

Proposals to deal with the matter were also urged upon the Government in Lower Canada. Finally, on March the 22nd, 1839, the Governor-General sent to the Special Council the draft of an "Ordinance to prevent the circulation of an unauthorized or unsound paper currency in this Province." The proposed ordinance was not very favourably regarded by the Council. It was referred to a special committee but was never heard of again. Apparently the Governor was asked to submit a more palatable measure, for on April 4th he submitted another draft of an ordinance under the title of, "An ordinance to regulate private banking and the notes of private bankers." This was passed without any trouble. The preamble states that, "It is expedient to regulate, by law, the issue or circulation of notes and other written promises and other undertakings, for the payment of money, intended for circulation in this Province, and not being those of any bank chartered or recognized, or authorized by the Legislature of this Province, or by a competent authority in any part of Her Majesty's dominions, or in the United States of America." Under this law no person is to be permitted to issue notes, bills, or any other form of undertaking to pay money intended for circulation under £5 cy., without a license to act as a banker. Any one having a license and refusing to redeem notes on demand shall lose his license. The same applies to the agents of authorized banks, not being chartered in the Province, who shall refuse to redeem their notes in specie, except when suspension is permitted by law, when they may redeem with the notes of the chartered banks of the Province. No notes of any kind were to be issued under five shillings, and licenses were to be granted for not longer than one year. Those obtaining licenses to issue bills, notes or bonds, were required to furnish the Government with a statement of their affairs showing their effects and liabilities. It will be observed that this ordinance did not prohibit the practice of issuing notes by merchants and private bankers, but simply regulated it, with a view to weeding out the spurious and insolvent issues such as were being made.

We have already seen that there was a growing element in the Canadian Provinces in favor of some direct Government issue of paper currency. The views of this element had found