

**THOUGHTS ON THE  
MONEY AND EXCHANGES  
OF LOWER CANADA**

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Thoughts on the Money and Exchanges of Lower Canada by Henry S. Chapman

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**HENRY S. CHAPMAN**

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BY HENRY S. CHAPMAN,

(AUTHOR OF A STATISTICAL SKETCH OF THE CORN TRADE OF LOWER CANADA.)

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TO  
SAMUEL REVANS  
AND  
JOHN W. DUNSCOMB, Esquires,  
THE FOLLOWING PAGES,  
THE RECORD OF OUR CONVERSATIONS ON  
THE SUBJECT TREATED OF,  
ARE DEDICATED,  
BY THEIR SINCERE FRIEND  
THE AUTHOR.

QUEBEC, *September*, 1832.





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INTRODUCTION.

It will be recollected, that in the early part of the year 1830,—in consequence of a passage in the speech of Sir James Kempt, having reference to the state of the Currency,—both houses of the Provincial Legislature appointed Committees to hear evidence on, and inquire into the monetary system of Lower Canada.

These Committees reported the results of their labours, but, unfortunately, little has been practically effected thereby. On examining the reports, this will not be deemed surprising. The facts collected are few in number, and no important conclusions are drawn from them. We learn, that certain coins pass current in Lower Canada at rates above their value; the evil is duly expatiated upon; but accompanied only by a feeble recommendation “that they should be called in at the public expense, under safeguards against their not having been introduced into the Province in order to profit by such deterioration.”\* What safeguards are sufficient is not pointed out, though it was a question evidently within the province of both Committees; in fact, generally, the Committees content themselves with declaring, that it is advisable to do what they themselves were expressly appointed to do, and so putting off, *siné die*, the business of inquiry. We are further told that the weight and purity of the Spanish dollar, having been reduced, our par of exchange is no longer correct; but,

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\* Council's Report, page 12, 8vo. ed.

although much evidence was collected, no attempt was made to set the public right on the point. It is true the evidence was contradictory; one witness stating the dollar to be worth 4s. 1d. to 4s. 2d., another 4s. 3d., a third 4s. 4d., and a fourth that it would require £115 $\frac{5}{8}$  currency to make £100 sterling—thus making the dollar worth 4s. 3 $\frac{1}{2}$ d $\frac{1}{2}$ .58. No attempt was made to establish, by a reference to general principles, which,—if any,—of the above rates is correct, though there is no principle of the science, within whose province such questions come, better,—more fairly and fully established than that which would have led,—and by no very intricate road either,—to the truth.

Hence it will appear that the “Lower Canadian Currency question” stands nearly as it did before the Committees sat. Its deranged state is still complained of, but the extent and direction of that derangement is, as yet, wholly undetermined and but vaguely conceived. These points it will be the object of this paper to clear up; the evidence collected by the Committees, especially the *documentary part*, some of which appears valuable, will be submitted to a careful examination; and after adding such further evidence as I can command, and which may tend to elucidate the inquiry, I shall endeavour to point out a remedy for the acknowledged evils, of easy practical application.

## CHAPTER I.

### *On the state of the Coins in circulation.*

As the actual state of the coins in circulation in the Province forms no inconsiderable portion of the inquiries of both Committees, let us, without preface, direct our attention thereto.

I need scarcely remind the reader, that the integer of account in Canada is the £ currency consisting of four Spanish dollars, its subdivisions being as those of British money, into shillings and pence; the dollar, consequently, being called five shillings.

The coins chiefly met with in circulation are as follows:—Spanish dollars, and a few American, 5s.,—American half dollars, and a few Spanish, 2s. 6d.,—Spanish and American quarter dollars, 1s. 3d.,—Spanish one-eighth ditto, 7 $\frac{1}{2}$ d.,—Spanish one-sixteenth ditto, 3 $\frac{1}{2}$ d.,—American 10 cents,

one-tenth ditto, 6d.,—French crown pieces, 5s. 6d.,—French half-crown ditto, 2s. 9d.,—Pistareens, (formerly 1s. now) 10d.,—Half Pistareen, 5d.,—together with some few others, occasionally, though very rarely seen, such as five franc pieces, 4s. 8d.,—old Spanish quarter dollars without pillars, 1s.,—English bank tokens of 1812, 3s., 1s. 6d.,—and Irish 10d. and 5d., now, I believe, generally refused.

Three questions appear to me to include all that is meant by "*the state of the coins in circulation.*"

First, Which of the coins in circulation are debased?

Second, What is the extent of their depreciation?

Third, What proportion does the depreciated bear to the sound part of our currency?

The two first questions, it will be seen, form but one subject for inquiry.

In estimating the value of the several coins in circulation, the dollar of 60 pence is assumed as the standard into which all the rest are resolved. Here the Committee of the Legislative Council has the merit of having adopted the right course,—*actual experiment.*

"The weights of the coins were ascertained by actually weighing the quantities thereof so specified, respectively taken at hazard.

The following are the results of the experiment above alluded to:—

	oz.	dwt.	grs.	grs.	value.
1000 Spanish dollars were found to weigh . . . . .	865	1	8	average 415,	ca. 5s.
2000 U. States half dollars,	865	18	2	" 207 16.20,	ca. 2s. 6d.
4000 Spanish quarter do.	829	19	6	" 99 1-2,	ca. 1s. 2 1-3d.
5000 Pistareens . . . . .	804	1	2	" 77 9-50,	ca. 0s. 11 8-60d.
1000 French crowns . . . . .	928	0	4	" 445 4-10,	ca. 5s. 4 1-2d.
2000 French half do. . . . .	863	4	6	" 207 1-6	ca. 2s. 5 1-4d.

Strictly the values of the several coins will be as follows: that is, taking the data of the Committee, and supposing the standard of the silver contained in the coins to be the same as the Spanish standard. It will be seen that some trifling errors have crept into their calculation:—

	D
United States half dollar . . . . .	30.04
Spanish quarter dollar . . . . .	14.88
Spanish pistareen . . . . .	11.157
French crown . . . . .	64.58
French half crown . . . . .	29.92

French old standard, however, is rather better than Spanish; containing 1 dwt. less of alloy.