

The Bank of Upper Canada had paid out, in the redemption of notes, from May 3rd to June 24th, £39,516. It had imported from New York in that time £20,000, and on the 27th of June an additional £4,000. It will be observed that the joint-stock banks had more specie on hand at the end of the month than at the beginning of it. This is accounted for by the fact that before the crisis they held their reserves largely in notes of the chartered banks, particularly of the Bank of Upper Canada.

During the crisis Governor Head continued to press the chartered banks, and especially the Bank of Upper Canada, to continue specie payments, threatening coercion if they suspended, and promising special assistance if they held out.

In a letter to the Bank of Upper Canada, he promised to solicit assistance from the Military Chest, through the Commissary General at Quebec, on condition that the bank should pay out its funds to the last shilling. The Government connection and patronage, with its command of specie and foreign exchange, being of more importance to the bank than any other interests, it decided to continue payments, though such a course was contrary to the conviction of a majority of the directors.

In his evidence before the Legislative Committee, the Hon. Wm. Proudfoot, President of the Bank, stated that the banks of Upper Canada should "follow the same plan as in Lower Canada and suspend specie payments." The Hon. John Macaulay, a director and formerly manager of the branch at Kingston, said that there must either be suspension of cash payments or paralysis of the banking business of the country, hence he favoured as the lesser evil the suspending of specie payments. On the other hand, Jos. Ridout, the cashier of the Bank, while admitting that it could not continue discounting or keep up its circulation without some legislative protection, yet professed himself opposed to the suspension of specie payments, taking the purely technical ground that the Bank should meet its obligations regardless of the effect which that might have upon the business of the country. This was indeed the language of the Governor, but that it expressed the real conviction of Mr. Ridout may be doubted. When Governor Head was recalled and the Bank of Upper Canada found it convenient to suspend specie payment, Mr. Ridout was much the stoutest advocate of the