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The Wild Card: Colonial Paper Money in French North America, 1685 to 1719

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During the colonial era, the French colonial government in Canada experimented with paper money printed on the back of playing cards. The first experiment lasted from 1685 to 1719. In the first years, there was little inflation in spite of a rapidly expanding stock of playing card money. It is only in the later years of the experiment that prices rose. The behavior of the money stock and nominal output suggest that velocity fluctuated throughout the period. We argue here that these fluctuations can be explained by variations in the enforcement of legal tender laws. This interpretation provides insights into the debate over the inflationary impact of paper money in the colonial United States.

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