

with the establishment of a single provincial bank, the Bank of Upper Canada, but had since gradually departed from that safe position, and is now on the downward grade towards a condition of absolutely free banking on the basis of ordinary business enterprises.

They urge the necessity of earnestly considering the situation to determine upon some definite course to be followed in connection with this important matter, because with every departure it is increasingly difficult to get back to a prudent course.

A bill was afterwards sent down from the Council to protect the public against injury from private banks, but the Assembly took no definite action on it.

The following session the Assembly passed a measure of its own, to afford protection to the public as well as to facilitate the business of joint stock banking companies, but it failed to pass the Council. The Council, however, managed to adapt its bill to the majority of the Assembly, and it was passed in March, 1837, just on the eve of the crisis. Its object was to check the issue of notes by private or joint-stock banks. It therefore declared illegal the issue of notes or other paper intended to pass as money, except by legislative authority. The joint-stock banks then in existence were exempted from the provisions of the Act.

The banks so exempted were, the Bank of British North America, which had not yet gone into operation in the Province, the Farmers' Bank, the Agricultural Bank, the Bank of the People, and the Niagara Suspension Bridge Bank, so far as the latter and its affairs came under the jurisdiction of the Provincial law.

Many other schemes for promoting the general prosperity, through the expansion or regulation of the currency, were in the air at this period, both within and without the Legislature, but most of them had little or no significance beyond indicating the unstable condition of the period.

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