

for what they can get and going off to the United States. The Government should wait until the next crop is harvested and until there is a resumption of immigration and capital from Britain. Again, before the resumption of payments there should be a uniform coinage established between Upper and Lower Canada; indeed there should be a special silver coinage struck for the Canadas. In connection with this certain statements were made as to the coinage of Lower Canada which were promptly refuted, with accompanying statistics, by the Bank of Montreal. However there was one reliable refuge behind these singularly weak outposts, and that was the fact that suspension had been authorized by law for another year at least, hence the Governor was powerless to bring about resumption.

The Bank of Upper Canada was building upon the confident expectation of a speedy reaction in the United States exchange market. It miscalculated the situation, however. The remainder of 1838 passed and the opening months of 1839 without any opportunity for the bank to unload at a high premium its large amount of London exchange. The result was that the profits of the bank for 1838 fell considerably below the average. The rest fund in the report for 1839 showed a fall from £17,551 to £13,237 instead of a rise to at least £19,500 according to the minimum annual gain during the crisis.

During the course of the next session of the Legislature, from February to May, 1839, exchange which had risen to par at New York during the latter part of 1838 fell off again; hence the Bank of Upper Canada was naturally still opposed to resumption. A committee of the Assembly was appointed to consider the subject of banking. In their third report we trace the influence of the chartered banks and particularly that of Upper Canada. Owing to the discredit thrown upon the Reform element by the escapade of the ultra radical faction, the Compact party for the time held complete sway in the Assembly. Further, owing to the policy of Governor Head, the majority of the people, notwithstanding the easy condition of the money market, were still filled with a vague dread that the resumption of specie payment would reproduce a currency famine and greatly check trade. This idea the Bank of Upper Canada sedulously fostered, though when questioned on the subject it had to admit that for some