

ling exchange at $9\frac{1}{2}$ came about quite naturally. The only difficulty is to understand the reasons which induced the American legislators of 1789 to declare the legal par at the old rate of $\$4.44\frac{2}{3}$ to the £, since such a real par had ceased to exist in 1772, as already shown.

But though the custom has come about naturally, it is nevertheless on its face a most curious thing that in buying or selling a sterling bill of exchange we should quote its par value—instead of at $\$4.86\frac{2}{3}$ to the pound—at $9\frac{1}{2}\%$ premium upon a par of $\$4.44\frac{2}{3}$ which came into existence in 1707 by virtue merely of an inaccurate valuation attributed by law to Spanish-Mexican coins, a par which quite ceased to be recognizable as early as 1772, even as related to Mexican coins, and which was never within 4% of the real par as between any American coin and the legal tender coins of England.

The quotation lasted in the United States until 1873, when, owing to an agitation which had gone on for several years, Congress passed an Act rendering null and void all contracts based upon an assumed par of $\$4.44\frac{2}{3}$, which Act came into force on 1st Jan., 1874. Newspaper reports of that period show that the old quotation was adhered to until the last legal day, and ceased of existence on the first day of the operation of the new law.

ASSOCIATE

CORRESPONDENCE

THE BANK OF UPPER CANADA

To the Editing Committee:

DEAR SIRS,—In the very interesting and valuable resumé of “The Canadian Banking System 1817-1890,” by Mr. Breckenridge, published in your number of December last, a doubt is raised as to a statement of mine respecting the manner in which the capital, necessary to start the Bank of Upper Canada, was obtained.

Mr. Breckenridge remarks that “the evidence for this has not yet been advanced.”