

a quantity of fractional notes. No other substitute being offered for their lost purchasing medium, this fractional currency is at once accepted as a great relief by a suffering community ; and as such, is much lauded above the old fashioned weighty metallic change.

A commercial crisis, such as mentioned above, occurring in the United States during the summer of 1836, many of the larger firms became insolvent while there was a regular hurricane of failures among the smaller ones. Against this general and wide spread ruin the banks could not long hold out ; and as one after another of the more trustworthy institutions closed their doors, things kept getting worse, until at length, specie payment was suspended.

The effect of this depression was early felt in Canada, and specie, scarce at any time, was in part hoarded by a distrustful peasantry, and in part shipped to foreign ports. The banks held bravely up against this difficulty, paying out specie for all demands. But, as the precious metal became scarcer, transactions were so straightened, that business, languishing as it was, under the prevailing depression, was brought altogether to a stand still. Of money, the motor of trade, there was none to be had. The banks could and probably would have pulled through, but, as the depression wore on, the stringency became greater. Something had to be done. So a meeting of the business men of Montreal was at length called, and after considerable discussions, a series of resolutions were passed, calling on the banks to suspend specie payment. To this they accordingly agreed, and, with the liberation of a paper currency, they were again able to resume their discounts. The pressure of the depression was thus to some extent removed, but what little was left of the general assortment of Spanish and other foreign silver now entirely disappeared from circulation.

There was no kind of change to be had, nothing under a dollar (for the charter of the banks would not permit of