

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

FOURTH SESSION, THIRTEENTH PROVINCIAL PARLIAMENT, 2nd VICTORIA.

APPENDIX B. B.

several months past, been alarmed for the safety of their property in those investments, have insisted upon the Bank to redeem them at par, under a claim that as they bought them from the Bank, so ought they be re-purchased by the institution. This feeling has proved to be very extensive—and within the last six months, the Bank of Upper Canada, in order to uphold and maintain the credit of Government, has actually re-purchased £40,700 of the Provincial Bonds, which are now unsaleable, and consequently remain a dead weight on its hands. To this may be added the further sum of £37,500 sterling, of Government Debentures, unsold and unsaleable, in the hands of its agents in London—our last advices being, that capitalists will have nothing to do with Canadian bonds during the unsettled state of that country. The Board therefore respectfully submit, whether, under all the circumstances hereinbefore stated, and whilst this Bank is incumbered with £80,000 of unsaleable Government Debentures—many thousand pounds of which are now due, but which the Receiver General is unable to pay—it can be considered prudent or proper, at the present time, to resume specie payments in this Province.

(Signed) THO'S. G. RIDOUT,
Cashier.

BANK OF UPPER CANADA,
Toronto, 18th August, 1838.
To the Honourable JOHN MACAULAY,
Civil Secretary,
&c. &c. &c.

No. 20.

GOVERNMENT HOUSE,
Toronto, 28th September, 1838.

My LORD,

With reference to my Despatch to your Lordship, of the 8th August, (No. 14) containing copies of certain Acts of the Legislature of this Province, relative to the suspension of specie payments by the three chartered Banks, and of the correspondence which had taken place with those Institutions, for the purpose of bringing about a speedy resumption—I have now the honour to transmit to your Lordship, a letter from the Cashier of the Bank of Upper Canada, dated the 18th August, accompanied with a statement, explanatory of the causes by which that Establishment was originally led to suspend cash payments, and are now induced to desire that suspension to be prolonged.

As no further communications have been made to me by the two other Banks, since the date of my Despatch above referred to, and as the Board of Directors of the Bank of Upper Canada have expressed their opinion, that it would not be prudent for the Bank to return to specie payments under existing circumstances, I am led to infer that there is but little probability of any change taking place in the course of business pursued by the Banks, before the next meeting of the Legislature, when the Act authorizing the suspension will expire,—unless indeed, the Cashier of the Bank of Upper Canada, who is at present in New-York, should bring with him on his return, such favourable information respecting the state of monetary affairs in the Atlantic Cities of the United States, as would induce the Directors of that Bank to consider an earlier resumption in this Province both safe and practicable.

I would further invite the attention of your Lordship to that part of the accompanying statement, having reference to the metallic currency of Upper and Lower Canada, and suggesting that it should be placed upon an equal footing in both Provinces, so as to obviate effectually the mutual inconvenience arising from the present inconvertibility of certain denominations of coins into a medium of inter-provincial exchange, in consequence of their local value being fixed at a higher rate than is warranted by the rates at which they are elsewhere current.

As the state of the Currency in all parts of the Empire, is a subject which has engrossed much of the interest and attention of Her Majesty's Government, I have considered that it would not be unwelcome to your Lordship to receive these observations at the present juncture: and I beg to assure your Lordship of my entire readiness, to co-operate, in any measures which your Lordship may deem it expedient to adopt, with the view to facilitate a satisfactory adjustment of the relations of the two Provinces, in regard to their monied transactions.

I have &c.
(Signed) GEO. ARTHUR.

To the Right Honourable
THE EARL OF DURHAM,
&c. &c. &c.