

ing to \$100,000 out of a total of \$600,000, and to appoint four of the fifteen directors. It thus became virtually a "Provincial Bank," and a monopoly of note issue within the Province was secured to it by the passage of an Act prohibiting banks that did not redeem their notes in Upper Canada from doing business there. Meanwhile an attempt was made to organize the "Bank of Kingston" and notes to the amount of \$75,000 were actually issued before it collapsed a few months later. Though some heavy losses were incurred the bulk of the note issue was redeemed, but one effect was to leave the Bank of Upper Canada without a competitor till the establishment of "The Commercial Bank" at Kingston in 1832.

In 1830 an attempt was made by the Imperial Government, through the Colonial Secretary, to impose certain conditions on the colonial banks, so as to lessen the risk of loss from bank failures. One of these conditions was the now well-known "double liability" provision. This was accepted under pressure in 1834 by the Commercial Bank, and in the following year it was embodied in the Act to incorporate "The Gore Bank" of Hamilton. The Bank of Upper Canada appears to have remained exempt from its operation till after it came under the jurisdiction of the Parliament of the United Provinces in 1841, when the condition was made applicable to all alike.

As early as 1830 the Legislature of Lower Canada had forbidden the issue, except by chartered banks, of promissory notes "payable to bearer." In 1837 the Legislature of Upper Canada declared that "it is inconsistent with a due regard to the protection of commerce, and the welfare and security of the people, that any person or number of persons, some of whom may be of doubtful solvency, should be allowed, without legislative authority, to issue their promissory notes for circulation as money." This declaration was embodied in a statute which made the issue of unauthorized notes a "misdemeanor." The only institutions permitted to issue paper currency were the Bank of Upper Canada, the Commercial Bank, the Gore Bank and four private banks, all the others being required to stop their issues and redeem outstanding notes.

Dr. Breckenridge has given an interesting account of the "banking mania" of 1831-37, during which the Legislature strongly favored the principle of free banking. In the session of 1836-37 alone bills were passed to increase the aggregate capital of the chartered banks from \$2,000,000 to \$18,000,000, and authorize an aggregate banknote issue of \$57,500,000. This tendency was held in check by the practice of disallowance of Provincial statutes by the Imperial Government. The restraint seems to have been fortunate in view of the approach of what the writer calls "the most disastrous crisis which North America had ever experienced." The suspension of specie payments by the banks of the United States on the 11th and 12th of May, 1837, was followed on the 18th of the same month by similar action on the part of the Lower Canadian banks. A phenomenal rise in the price of exchange caused a drain of gold for the payment of United States liabilities in England. This tendency was aggravated by short crops in 1835 and 1836, causing a falling off in the exports of 1837. The Upper Canadian Legislature was convened in special session by Sir Francis Bond Head, on the 19th of June, and in spite of his protest it passed a bill authorizing the suspension of specie payments until the end of the then next session of Parliament. The Commercial Bank suspended on the 29th of September, the Lieutenant-Governor making it a condition that its notes should not be used in Government transactions, and three of the private banks followed its example. The Bank of Upper Canada was forced to succumb early in 1838 to the practice of the other banks which sent its notes for redemption, and the Gore Bank suspended along with it. The period of suspension was by the continuation of the Rebellion prolonged for the banks of Lower Canada till the first of June, 1839, and the Upper Canadian banks resumed on the first of November of the same year.

The only remaining historical incident that calls for mention here is the application of the Government of Upper Canada for permission to issue "inconvertible notes for circulation on the credit of the Government." The Government was, of course, greatly embarrassed by the banks' suspensions, and the first application was for the issue of notes to be paid out "for public works or local improvements." This was made in 1838, but in the year 1839 an Act authorizing

the issue of treasury notes for £1 each, to the amount of £250,000 (\$1,000,000), was reserved for the Royal assent. The answer from Lord John Russell was quite decisive: "Her Majesty cannot be advised to confirm it. It is of great importance that the scheme devised to meet the pressure of the passing day should not be such as to preclude the early return to a more salutary course of financial operations." In 1840, the Government retired from all ownership in and control of the Bank of Upper Canada, so as to leave the matter of banking and currency to be dealt with by the Legislature of the United Province without such a complication.

WM. HOUSTON.

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### Wedjiwanjong.

Long years before the white man came  
Muskoka's wooded isles among,  
An Indian village bore the name  
Wedjiwanjong.

High up the right bank, hid by wood,  
And just beneath the current strong  
Of Indian River, quaintly stood  
Wedjiwanjong.

Its summer wigwams, clothed with bark,  
Its winter huts of logs along  
The corn-fields made one place of mark,  
Wedjiwanjong.

There Blue-sky lived, gray long-haired chief,  
As lion-like as ever song  
Immortalized: his kingdom brief,  
Wedjiwanjong.

His daughter, wasted, pale and thin,  
Yet fair of face, with eyes that long,  
Bore to the beach the dwellers in  
Wedjiwanjong.

There in a broad canoe to lie,  
Listing the notes of feathered throng,  
The while her mother paddled by  
Wedjiwanjong.

That dragon-like old squaw her child,  
With all the treasures that belong  
To mother's heart, loved, in the wild  
Wedjiwanjong.

Fair bride of death, sure thou wast dear  
To other hearts that, right or wrong,  
Beholding loved, while lingering near  
Wedjiwanjong.

Strong armed ones, in late show of love,  
Slow lowering with leathern thong  
Thy bier, in island grave, above  
Wedjiwanjong.

Now steam profanes the classic shore,  
And cow-bells toll their harsh ding-dong  
Along the fields that know no more  
Wedjiwanjong.

J. CAWDOX BELL

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### The Reviewer.

"Irresponsible, intolerant"—TENNYSON.

NOW that we have reached the breathing space that follows Christmas and its festivities, questions like these arise. Is not the joyous Yule-tide somewhat over-done? Is the Christmas number an unmixed blessing and delight? And what of its coloured supplement? For my own part, I am growing weary of the British officer *in extremis*, the fashion-plate infant, the girl in evening-dress with the puppy, and the operatic Venetian in plump, white stockings and slippers that have no heels. As all the plates issued in the season hung together on the booksellers' walls, the words of "Herbert" in Mallock's famous skit forced themselves upon me; "My mind was literally dazzled with the infernal glare of corruption and vulgarity that was flashed upon me from every side," and the wearied eye turned from the fire-works of red and yellow to the two designs in black and white of Albert Moore. Others, I have reason to know, share my feelings of revolt.

There is a striking difference between the English and the American methods of manufacturing these annual-luxuries, shall we call them? The English follow blindly the old tradition of ghost-story telling as the seasonable amuse-