

APPENDIX B. B.—(See Journal, Page 179.)

SIR GEORGE ARTHUR, K. C. H. *Lieutenant Governor.*

(Copy.)

BANK OF UPPER CANADA,
TORONTO, 28th February, 1839.

APPENDIX B. B.

SIR,

As the Act will shortly expire which authorizes the Suspension of Specie Payments by the Banks of this Province, and as the Board of Directors of this Institution are desirous to ascertain as early as possible, the views of Her Majesty's Government on this subject, I have been directed most respectfully to request, that you will be pleased to inform me if any proceedings have been had on the Report, which the Board had the honour to submit to His Excellency the Lieutenant Governor on the 18th of August last; more particularly on that part of it which relates to the abolishing of the French Half Crowns of Lower Canada—a Coin which is so utterly worthless in its intrinsic value, that it has for many years past been a bar to the freedom of Exchanges between Upper and Lower Canada, serving in all times as a virtual Suspension of Specie Payments on the part of the Banks of Montreal and Quebec, so far as respected the People or Banks of this Province—being strictly a loss on Exchange of 27 per cent; as the nominal value of the Half Crown is 2s. 9d., whereas it is only worth 2s. in other parts of this Continent, and then only as Bullion, not being recognized as a Coin out Lower Canada.

The Board are anxious to call His Excellency's attention to this point, as they have lately understood that the Banks of Lower Canada are provided with large sums of this kind of Money, which is inconvertible in all other Countries, and on which they may with impunity rest a resumption of Specie Payments: whilst, on the other hand, the Banks of this Province would be exposed to an unequal contest, and from the course of trade, would in a great measure be compelled to furnish Specie for the Commercial transactions of both Provinces:—in which case the Notes of the Lower Canada Banks, will again form a very considerable portion of the circulating medium of this Country.

Under these circumstances, the Board pray that His Excellency will be pleased to take into his consideration, the expediency of communicating with the Government of Lower Canada on the subject of the Currency of both Provinces; and they trust that the result will be, that the French Half Crown will no longer be suffered to form the legal coin of any portion of British America. The Board are more particularly led to hope for this conclusion, by adverting to that part of your letter of the 17th July last, in which you intimate that the state of the Currency in all parts of the Empire, is a matter in which Her Majesty's Government takes a peculiar interest. The Board are the more induced to hope for such a favourable determination, from having observed that within a few days an Ordinance has been passed at Montreal, to exclude from circulation all Coins of Copper of less value than their legal rate, as there can be no doubt that, a remedy which has been so promptly applied by Government to the lesser evil, will not be delayed in removing the greater.

Referring also to that part of the Report in which the Board suggested the issue of a specified Silver Coinage for the use of British America, I am further directed to request you will be pleased to inform me if such a measure is in contemplation by Her Majesty's Government; as, in that case, this Bank, in common with the other Banks of the Province, would solicit a share of the new Coin, and would take immediate steps to order its Agents in London to purchase a large quantity for shipment on the opening of the Navigation, which would materially tend to render an early resumption of Specie Payments both easy and safe.

In order to provide further for equalizing the Exchanges between Upper and Lower Canada, the Board would beg leave to recommend that the provisions of the act of 1836, declaring the value in this Province of the Gold and Silver Coins of Great Britain, be extended in like manner to Lower Canada.

I have &c.

(Signed) THOMAS G. RIDOUT,

Cashier.

The Honourable JOHN MACAULAY,

&c. &c. &c.