

lature. As there is no immediate prospect of resumption on the part of the United States banks, they pray to have their suspension authorized until the American banks resume, or for such time as the Council may deem proper, and also that the notes of the banks may be accepted in payment of Customs dues.

On the 3rd of May, 1838, there was submitted by the Governor for the consideration of the Council, "An Ordinance to authorize the incorporated, chartered and other banks in this Province to suspend the redemption of their notes in specie for a limited time." As passed the Ordinance relieved the banks incorporated by Provincial or Royal charter, on approval by the Governor, from any disabilities in consequence of having suspended specie payments. They are required to furnish the Lieutenant-Governor on requisition with the usual returns of their affairs. Their notes are made practically a legal tender in ordinary exchange during the period of suspension. But the note issue was not to exceed the amount of paid up capital in each case, and the banks were forbidden to dispose of their specie during suspension. The provisions of the ordinance were extended to the branches of the Bank of British North America in Quebec and Montreal and to the Banque du Peuple, special returns being required from each of these. Power was reserved to the Lieutenant-Governor to withdraw from any bank the privileges of this ordinance after sixty days public notice.

When this ordinance came before the Lords of the Treasury in Britain, they recommended that in any future ordinances of a like nature it should be invariably required that suspension of dividends should accompany suspension of specie payments.

However, the banks in the adjoining States undertook to return to specie payments sooner than had been anticipated. Though an Order in Council was duly issued authorizing the suspension of the banks for two months, yet within a few days of its publication the banks determined to resume, the Banque du Peuple leading the way in point of time. The Montreal banks resumed on the 23rd of May, 1838, and the banks in Quebec followed.

When the Montreal banks resumed they ceased to accept the notes of the Upper Canada banks at par.

The Banks of Lower Canada shared with those of the Upper