

It was, however, no gain to them to hold the paper, and they refrained from asking a settlement solely from an unwillingness to give any cause of offence. The Bank of Upper Canada must, however, have been aware that both the Farmers' and People's Bank held balances against them for the past year, and had they made enquiry they would no doubt have been informed of the amount. Had they wished for a settlement, they might have proposed some plan for settling balances which we feel satisfied would have been acceded to by the others. We are sure no friend of the Upper Canada Bank will assert that that Institution would have held over paper of the Joint Stock Banks for months, the balance on the two Institutions varying from £5000 to £15,000, and if not why are the Joint Stock Banks to be blamed for asking a settlement which would have been rigidly exacted from them.

The truth, however is, that before any demand for silver to any extent was made upon the chartered Banks, the Upper Canada and Commercial Banks, simultaneously sent instructions to their agents to refuse the notes of the private Banks. This we assert, was the first act of hostility.

In an official letter the Bank of Upper Canada say, that this order arose "from the unprecedented demand for silver, and was "not intended to convey any insinuation of the stability of other "monied Institutions." It is also well known that for several months back, they have made a difference of 1 or 2 per cent between their own notes and those of other Banks in selling silver or drafts on New York. The avowed object of this policy was to reduce their circulation. Now we appeal to every intelligent man in the community, whether the proper way to attain this object would not have been, to have received the paper of the Banks holding the balance against them on the same terms as their own, both in Toronto and at the agencies, which would have had the same effect in reducing their circulation and would at the same time have reduced the balance held by the other Banks. Instead of pursuing this straightforward course, the Bank of Upper Canada took every means to increase the balance held by the Joint Stock Banks, by ordering their agents not to take their notes and asking 2 per cent more for changing their notes than their own.