

Currency Conversion in British North America, 1760-1900'

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The conversion of various moneys of account² to a common standard is a recurring problem equally for researchers using eighteenth- and nineteenth-century Canadian business and financial records and for archivists charged with the care of such records. For example, a researcher studying the financial administration of the Province of Quebec in the years 1763-77 will find that accounts were submitted to the colonial government in sterling, in Halifax currency, in Quebec currency, in York currency, and in lawful money, all of which were denominated in pounds, shillings and pence. In addition some accounts were denominated in dollars and cents and others in livres and sols.³ An archivist will find that a single volume of the North-West Company's accounts contains entries in sterling, York, Halifax, and Grand Portage currency as well as dollars and cents, and livres and sols.⁴ In both cases analysis can only begin after the various systems have been converted to a common base. Moreover, the above examples have not exhausted the list of currency systems used in British North America. Military officials used army sterling; Customs officials used a special accounting system in dealing with silver coins; and in Newfoundland three separate systems — sterling, Newfoundland sterling and Newfoundland currency — were used concurrently.

After the 1770s the problem of multiple currency systems was ameliorated slightly as Halifax currency came into increasing, although never exclusive, use. However, a second problem arose early in the nineteenth century. During the last half of the

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- 1 I wish to thank Parks Canada for permission to summarize some of the findings from a larger paper, "*Money and Exchange in Canada to 1900.*" I also wish to thank G. Bennet, R.P. Gillis, and M. Sutherland for reading and commenting on this paper.
 - 2 This paper deals with the conversion rates between different moneys of account, or ideal moneys, at the nominal par. It does not deal, in detail, with the commercial exchange rate. From 1760 until 1809 there was little difference between the nominal par and the commercial rate; the average commercial exchange rate in Quebec was £110.40 currency per £100 sterling. However, during the decade 1810-19 sterling fell to a discount of as much as 25 per cent, the average commercial rate was £99.51 currency per £100 sterling. In the years 1820-57 the average commercial exchange rate was £122.35 currency per £100 sterling, a premium of about 10 per cent on the nominal rate. The deviations from the nominal par, which are discussed in more detail in the paper "*Money and Exchange in Canada to 1900,*" are important in considering international trade.
 - 3 Public Archives of Canada (hereafter PAC), Records of the Executive Council, RG1, Board of Audit, Quebec and Lower Canada, E15A, vols. 1-15.
 - 4 Hudson's Bay Company Archives, F4/7.

eighteenth century, all of the eastern colonies except Newfoundland adopted Halifax currency as their principal currency, with £111/2/2.67 Halifax currency equal to £100 sterling. Over the period 1760-1820 the relative value of Halifax currency and sterling changed as a result of several factors: the decline in the intrinsic value of the silver dollar, the coin on which the Halifax currency system was based; the substitution of other coins as the principal medium of circulation; and the devaluation of local currencies by the different legislatures. As a result of these changes, £111/2/2.67 Halifax currency was not intrinsically equal to £100 sterling by 1820. Although the decline in value of Halifax currency was reflected in commercial sterling exchange rates from 1821 on, accounting practices were not changed to reflect the devaluation for several years. Moreover, devaluation did not take place at the same rate or to the same degree in all of the colonies which used Halifax currency. British army accountants adopted a new par of £115/7/8.3 currency per £100 sterling in 1825 and made further adjustments in 1838 and 1842. In 1836-37 the Nova Scotia government adopted a par of £125 currency per £100 sterling and in 1848 Prince Edward Island adopted a par of £150 currency. For most purposes the Province of Canada and New Brunswick continued to use the old par, £111/2/2.67, until they adopted decimal currency in 1858 and 1860; however, in some instances, usually those involving actual foreign exchange transactions as opposed to bookkeeping transactions, a par of £121/13/4 currency per £100 sterling was used. Newfoundland currency, which was similar in concept to Halifax currency, was devalued from £115/7/8.3 to £120 currency per £100 sterling in 1838 but it is not clear that the new conversion rate was universally accepted.

The devaluation of the currency in use in British North America, both as it was formally recognized and as it occurred as a result of economic forces, are factors which researchers using financial and business papers over any extended period cannot ignore. This is especially the case if comparisons are made between colonies where devaluation occurred at varying rates and to different degrees.

The problems involved in dealing with currency conversions are best handled with a knowledge of the historical development of the monetary systems in British North America. This paper will set out, as concisely as possible, the theoretical basis of the special currency systems used; outline their development in the different colonies until their absorption into a common decimal currency system in the last half of the nineteenth century; and provide, in tabular format, the means of converting one currency to another.

Most of the special currency systems in use in British North America were created by giving coins a value above their true sterling value. For example, a royal proclamation of 1704 had declared the sterling value of the Spanish silver dollar, the most common coin in North America, to be 4/6. The proclamation had permitted colonial governments to give the dollar a value as high as 6s in local currency.⁵ In Halifax currency it was rated at 5s, in Quebec currency at 6s and in New York, or York, currency at 8s, 2s above the value permitted by the proclamation. Other coins were also increased in value proportionately, with the result that £111/2/2.67 Halifax currency or £133/6/8 Quebec currency or £177/15/6.67 New York currency was equal to £100 sterling.

5 Paul A. Samuelson and Herman E. Kroos, *Documentary History of Banking and Currency in the United States* (New York, 1969), Volume 1, p. 17.

The rationale behind the creation of these currency systems was that the enhanced value would attract coins to, and keep them in, the colonies which were chronically short of hard money. Monetary theorists pointed out that the likely effect of increasing the rating of coins would be an equivalent increase in prices. Practical experience proved that an increased rating in one jurisdiction was likely to provoke retaliatory increases by neighbouring jurisdictions. Either result would nullify any advantage gained by the increased rating.

In spite of these objections, inflated currencies of account were common throughout North America and the Caribbean. As early as 1636 coins in New France had been rated one-quarter above their rating in France and from 1672 to 1719 coins in New France were rated at one-third above their value in France. However, in 1719 the French government abolished this "monnoye du pays" and from 1720 to 1760 the money of account of New France and France were the same.⁶

The British government also attempted to control the creation of inflated currencies of account in its colonies but with limited success. Beginning in the 1640s the New England colonies, led by Massachusetts, began to inflate their currency. By 1705, £154/17/0 New England currency was equal to £100 sterling. At this rate the dollar was worth 6/11.5, 11.5 pence more than the upper limit set by Queen Anne's proclamation of 1704. In theory £154/17/0 remained the par of exchange for New England currency until 1750 but in practice the excessive issue of paper money drove the commercial exchange rate up to £1000 New England currency per £100 sterling by 1749.⁷

After 1710, when New England troops captured Port Royal, Nova Scotia became part of the New England currency system although it escaped most of the New England inflation. In 1750, as a result of the inflation, Massachusetts abandoned the New England currency system, recalled its paper money and adopted the silver dollar, valued at 6s, one-third above its sterling value as the basis of its currency system. At about the same time, Nova Scotia broke away from the New England currency system. It also adopted the silver dollar as its principal coin, but at a rate of only 5s, one-ninth above its sterling value. The rating was only established by custom; a 1758 act making the dollar legal tender at 5s was disallowed.⁸ In spite of the disallowance the dollar was normally received at 5s Halifax currency in Nova Scotia until 1842, with other coins rated in rough proportion until at least the War of 1812. The ratio between Halifax currency and sterling, £111/2/2.67 to £100, which was based on the relative value of the dollar at 5s Halifax and 4/6 sterling, remained in effect in Nova Scotia until 1837 and even longer in other parts of British North America.

Following the capture of Quebec City in 1759 James Murray forbade the circulation of the paper money issued by the French colonial government and introduced the Halifax currency system in Quebec City and the surrounding area. In

6 Adam Shortt, *Documents relatifs à la Monnaie, au Change, et aux Finances du Canada sous le Français* (Ottawa, 1925), pp. 5-7, 37; Louise Dechêne, *Habitants et Marchands de Montréal au XVII^e Siècle* (Montréal, 1974), p. 131.

7 John J. McCusker, *Money and Exchange in Europe and America, 1660-1775: A Handbook* (Williamsburg, Va., 1978), pp. 131-37.

8 Ruth McQuade, "Halifax Currency in Nova Scotia," *The Canadian Numismatic Journal*, 21, no. 10 (November 1976): 399-402.

1760 when Jeffery Amherst's New York based army captured Montreal, Amherst established the New York, or York, currency system at Montreal and at the subsidiary government of Three Rivers.⁹ Like Halifax currency, New York currency was based on the dollar but it valued the dollar at 8s, with other coins in proportion. Hence £177/15/6.67 New York currency was equal to £100 sterling.

The existence of the two systems caused confusion and in 1764, when Murray was appointed civil governor of the whole colony, he established a common currency. The new currency, evidently intended as a compromise between New York and Halifax currency, was similar to the Massachusetts currency of 1750 in that it valued the dollar at 6s, with other coins in proportion.¹⁰ £133/6/8 Quebec, or lawful, currency was equal to £100 sterling. The new currency was not popular and was not adopted by all, probably not even by the majority, of Quebecers. Many Quebec merchants continued to use Halifax currency and some Montreal merchants, as well as government officials in the upper posts, continued to use York currency. In addition, although most accounts used sterling notation, a few used dollars and cents and more used the livres and sols of the French system. Six livres, money of account, was equal to one dollar in both Halifax currency and Quebec currency; hence 24 livres was equal to £1 Halifax currency and 20 livres was equal to £1 Quebec currency.¹¹

In 1777 the government abandoned the attempt to introduce Quebec currency and established Halifax currency as the only legal currency throughout Quebec.¹² Quebec currency quickly disappeared from use but York currency continued to be used, admittedly by decreasing numbers, in Montreal and the upper country for many years. As late as 1840, the Inspector General of the Province of Canada reported that York currency was still in use in the rural parts of Canada West.¹³ Dollars and cents and livres and sols also continued to be used in some accounts into the 1840s; in fact dollars and cents gradually became more popular until the Province of Canada officially adopted decimal currency in 1858.

The colonies of Prince Edward Island and New Brunswick also adopted Halifax currency, either by law or by custom, shortly after their creation. Newfoundland did not follow the general pattern; it continued to keep its accounts in sterling into the late 1820s although, as we shall see, it was sterling with a difference.

The Quebec currency act of 1777, and indeed the currency acts of the other colonies, did not apply to imperial officials who continued to use sterling for most of their dealings with London, and used sterling or local currency in their official accounts, depending on the situation. The military usually used sterling in dealing with London and currency when dealing with Canadians. It also developed a special currency, army sterling, for purely internal use in North America. During the Seven

9 PAC, *Annual Report* (1918), Appendix B, pp. 3-4, 22, 36, 39, 58, 88, Ordinances and Proclamations of the Règne Militaire.

10 PAC, *Annual Report* (1913), Appendix E, pp. 45-46, Ordinances Made for the Province of Quebec ... until 1767. Ordinance of 14 September 1764.

11 PAC, RG1, E15A, vols. 1-15 contain examples of all types.

12 PAC, *Annual Report* (1914), Appendix C, pp. 73-74, Ordinances Made for the Province of Quebec ... from 1768 until 1791. Ordinance of 29 March 1777.

13 PAC, Records of the Provincial Secretary's Office, Canada East, RG4, Numbered Correspondence Files, C1, vol. 36, file 8345, J. Macaulay to S.B. Harrison, 19 December 1840.

Years' War the army had difficulty in establishing equitable rates of pay in the different colonies with different currency systems. In 1757 the Treasury directed that local currency systems should be ignored and that all troops in North America should be paid in dollars valued at $4/8$; when dollars were not available other coins could be used at a proportionate rating.¹⁴ With a slight break during the years 1809-10, this system remained in effect until 1825.¹⁵ $\text{£}103/14/1$ army sterling was equal to $\text{£}100$ sterling or $\text{£}111/2/2.67$ Halifax currency. Army sterling was sometimes converted to Halifax currency by the addition of one-fourteenth but the more usual method was to express army sterling in dollars and then to convert the dollars to Halifax currency or to sterling.

Customs officers also used a special currency in certain cases. The imperial act, 14 George III, C.88, which was designed to raise a revenue for the government of Quebec, and a number of subsequent tariff acts permitted duties to be paid in silver at the rate of $5/6$ sterling per ounce of silver. At $5/6$ sterling per ounce the dollar was worth $4/8.75$ sterling rather than $4/6$. The option of paying in silver at $5/6$ per ounce was not generally known and most Customs payments were made at the rate of $4/6$ per dollar but the Customs collectors in Nova Scotia and Quebec paid their receipts into the provincial Treasury at the rate of $4/8.75$ per dollar. The difference was kept as a prerequisite of the collector. During or shortly after the War of 1812 the merchants gained the right to pay duties in dollars at $4/8.75$ or in other silver at $5/6$ per ounce. The collectors continued to pay silver into the provincial Treasury at the rate of $5/6$ per ounce but they no longer gained any advantage by it. In 1828 as part of a general reform of the currency the special Customs rate for the dollar was abolished and dollars were only received at the standard valuation.¹⁶ Since 1825 this had been $4/4$ sterling.

The various currency systems in use in British North America after 1760 were based on two assumptions, first, that the silver dollar was worth $4/6$ sterling and second, that the dollar and its parts were the principal coins in circulation. So long as these assumptions were valid and so long as other coins were rated equitably in proportion to the dollar, then the colonial currencies held their value relative to sterling.

The sterling value of the dollar, $4/6$, had been established by assays conducted at the Royal Mint in 1703. By the 1750s when Halifax currency and army sterling were established devaluation had reduced its intrinsic value to about $4/4.75$ sterling and further devaluations were to reduce it to about $4/4$ by the mid 1820s. However, $4/6$ had become the traditional and customary value of the dollar and its gradual debasement was generally ignored in day to day transactions.¹⁷

14 PAC, Records of the War Office (London), MG13, W.O. 34/44, p. 17v, Copy of a Treasury minute of 25 September 1757.

15 PAC, British Military and Naval Records, RG8, "C" Series, vol. 1477, p. 89, General Order, 20 April 1809, and vol. 1333, pp. 34-35, D. Thomas to Deputy Paymasters General, 14 August 1810.

16 Lower Canada, *Journals of the Assembly*, (1828-29), Appendices M and Aa; PAC, Records of the Colonial Office (London), MG11, C.O. 217/139, ff. 190-200, Atcheson to Bathurst, 19 June 1820, and C.O. 217/148, ff. 53-54, Instructions to Customs officers, 20 December 1827.

17 Values of the dollar are based on its silver content at the British Mint price of $5/2$ sterling per standard ounce. This was the system used by the Treasury in establishing the value of the dollar in the nineteenth century. The value could also be established on the basis of the market value of silver or on the relative silver content of the dollar and British silver coins. In 1825 the former method resulted in a lower value than that adopted by the Treasury, the latter in a higher value.

The dollar and its parts remained the most common coins in the British North American colonies until about the time of the War of 1812 and even later in most colonies. However, between 1811 and 1819 Nova Scotia gradually raised the rating of Spanish doubloons from £3/12/0 to £4/0/0 Halifax currency.¹⁸ At the latter price they were almost 24 per cent above their sterling value. At this rate the doubloon drove most other coins out of circulation. At about the same time legal overvaluation and the increasingly worn state of old French crowns and half-crowns made them, and the equally debased pistareens, the dominant coins in Lower Canada.¹⁹

The net effect of the decline of the true value of the silver dollar and its replacement by other coins was to drive down the true value of Halifax currency in relation to sterling. This decline was reflected in the rise of the commercial sterling exchange rate on London to about £121-24 Halifax per £100 sterling in the 1820s. In spite of this change Canadians continued to use the conversion ratio of £111/2/2.67 to £100 in their accounts.

The traditional relationship between Halifax currency and sterling was further weakened in 1825 when the British government gave notice that in future it would only accept silver dollars at the rate of 4/4 sterling.²⁰ The new rate was applied to army sterling and, after 1828, to Customs receipts. As a result the "customs dollar" and army sterling ceased to exist although the term army sterling continued to be used and, in a limited sense, regained some significance after 1842.

As a result of the devaluation, the British military in Canada adopted a new par for conversion from Halifax currency to sterling, £115/7/8.3 to £100, based on the new relative values of the dollar, 5/0 currency to 4/4 sterling.²¹ In some contexts different conversion ratios were used, to allow for the fact that all coins were not rated equitably. For example, the army accepted the French five franc piece at 4/0 sterling. In Lower Canada it was legal tender at 4/8 currency, slightly above its intrinsic value in relation to the dollar at 5/0 currency. To allow for the use of the franc the army sometimes used the conversion ratio £116/13/4 currency to £100 sterling, based on the relative value of the five franc piece at 4/8 currency and 4/0 sterling, in its accounts in Lower Canada.²² In 1838 the British government further reduced the value at which it would accept the dollar to 4/2 sterling and as a result the army re-adjusted its par to £120 currency to £100 sterling.²³

The army appears to have been the only organization in central Canada which took formal cognizance of the changed relationship between currency and sterling prior to 1842. The colonial governments (except for that of Nova Scotia) and merchants continued to convert from currency to sterling on the basis of £111/2/2.67 currency per £100 sterling.

18 J.S. Martell, "A Documentary Study of Provincial Finance and Currency, 1812-36," *Bulletin of the Public Archives of Nova Scotia* 2, no. 4, (1941): 13-14.

19 Robert Chalmers, *A History of Currency in the British Colonies* (London, 1893), p. 184.

20 *Ibid.*, pp. 184 and 425.

21 PAC, RG8, "C" Series, vol. 341, pp. 37-48, Reports of boards on the contents of military chests, September 1825.

22 *Ibid.*, vol. 142, p. 115, and vol. 143, p. 35.

23 *Ibid.*, vol. 147, pp. 376-77, Spearman to Routh, 19 September 1838, and vol. 343, pp. 94-107, Reports of boards of survey on contents of military chests, March 1841.

In 1841 the Province of Canada adopted new currency legislation which abandoned the traditional rating of the dollar at 5/0 currency. Under the new legislation the dollar was worth 5/1 currency and the British sovereign was worth £1/4/4.²⁴ If the pound currency was defined in terms of the sovereign, then £121/13/4 currency was equal to £100 sterling. Following the proclamation of the law on 27 April 1842, there was a move among merchants, bankers, and exchange dealers to adopt the new conversion rate. The colonial government adopted the new rating in some of its accounts where actual sterling exchange transactions were involved but in simple bookkeeping conversions it continued to use the old par and most of the private sector reverted to the old system. £111/2/2.67 to £100 remained the nominal currency sterling par in general use in the Province of Canada until the adoption of decimal currency in 1858.²⁵

Although most Canadians continued to use the old par, the army once again adjusted its conversion rates to the new situation. In dealing with banknotes or coins other than dollars or U.S. eagles it used a rate of £121/13/4 currency to £100 sterling. After 1 April 1843 U.S. eagles were issued at the rate of £121/14/1 currency per £100 sterling; prior to 1 April 1843 they had been issued at the rate of £120 currency to £100 sterling. When silver dollars were issued, £122 currency was considered equal to £100 sterling.²⁶ During the 1840s the dollar was generally the most common coin used by the army and its conversion rate was generally taken as the rate for army sterling. In the early 1850s American and Mexican silver dollars disappeared from circulation and were replaced by the eagle and British silver.²⁷ With the disappearance of the silver dollar the distinction between army sterling and sterling disappeared.

In Nova Scotia changes in the par of exchange were made earlier than in central Canada. The overvaluing of the doubloon had undermined the traditional par of exchange and the change in the rating of the dollar by the British further undermined it. Moreover currency values in Nova Scotia were largely fixed by custom rather than by law and may have been more susceptible to change than those in central Canada. In the early 1830s several statutes, as well as what were evidently executive decisions, gradually introduced a new par of exchange, £125 Halifax currency to £100 sterling. The change was apparently complete in 1837 and from that date until Nova Scotia adopted decimal currency in 1860 the par was £125 to £100.²⁸

Halifax currency was subject to the same inflationary strains in Prince Edward Island as it was in the rest of British North America. As well, Prince Edward Island issued excessive amounts of paper currency which contributed to inflation. By

24 Province of Canada, Laws, Statutes, etc., 4 and 5 Victoria, cap. 93, (1841).

25 Montreal *Gazette*, 14 January 1843, Advertisement for William Gunn's *Tables of Exchange ...*; PAC, RG4, C1, vol. 101, file 1375, G. Wickstead to D. Daly, 6 April 1844; Province of Canada, *Journals of the Assembly* (1841-58), Public Accounts; PAC, MG11, C.O. 47/156-72, *Blue Books* (1841-56), Currency.

26 PAC, RG8, "C" Series, vol. 151, pp. 183-84, Departmental Order, 24 June 1842, and p. 308, General Order, 7 March 1843.

27 *Ibid.*, vol. 156, Reports of boards of survey of contents of military chests, 1851-52.

28 Nova Scotia, Laws, Statutes, etc., 4 William IV, cap. 1, (1834), and cap. 61; Nova Scotia, *Journals of the Assembly*, 24 March 1829, p. 482; PAC, MG11, C.O. 221/50, p. 182, *Blue Books* (1836); Nova Scotia, Laws, Statutes, etc. 6 William IV, cap. 41, (1836).

about 1835 the commercial exchange rate was about £140-50 currency to £100 sterling. In 1848 the government adopted £150 currency as its par in preparing the annual reports to the Colonial Office.²⁹ The new rate apparently came into general use in the Island in the early 1850s except for the payment of “sterling” rents. Under an act of 1851 all rents and leases which were stated in sterling were to be paid in currency with the addition of one-ninth, that is at the traditional conversion rate.³⁰ In New Brunswick the original Halifax currency — sterling ratio of £111/2/2.67 to £100 was maintained until the colony adopted decimal currency in 1860.

As noted above, Newfoundland did not adopt Halifax currency in the eighteenth century. About 1811, the government and merchants of the island began to accept the dollar at 5s but they did not rate other coins in proportion. As a result relatively few coins other than dollars and Bank of England tokens, which were overvalued even at their sterling ratings, circulated.³¹ Newfoundlanders had effectively adopted the Halifax currency standard although they maintained that they used sterling.

In 1825 when the British government reduced the rating of the dollar to 4/4 sterling the Newfoundland government accepted the change and reverted to a true sterling in its accounts. The general population, however, seems to have continued to rate the dollar at 5s and to have gradually adopted proportionate ratings for other coins as well. Newfoundland currency was based on a dollar which was assumed to be worth 4/4 sterling, unlike Halifax currency which was based on a dollar traditionally valued at 4/6 sterling. The result was that £115/7/8.³² Newfoundland currency was equal to £100 sterling or £111/2/2.67 Halifax currency.³²

In 1838 when the British government reduced the sterling value of the dollar to 4/2, the Newfoundland government continued to value it at 4/4, with the result that Newfoundland sterling was no longer equal to sterling; £104 Newfoundland sterling was equal to £100 sterling. The change also affected the relative value of Newfoundland currency; based on the relative value of the dollar, 5/0 Newfoundland currency and 4/2 sterling, £120 Newfoundland currency was equal to £100 sterling.³³ However, it is not clear that all Newfoundlanders adopted the new conversion ratio; commercial exchange continued to be quoted on the basis of the old par, £115/7/8.³³ Newfoundland currency to £100 sterling, until the colony adopted the decimal currency in 1863.

The dollar was the dominant coin in most of British North America except Nova Scotia during the first half of the nineteenth century and it is not surprising that there was pressure to adopt the decimal system of accounts. In 1851 the Province of Canada, New Brunswick and Nova Scotia agreed to work towards a common decimal currency. Acts permitting the use of decimal currency in public accounts came into force in New Brunswick in 1852 and in Canada in 1854; however, the use of decimal currency did not become general until it was made mandatory in Canada, 1 January 1858, and in New Brunswick, 1 November 1860. An act

29 PAC, MG11, C.O. 231/18-33, *Blue Books* (1835-50).

30 Prince Edward Island, Laws, Statutes, etc., 14 Victoria, cap. 33, (1851).

31 PAC, MG11, C.O. 194/59, pp. 128-130, [Dickmore] to Bathurst, 1 November 1817.

32 *Ibid.*, C.O. 194/70, p. 239, Cochrane to Bathurst, 28 December 1825, and C.O. 194/72, pp. 328-30, Wannack to Brenton, 6 November 1826.

33 *Ibid.*, C.O. 194/122, pp. 155-65, Harvey to Stanley, 24 April 1845, and C.O. 194/123, pp. 107-9, Trevelyan to Stephen, 3 February 1845; Chalmers, *Currency of the British Colonies*, pp. 170-71.

permitting the use of decimal currency in Nova Scotia's public accounts came into force 1 January 1860; the use of decimal currency was made mandatory on 1 July 1860.³⁴

Both New Brunswick and the Province of Canada made their dollar of account equal to the American dollar so that \$486.67 was equal to £100 sterling. Nova Scotia adopted a different rate so that \$500 dollars was equal to £100 sterling. The difference was not eliminated until 1 July 1871 when the Nova Scotia dollar was abolished and the Canadian system was extended to Nova Scotia.³⁵

In 1863 the Newfoundland government adopted decimal currency with the dollar equal to 4/2 sterling or \$480 dollars equal to £100 sterling. Although the government kept its accounts in dollars and cents after 2 January 1865, Newfoundland currency continued to be common in private accounts until at least 1887, when a new currency act was passed to encourage "the speedy adoption by the general public" of the decimal system accounts. In 1895 after the failure of the two local banks, the Newfoundland government moved to assimilate its currency to that of Canada and in 1895 passed legislation which made the Newfoundland dollar equal to the Canadian dollar and \$486.67 dollars equal to £100 sterling.³⁶

By 1870 Prince Edward Island was the only British North American colony not to have adopted decimal currency. Between 1 December 1871 and 1 February 1872 it switched to a decimal currency system with its dollar equal to the Canadian dollar. For practical purposes Prince Edward Island's currency system was absorbed by the Canadian system at Confederation in 1873, although the legal integration was not completed until 1881.³⁷

Because of western Canada's relative isolation, its currency system developed independently of eastern Canadian systems. In general, within the territories granted or leased to the Hudson's Bay Company, sterling was the accepted money of account. About the middle of the eighteenth century the fur traders based on Montreal developed a special money of account called Grand Portage or Northwest currency in which 12 livres was equal to £1 Halifax currency.³⁸ How widespread the use of the currency was is not known but it disappeared when the North-West Company united with the Hudson's Bay Company in 1821. The Hudson's Bay Company developed a special commodity money of account, the "made beaver," based on the relative value of the furs it traded. It was used principally in keeping accounts with Indian trappers. Because the relative value of a "made beaver" varied with time and place it is impossible to establish any general conversion factor between it and sterling. In 1870-71, following the transfer of Rupert's Land to

34 Province of Canada, Laws, Statutes, etc., 16 Victoria, cap. 158, (1853), and 20 Victoria, cap. 18, (1857); New Brunswick, Laws, Statutes, etc., 12 Victoria cap. 85, (1852), and 23 Victoria, cap. 48, (1860); Nova Scotia, Laws, Statutes, etc., 22 Victoria, cap. 24, (1859), and 23 Victoria, cap. 3, (1860).

35 Canada, Laws, Statutes, etc., 34 Victoria, cap. 4, (1871).

36 Newfoundland, Laws, Statutes, etc., 26 Victoria cap. 18, (1863); PAC, MG11, C.O. 194/210, pp. 187-89, Blake to [?], 28 September 1887; Newfoundland, Laws, Statutes, etc., 58 Victoria cap. 4, (1895).

37 Prince Edward Island, Laws, Statutes, etc., 34 Victoria cap. 5, (1871); Canada, Laws, Statutes, etc., 44 Victoria, cap. 4, (1881).

38 G.C. Davidson, *The North West Company* (New York, 1967), p. 237; Hudson's Bay Company Archives, F4/32, p. 1.

Currency Conversion Table for British North America

To Change ___ to ___ Multiply By

	Dollars	Sterling	Army Sterling	Halifax Currency	Quebec Currency	York Currency	Livres
Dollar	1.0000	0.2250	0.2333	0.2500	0.3000	0.4000	6.0000
Sterling	4.4444	1.0000	1.0371	1.1111	1.3333	1.7778	26.6664
Army Sterling	4.2857	0.9643	1.0000	1.0714	1.2857	1.7143	25.7147
Halifax Currency	4.0000	0.9000	0.9333	1.0000	1.2000	1.6000	24.0000
Quebec Currency	3.3333	0.7500	0.7778	0.8333	1.0000	1.3333	19.9998
York Currency	2.5000	0.5625	0.5833	0.6250	0.7500	1.0000	15.0000
Livres	0.1667	0.0375	0.0389	0.0417	0.0500	0.0667	1.0000

Example: To convert \$11.00 to Quebec currency, multiply \$11.00 by .3 to get £3.30 or £3/6/0 Quebec currency.

From 1825, the conversion rate for army sterling varies.

From 1837, £125 Nova Scotia currency = £100 sterling.

From 1848, £150 Prince Edward Island currency = £100 sterling.

From 1825, £115/7/8.3 Newfoundland currency = £100 Newfoundland sterling = £100 sterling.

From 1838, £120 Newfoundland currency = £104 Newfoundland sterling = £100 sterling.

From 1 January 1858, \$486.66' (Canada) = £100 sterling.

From 1 July 1860 to 1 July 1871, \$500.00 (Nova Scotia) = £100 sterling.

From 1 November 1860, \$486.66' (New Brunswick) = £100 sterling.

From 1 July 1863 to 19 July 1871 (?), \$485.00 (Vancouver Island) = £100 sterling.

From 2 January 1865 to 7 January 1895, \$480.00 (Newfoundland) = £100 sterling.

From 1 January 1866 to 19 July 1871 (?), \$485.00 (British Columbia) = £100 sterling.

From December 1871 — February 1872, \$486.66' (Prince Edward Island) = £100 sterling.

From 7 January 1895, \$486.66' (Newfoundland) = £100 sterling.

Canada, sterling was replaced by the Canadian decimal system as the official money of account in Manitoba. In practice Canadian decimal currency came into use in the North-West Territories at about the same time, although the "Uniform Currency Act" of 1871 was not extended to the territories until 1875.³⁹

West of the Rocky Mountains accounts were kept either in Halifax currency or in dollars and cents when the area was dominated by the North-West Company.⁴⁰ After 1821 when the Hudson's Bay Company succeeded the North-West Company, it kept its accounts in sterling but the strong American influence on the west coast, particularly after the gold rush in 1857, ensured that much of the private population used dollars and cents in their accounts. The government of Vancouver Island used sterling until 1 January 1863 when it adopted a decimal currency system with the sovereign or pound sterling rated at \$4.85.⁴¹ On the mainland the government also kept its accounts in sterling and the general public did so in dollars and cents until 1865. The pound sterling was informally rated at \$5.00. On 1 January 1866 the government of British Columbia adopted the decimal currency system with the pound sterling equal to \$4.85, the same value it held on Vancouver Island. When the two colonies were united they continued to use \$485 per £100 sterling as par.⁴² British Columbia joined Canada 20 July 1871 and for practical purposes it may be assumed that its currency system was assimilated to the Canadian system at that time, although the Canadian "Uniform Currency Act" was not extended to British Columbia until 1881.

For practical purposes Canada achieved a single uniform currency in 1873 when Prince Edward Island joined Confederation. When Newfoundland made its dollar compatible with the Canadian dollar in 1895 the problem of conversion between currency systems within British North America disappeared. Indeed, since the Canadian, Newfoundland and United States dollars, as expressed in gold, were equal, all of North America north of Mexico shared a common currency in which \$486.67 was equal to £100 sterling.

One minor anomaly remained in the field of sterling exchange quotations. Prior to the adoption of decimal currency in the Province of Canada, exchange quotations were given as a percentage premium on the old par of £111/2/2.67 currency. Under this system the true par of £121/13/4 was quoted as 9.5 per cent premium. When the Province of Canada adopted decimal currency in 1858, exchange quotations continued on the old basis with the exception that the old par, £111/2/2.67, was converted to its decimal equivalent, \$444.44. Using decimal currency, a sterling bill for £100 at 9.5 per cent (or par) would cost \$444.44 + (\$444.44 x .095) = \$486.67. American exchange dealers also used this cumbersome system of exchange rate quotation but they abandoned it in 1873 and from that time on simply quoted exchange prices in terms of dollars per pound as has been done in this paper.

39 Canada, Laws, Statutes, etc., 44 Victoria, cap. 4, (1881), (Preamble), and 38 Victoria, cap. 49, (1875).

40 See the North-West Company account book for 1815-17 in Hudson's Bay Company Archives, F4/7.

41 PAC, MG11, C.O. 306/1, p. 173.

42 *Ibid.*, C.O. 64/6, pp. 175-80, *Blue Book* (1865), and C.O. 61/1, pp. 158 and 258-59.

Canadian dealers continued to use the old system until December 1913 when they switched to the simpler American system.⁴³ With the disappearance of the “9½% par” the last reminder of the Halifax currency system passed from daily use.

43 *Monetary Times* (December 1913-January 1914), exchange quotations.