that the French Court, through their representative in London, should send to the British Court strongly worded declarations, to be given as great publicity as possible, maintaining that not only would no better terms ever be allowed, but if these were not accepted within a reasonable time the remaining Canada paper would not be redeemed on any terms. This, it was expected, would dispose the general body of the British holders to part with their paper in the general market on quite easy terms. The French Court should then send over to Britain, or engage there a number of reliable secret agents, who, in the guise of private individuals acting independently of each other, would buy up at low rates considerable quantities of the Canada paper, duly registered. Should these purchasing operations tend to raise the price of the paper, a temporary suspension of buying would soon reverse the market. This proposition was sent by Fontanieu, under date of May 1, 1765, to the Controller General under separate cover, to insure secrecy. The details of the project are given in *Série C¹¹ I*, Vol. 108, pp. 51-5, and Fontanieu's covering letter at p. 56. Before this plan could be put into operation, its favourable consideration being assumed, a new line of negotiation was tried, in the form of a series of conferences between the French and English officials having to deal with the matters in dispute, and including representatives of the English committee. The first conference took place between M. Villevault and the committee of English merchants in London (*Affaires Etrangères, Amérique*, Vol. 21, p. 281), the next, shortly afterwards, July 18th, at Compiègne, between the same French official and Mr. Hume, secretary to the Earl of Hertford (*ibid.* p. 284). Rochette was sent for to furnish details of the transactions in Canada while he was treasurer there. He also made a report of this conference, dated 24th

¹ Q 2: p. 201.² See C.O. 42, Vol. 1-2, pp. 374 and 380, also present volume, p. 1003.

of the Whole, that the Total Amount of these last Accounts exceeds That of the Former by upwards of Two Millions of Livres, I am sorry that It could not be transmitted many Months sooner; For the former Accounts, which I received from You, having been delivered to the French Ministers, and received and register'd by the proper Officers at Paris, as Authentick Declarations of the true Quantity of Paper-Money in the hands of His Majesty's Canadian Subjects. It may now be difficult to prevail on Them to accept a Second Account amounting to a much larger Sum. These Registers and Bordereaux shall, however be transmitted, for that Purpose, to His Majesty's Ambassador at the Court of France, who will be instructed to exert His Endeavours, in order to obtain Justice for His Majesty's Subjects, in This, and Every Point relative to the Liquidation & Payment of the Canada Paper. His Excellency has, by His Majesty's Command, already made the strongest Remonstrances against the Arbitrary Reductions pronounced by the Arrêt of the French Council, of the 29th of June last¹; And He is instructed to continue to do His Utmost in Solliciting the faithfull Performance of the Engagement contracted by His Most Christian Majesty's Declaration, annexed to the Definitive Treaty of Paris.

I am &c^a

DUNK HALIFAX

POWER OF ATTORNEY FOR SECURING PAYMENT OF THE CANADA PAPER²

KNOW ALL MEN by these Presents That We Brook Watson, Robert Allen, Charles Crockatt, William Greenwood, Daniel Vialars, Isidore Lynch, Robert Hunter, Robert Grant and Francis Rybot of London Merchants being at a General meeting of the Merchants trading to Canada, Canadians and others

July 1765. This was followed by a further conference at Paris, 24th August, between M. Fontanieu and Messrs Hume and Vialars, the latter representing the English committee, Rochette being also present. This involved a long and interesting discussion, which brought out the disadvantages under which the English representatives laboured, on account of their lack of knowledge of the actual operations in Canada before the Conquest (*Série C¹¹ I*, Vol. 108, pp. 26-38. Given also in *Affaires Etrangères*, Vol. 21, p. 295).

¹ See p. 1013.

² Q 55, p. 5. As a result of the conferences between the French and British representatives, referred to in the previous note, and in accordance with the rights claimed by the British representatives to have some part in arranging the terms of liquidation, it seems to have been agreed between Fontanieu, Hume, and Vialars that the British committee might be allowed to present proposals for a settlement, taking the French decrees of 29th June and 15th December 1764, as a basis (*Série C¹¹ I*, Vol. 108, p. 39). As a result Mr. Hume, then Chargé d'Affaires, in the absence of Lord Hertford, on 25th September 1765, on behalf of his government, submitted to the Court of France a memoir embodying the proposals of the English merchants interested in the Canada paper. In this it was stated that they would accept payment in specie at 50 per cent of the face value of the bills of exchange, and that portion of the certificates included on the same footing in the decree of 15th December 1764; also payment in specie for 25 per cent of the face value of the cards and ordinances and the remainder of the certificates as classified with them in the same decree. They also undertook to furnish all reasonable proof that all their holdings had belonged to British subjects since the Treaty of Paris. They stipulated, however, to be allowed a year from the acceptance of this offer in which to present their paper and prove

interested in Canada Bills Nominated constituted and appointed as their Committee, with full power and Authority in their Names and for their behalf as well as in the Names and behalf of all others his Britannick Majesty's Subjects Interested or concerned in said Canada Bills, to Sollicit, Ask, Claim and demand of and from the Court of France the payment of said Canada Bills in Conformity to the late Treaty of Peace between that Court and Great Britain and in case of need to compromise and agree with said Court to accept and receive either in money or otherways a less or smaller sum or sums in full payment for their said Bills than is by the Tenor and Body thereof expressly mentioned and specified to be their just due By Virtue of said power unto us granted and for divers good Causes and Considerations us there unto moving We Do by these Presents Nominate, Constitute and appoint His Excellency the Right Honorable Henry Seymour Conway Esquire¹ as One of his Majesty's principal Secretarys of State our true and lawful Attorney in our Names and behalf as well as in and for behalf of all others his Britannick Majesty's Subjects Interested or concerned in the Canada Bills to Ask, claim and demand of and from the Court of France the just payment of said Bills and in case of need to Compromise and agree for and in behalf of ourselves and all others concerned to accept and receive from said Court of France a less or smaller sum or sums in full for our demands than is specified in the Tenor and body of said Bills Provided the Sum or sums so compromised for to be received shall not be less or on worse terms than specified in our proposition hereunto annexed.

And We do by these Presents grant unto our said Attorney full power in our Names and behalf as well as in behalf of all other British Subjects concerned in said Canada Bills to enter into and sign and seal and deliver all such engagements as shall be necessary in the premises either in his own Name or in and by a power delegated by him to any his Britannick Majesty's Ministers at the Court of France hereby Ratifying and Confirming whatever our said Attorney may do or cause to be done in the premises which shall be binding to Us and Our Heirs and all Concerned for ever. In Witness whereof we have hereunto set our hands and seals this Twenty seventh day of December in the Sixth Year of the Reign of Our Sovereign Lord George the third by the grace of God of Great Britain France and Ireland King Defender of the Faith and in the Year of Our Lord One thousand seven hundred and Sixty five.

Signed Sealed and delivered

(L.S.)

their claims. The terms of the proposal were to apply to all the Canada paper already registered, as well as that still to be presented. Although this offer was made in order to bring the disputes to a close, they still maintained that, in point of justice, they were entitled to full payment for all the Canada paper. Therefore, in addition to the terms already proposed, the representatives of the British merchants demanded a lump sum of £150,000 Stg. to be distributed *pro rata* as a partial compensation for their heavy losses. See *Affaires Etrangères, Amérique*, Vol. 21, p. 308. These proposals, though not accepted under the conditions presented, were admitted in part and ultimately embodied in the convention of March 1766. Full payment in specie could not be allowed, although a substantial sum was granted if credit documents were accepted. The grant of a bonus was allowed, but differently distributed, and six months instead of a year, were allowed in which to present additional claims. The above power of attorney granted to Conway enabled the convention to be arranged and signed.

¹ Henry Seymour Conway was a younger brother of the Earl of Hertford, and succeeded him as British Ambassador to the Court of France.

TERMS OF SETTLEMENT ACCEPTABLE TO HOLDERS OF
CANADA PAPER¹

TO THE RIGHT HONBLE HENRY SEYMOUR CONWAY ESQ^r one of his Majesty's
principal Secretary's of State &c &c &c —

Right Honble Sir

In Consequence of the foregoing power of Attorney and to facilitate the Settlement of the Canada Bills with the Court of France We the Committee appointed to transact the Business relative thereto humbly make the following proposition as a Standard by which your Excellency will be pleased to adjust that weighty account.

The Court of France to pay the proprietors of all such Bills of Exchange Ordonnances Cards and Certificates as may be tendered at the proper Office in France for that purpose on or before the Twenty fifth day of December in the Year of Our Lord One thousand seven hundred and Sixty six and shall prove their property on Oath to be British and to have been so ever since the signing of the late Treaty of Peace with France —	Fifty per Centum on all Bills of Exchange and such Certificates as are Intitled to the same payment by the Arrets of the Court of France <p style="text-align: center;">And</p> Twenty five per Centum on all Ordonnances, Cards and the remaining Certificates—
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The above Sums to be paid them in an established, Secured and Transferable Fund bearing an Interest of four per Centum per Annum subjected to no deduction whatsoever either on principal or Interest —

The Court of France to pay into the hands of the Committee the further sum of	One Million five hundred thousand Livres Tournois as a Bonus on the Ordonnances, Cards and such Certificates as are paid at and after the rate of Twenty five per Centum— And also the further Sum of One Million of Livres Tournois as an Indemnification from the discount which said Funds may sell at under Parr.
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The last mentioned Sum of One Million of Livres is to be equally and proportionably divided by the Committee to all such Proprietors of Bills of Exchange, Ordonnances, Cards and Certificates as shall prove their property to be British, and to have been so ever since the signing of the late Treaty of Peace with France and not Liquidated in Conformity to the Arrets of the Court of France —

And We do further agree that all such Bills of Exchange Ordonnances, Cards and Certificates as shall not be presented for payment at the proper Office in Paris on or before the twenty fifth day of December One thousand seven hundred and Sixty six shall be forever excluded payment—

London this twenty seventh day of December One thousand seven hundred and Sixty five —

[Signatures of the Committee]

The Committee leave the Mode of Payment of the two million five hundred thousand Livres to his Excellency General Conway either to accept the same in the French Funds or by Installments as he may judge expedient if in the Funds the sum of five hundred thousand Livres Tournois must be paid in ready money for the twenty per Centum discount thereon.

THE CONVENTION OF MARCH 29, 1766¹

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. [Printed from the Copy, published by Authority.]

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 Britannick 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,² Knight of his Orders, Lieutenant-General of his Armies, Colonel Commandant of his Regiment of Foot, and his Ambassador to his Britannick Majesty; who, after having communicated their full powers and authorisations in due form to each other, copies whereof are transcribed at the end of the present Convention, have agreed to the following articles.

Article I. His Excellency General Conway, invested with the above-mentioned full powers and authorisations, accepts for the British proprietors and 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 the *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 first day of January, 1765, of four and one half per centum, to be subjected

¹ Almon: A Collection of all the Treaties of Peace, etc., Vol. II, p. 296.

² Claude Francois Louis Regnier, Comte de Guerchy, was born 1715. For the greater part of his life he served his country in a military capacity in various sections of Europe, from Italy to Flanders. After the Peace of 1763, he was sent as ambassador to England, and in that capacity he continued to serve until 1767. During the latter part of this period the noted Chevalier D'Eon was Chargé d'Affaires in the French embassy in London. Evidently with the tolerance, if not the secret encouragement of the French Court, D'Eon played the spy upon his chief, writing secret memoirs against him and otherwise thwarting his purposes. Discouraged and chagrined, Guerchy asked to be recalled, and died in 1767, shortly after his return to Paris.

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 them from
of _____ in Canada, and for his account.

[All indifferently are to add]

I further swear, that the said paper[s] 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.

X. Nevertheless, in case the actual proprietors, or holders, produce *Bordereaux* 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 declarations 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 *Bordereau*, which I certify to be true.

So help me God.

XI. 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 dispatch, and the holders of this paper shall be at no expence whatsoever.

XII. 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 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 broke the link of the proof: and if the respective Commissaries or Deputies shall chance to differ in opinion, the decision of the object in question,

shall be referred to his Britannick Majesty's Secretary of State, and to the Ambassador of his most Christian Majesty.¹

XIII. 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 Britannick 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 as those which shall be given for the fifty and twenty-five per cent. on the capitals of the bills of exchange, cards, *ordonnances*, &c. but the interest of which shall only run from the first of January, 1766; which sum of two millions and an half of livres Tournois, shall be delivered to the aforesaid Ambassador immediately after the ratification and exchange of the present convention, in *reconnoissance[s]* 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 farther condition, that all the English proprietors of the said paper shall give up every particular indemnification from any cause and pretext whatsoever.

XIV. 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 29th day of March, 1766.

(L.S.) H. S. CONWAY.

¹ Such difference of opinion did arise; in fact there are letters and other papers in the French and British records of the period, dealing with these matters, both before and after this attempt at settlement. The French Ambassador and the British Secretary of State met, and, after due consideration of the matters in dispute, drew up a series of articles in interpretation and explanation of the tenth article of the convention, in accordance with which the matters in dispute under it might be settled. This supplement to the convention was signed on June 24, 1766 (*Série C¹¹ I*, Vol. 108, p. 93, given also in Q 55, p. 11). On the 18th of November 1766, the French Ambassador and the English Secretary again met to settle other disputed points, particularly with reference to certain individual claims. After a survey of the evidence presented, they drew up a list of persons whose claims, the total amounts being specified, were recognized as having been satisfactorily established. They also admitted to the liquidation certain residents of France who had legitimately acquired the paper of British subjects since the Conquest. See Shelbourne Manuscripts, Vol. 30, p. 143.

MODE OF MEETING ILLEGAL CLAIMS FOR PAYMENT¹S^t James's31st March 1766

GOVERNOR MURRAY.

Sir,

You will herewith receive a Copy of the convention between His Majesty and the French King, for satisfaction to be made by the Latter to His Majesty's British and Canadian Subjects, the Proprietors of Canada Paper—You will find that Care has been taken to allow a proper Time for the coming in of such Paper, as may at present lie in Canada; You will therefore, by proclamation², or such other Means as you may judge proper, warn all His Majesty's Subjects to be very Careful to send over all such Paper as they may be possessed of, so that it may arrive here before the 1st of October next; for beyond that Period, no Paper will be admitted. At the same time that His Majesty's attention to the Benefit of all his Subjects engaged in this Concern, has provided for the just Satisfaction of their Demands on the French Court, it is by no means the Intention of the King, or his Servants, that any but the real Subjects of the Crown of Great Britain should be benefited by this Convention, and of them such only as were really the object of the late Treaty of Peace. The French Court is very apprehensive that their Subjects by an underhand Dealing with the English, may contrive now to send over to Canada Quantities of that Paper, the Property of the French, to be from thence remitted hither, to pass as English Property: Such a Practice would be unfair & unjust; and therefore it must be far from the Intention of His Majesty, or the Servants He honours with his Confidence, to give any Encouragement to such Dealings; and you are hereby expressly directed to take every lawful Means in your Power, if possible, to prevent such a Practice; and if in any instance you shall find that the Arts of bad people have eluded the Precautions your Prudence shall have taken, you will forthwith give the fullest Information of the Persons concerned, and as nearly as you can, a Description of the Paper so dealt with. You will observe that the more of the satisfaction done to His Majesty's Subjects is so contrived as that it is the real Interest of those who are honestly and bonâ Fide the Objects of this Convention, to exclude all who are not so; for, the greater the Quantity of the Paper admitted, the smaller Portion of the Three Millions of Livres Premium will come to the respective owners of the real Paper; and this Circumstance of the Interest of Individuals may supply you with Assistants to prevent or at least furnish you with Intelligence of, such Practices as may be used to defraud the French Court, and to lessen the Satisfaction His Majesty has obtained for his own Subjects.

I am, &c

H. S. CONWAY.

¹ Q 3: p. 11.² See Plate VIII.

REVIEW OF THE MEASURES OF LIQUIDATION

*Resumé of the Process of Liquidation of the King's Debt in Canada*¹

The liquidation of the debt of Canada has been completed, and there follows an account of this important operation, the object of which has been to reconcile the just interests of the King with those of the holders of the paper money of that colony.

The tribunal of the Châtelet, constituted in December 1761 for the trial of the criminal cases from Canada, was occupied with the examination of that great action when the King, immediately after the accused had been sentenced, wishing to provide in the most equitable manner for the payment of the various kinds of paper which had circulated in that colony, ordered, under the decree of December 24, 1762, that that which consisted of bills of exchange and money notes should be declared before Messrs de Fontanieu, Councillor of State, Daine and de Vilevault, *Maitres des Requêtes*. These gentlemen were already commissioners of the office previously established for the liquidation of the debts of the Marine, and which continued to act in the case of those of Canada, the certificates for which had not been converted into bills of exchange or money notes.

The period allowed for these declarations, which at first had been fixed at four months, was extended from time to time by various decrees until April 1st, 1764. At that date, the most of the Canada paper had been declared and presented, but there still remained eighteen millions of it.

On the basis of these declarations, of the judgment rendered by the tribunal of the Châtelet, and of the inquiries and investigations made with the greatest care by Messrs de Fontanieu, Daine and de Vilevault, these officers were in a position to form a plan of liquidation. They presented a well-reasoned outline of it which was read in Council on June 29, 1764. The King approved it and in consequence the decree of the same date ordering the liquidation was drawn up.

The principles which determined it¹ are that the excessive expenditures incurred in the King's service in Canada resulted as much from the corruption there carried on as from the discredit of the money in consequence of the profusion with which it was payed out; that the successive steps in this discredit, from 1754, had brought the loss on this paper in 1760 to more than four-fifths of its face value; that the King's expenditures had mounted up in the same proportion, and that all these circumstances, which were as onerous to His Majesty as they were advantageous to the possessors of the paper, warranted the most severe reductions. But, owing to the delay in payment and to several other considerations, it behooved the justice and magnanimity of His Majesty to use moderation in these reductions, even to exempt from them, the mer-

¹*Marginal note*: See the outline and preamble to the decree of June 29, 1764. No. 1.²

¹ The documents referred to in this resumé, with the exception of the appended statement referred to in the next note, have been already reproduced or summarized in this volume under their respective dates. Notes on the persons referred to in the text will be found by reference to their names in the index.

² These accompanying statements, numbered from one to six, and which, with the exception of the first, are mainly statistical, are given in full in *Série C*¹¹ I, Vol. 105-3, pp. 887-907. The first is the précis on which was founded the decree of 29th June. Both of these have been reproduced, the précis at p. 1005 and the arrêt at p. 1013.

Par Son Excellence l'Honorable JAQUES MURRAY, *Pair, Capitaine-Général et Gouverneur en Chef de la Province de QUÉBEC, Territoires et Dépendances de celle en Amérique, Vice-Amiral d'iceux, Major-Général des Troupes de sa Majesté, et Colonel-Commandant du Second Bataillon du Régiment Royal Américain, &c. &c. &c.*

PROCLAMATION.

Vu qu'une Convention pour liquider, et faire une Termination finale du Papier de *Canada* appartenant aux Sujets de la *Grande-Bretagne*, a été signée à *Londres*, le Vingt-neuvième Jour de *Mars* dernier, par le Très Honorable HENRY SEYMOUR CONWAY, un des Principaux Secrétaires d'Etat de sa Majesté, et par le Sieur Comte de GURCHEV, Ambassadeur de sa Majesté Très Chrétienne à la Cour d'*Angleterre*, Plein-potentiaires constitués par leurs dits Majestés pour cette Fin: Conformément à cela, et par Obedissance aux Ordres de sa Majesté à moi signés par son dit Secrétaire d'Etat, je juge à propos de faire sortir cette Proclamation, et faire savoir à tous les Sujets de la Majesté, *Britanniques* et *Canadiens* dans cette Province, qui sont Propriétaires ou Depositaires du Papier du *Canada*, qu'ils aient à les envoyer dorénavant à *Londres*, à fin qu'il y arrive pour être déclaré par devant les Commisaires ou Députés qui seront constitués, avant le Premier Jour d'*Octobre* prochain, vu que passé ce Temps le Papier ne sera pas admis. L'Attention de sa Majesté pour le Bien de tous les Sujets l'a engagé dans cette Affaire, à pourvoir à la juste Satisfaction de leurs Demandes à la Cour Française; cependant ce n'est nullement l'Intention du Roi, qu'il y ait d'autres Personnes que des véritables Sujets de la *Grande-Bretagne* qui puisse être avantagé par la dite Convention, et ceux seulement qui étoient réellement l'Objet du dernier Traité de Paix: Et vu qu'il est à craindre que les Sujets de sa Majesté Très Chrétienne trahissent présentement par un Commerce sous-main d'envoyer en *Canada* des Quantités de ce Papier appartenant aux Français, pour être d'ici remis en *Angleterre*, et les faire passer comme appartenant aux *Anglois*, et la Manière de la dite Convention étant le véritable Intérêt des Sujets de sa Majesté qui sont honnêtement et de bonne Foi les Propriétaires de pareille Monnoye de Papier, d'exclure tous ceux qui ne le font pas, car plus il y aura de ce Papier admis, moins sera la Portion du Premium accordé d'être payé aux Propriétaires respectifs du Papier tel: C'est pourquoi j'enjoins et je requis ponctuellement tous ceux dans ce Gouvernement qui sont intéressés dans le dit Papier d'avoir un soin particulier, et de ne pas, sous quelque Prétexte que ce puisse être, présumer de faire quelque Commerce, ou trafiquer, ou envoyer en *Angleterre* aucune Monnoye de Papier qui peut venir de *France* appartenant à des Sujets Français, pareilles intrigues etans frauduleuses et ne peuvent manquer que d'être découverte, comme tous ceux qui reçoivent de la Monnoye de Papier à *Londres* et qui le présente pour Liquidation, sont obligés de prêter le Serment qui suit, *Savoir*:

" Je fais Serment que les dits Papiers n'ont point été achetés, ni négociés en *France* comme appartenant à des Français, ni acquis directement ou indirectement des Natifs de *France* qui en étoient les Propriétaires à la Date du dernier Traité de Paix, et qu'aucune Partie de ces Papiers n'ont point été emportés d'*Europe* en *Canada*, à fin de donner la Propriété Française la Sanction de Propriété Britannique, lequel j'affirme et jure solennellement. Ainsi que DIEU me soit en Aide.

Donné sous mon Seing et Sceau de mes Armes, au Chateau de St. Louis, à Québec, le 27 de Mai, dans la Sixième Année du Règne de notre Souverain Seigneur GEORGE Troisième, Par la Grâce de DIEU de la Grande-Bretagne, de France et d'Irlande, Roi, Défenseur de la Foi, &c. et dans l'Année de notre Seigneur Mil Sept Cent Soixante Six.

JA: MURRAY.

Par Ordre de Son EXCELLENCE,
J. GOLDFRAP, D. Secrétaire.

VIVE LE ROI.

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chants who, in the course of trade, had acquired in France some of these bills of exchange before the suspension of October 15, 1759; to take into account, in the case of the officials and servants, the want of value in this money which they had received in payment of their allowances; and, finally, to accept and do justice to the memorials of private persons who, for other lawful reasons, could claim exemptions equally favourable.

This summary also contained a rough estimate of the debt of Canada. It consisted of eighty-three millionsⁱⁱ of which there were more than forty nine in bills of exchange, twenty-five in money notes and about nine in credit certificates for supplies and other expenditures not paid for in the colony. Of this sum of eighty-three millions, it was reckoned that there would return to the King in the form issued, as restitutions and for advances made, nearly nineteen millions, and there were about eighteen millions undeclared which were not to be admitted to liquidation except as might be afterwards determined as equity required, so that there remained to be liquidated only forty-six millions, the actual value of which was estimated at twenty-eight millions.

According to the principles established above and following their successive reductions in value, the order-in-council of June 29, 1764, ordered the complete liquidation of the bills of exchange acquired in France before October 15, 1759, and of those issued in 1760 for army supplies, also the reduction of the other bills of exchange by one-half and a reduction of the money notes by three-quarters.

It also ordered modification for the salaries of officials and servants, it admitted representations of those holding this paper who claimed a more favourable treatment, and, lastly, it announced that the sums resulting from these liquidations should be paid in bearer bonds, carrying coupons for four per cent interest. Another order of the following July 2 prescribed the form and the method of distribution of these bonds.

And, lastly, by the orders of December 15, 1764, and February 9, 1765, the King decreed the liquidation and payment of the credit certificates by having them placed on the same footing as bills of exchange and money notes.

All these arrangements were carried out and as the event has shown, the liquidation proclaimed has been even more to the King's advantage than had been foreseen in the précis. Instead of forty-six millions of paper, there has been liquidated only 44,013,595 livresⁱⁱⁱ. And instead of twenty-eight millions, the sum it was estimated the liquidation would cost, there has been paid only 26,001,403 livres, the amount of the modification made for the officials and servants included, as well as that of the indemnities accorded to various subjects of the King who were holders of the Canada paper.

But various decisions of His Majesty, subsequent to the settlement approved June 29, 1764, have increased the cost of the liquidation by three considerable items.

The first relates to the nineteen millions which were to return to the King in paper, for restitutions and advances, and the cancellation of which in similar paper had appeared certain. The King having, on the other hand, found later that it would be advisable to convert this paper into bonds returnable to His Majesty's Treasury, if convenient, it was so liquidated. It was presented to

ⁱⁱ*Marginal note*: "Sieur Cadet's allowance has since carried this sum up to nearly ninety millions." See statement No. 2.

ⁱⁱⁱ*Marginal note*: See the third sheet of the calculation.

the amount of 14,724,646ⁱⁱ, 16^s 10^d which produced the sum of 7,438,596ⁱⁱⁱ 16^s 10^d.^{iv}

The second is the result of the convention between His Majesty and the King of Great Britain, signed at London on March 29, 1766, dealing with the paper of which the English were holders.

This convention grants them an indemnity or premium of 2,500,000 livres and by means of the power it gives them of having undeclared paper admitted, they have obtained the liquidation of 15,958,729^v 19^s,^v forming part of the eighteen millions the fate of which had not been decided. This indemnity and liquidation gave rise to an increase of 6,655,000 livres.

The third and last consists of the sum of 5,512,579 livres allowed by the King to Sieur Cadet, former commissary of food supplies in Canada, as payment for supplies furnished for His Majesty's Service in 1759 and 1760, the account for which was passed upon on September 15 last, by the Commissioners of Council deputed for that purpose, and who, while passing certain articles, with regard to certain other directed Sieur Cadet to appeal to the King.

From all these additions, the total of the liquidation has mounted to 45,607,000 livres^{vi}. But one must also deduct from it about eight millions which the King has laid by in bonds or specie, being the product of the restitutions to which the various members of the administration and commissariat of Canada were condemned.

The immense debt of Canada has^{vii}, then, been liquidated for 37,607,000 livres of four per cent bonds. With this sum, a ninth of the expenditures of 1756 has been paid for, almost half of the expenditures of 1757, more than three-quarters of those of 1758, all of those of 1759 and nine-tenths of those of 1760. The average expenditure^{viii} per year, then, does not come to twelve millions: from this sum, there should be deducted five or six years' interest, owing to delay in payment. It may, moreover, be observed that the bonds given on this occasion are the least favoured of all the royal paper of recent issue, either as to their interest rate or current market values.

In the state of war and distress in which Canada found itself during that time, as many as twenty thousand men having been under arms there, it would have been impossible for the expenditure in the King's Service to have been less than twelve millions per year, in the hands of the most faithful administrators; this has been reduced as the result of the liquidation.

The object of the liquidation is, then, completely achieved; the damage caused by the corruption carried on in Canada has been repaired, the interests of the King are no longer being injured, since His Majesty has paid only what was just; the holders of the paper have no legitimate reason for complaining;

^{iv}*Marginal note*: See statement No. 4.

^v*Marginal note*: Note—beside this sum, the English had much other paper for which the prescribed formalities had been completed.

^{vi}*Marginal note*: Of this sum there remains 9,260 livres to be appropriated.

^{vii}*Marginal note*: This debt, as has been seen above, amounted to nearly ninety millions.

^{viii}*Marginal note*: See statement No. 5.

those who claimed that they should have been excepted from the general rule have made representations which have been examined with attention and passed upon with justice.

This operation, so well concerted and carried out in the Department of the Marine, is due to the diligence and the zeal of M. de Fontanieu (for whom M. de Marville was substituted in October last) and of Messrs. Daine and de Vilevault. They devised the plan and they have carried it out with all possible care.

The work it has entailed on them for nearly five years has been ceaseless and great. One may appreciate the continual assiduity it has required from two features in particular: these commissioners have had about five hundred petitions to examine and pass upon and more than fifty thousand signatures to make.

Among the important memoirs which they have furnished to the ministers in the course of this business, one may cite especially those concerning the Canada paper of which British subjects were holders. The Court of London claimed that complete liquidation was due them in accordance with an article added to the last treaty of peace and to which it gave a forced interpretation. It insisted on this during two years. But, convinced at last by the strength and pertinence of the reasoning and method of presentation which these memoirs contained and which Monsieur de Vilevault made even more telling in his journey to London for that purpose, it gradually moderated its demands and consented at last to the liquidation as determined on, limiting itself to claiming for its subjects the liquidation of the undeclared paper of which they were holders and a definite sum in compensation to them collectively for the lower value of the bonds given in payment and in place of the indemnity announced in article seven of the decree of June 29, 1764. These demands were reasonable but as they tended very much to be arbitrary, they became the subject of a negotiation which was terminated by the convention of March 29, 1766.

The details of the liquidation of the Canada paper have been very great: the costs of it are very moderate. *Resumé* No. 6 shows that it has cost the King only 159,375 livres for commissioners' honoraria, salaries of the presiding officer, the controller and clerks, and the office expenses during more than five years.¹

[Not signed]

¹ While it is true that the liquidation of the Canada paper had been ultimately accomplished, the British holders continued to raise many objections and present numerous grievances with reference to the nature of the securities which had been exchanged for it, and the increasing irregularity in the payment of the interest on them. Before long, however, the remainder of the declining value of the new French securities vanished altogether, France and England being once more at war, in consequence of the American Revolution; after that the approach of the French Revolution discouraged all attempts to revive such claims.

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