

*Answers of THOS. G. RIDOUT, Esq., (Cashier of the Bank of Upper Canada,) to the above questions.*

*Ans. 1.*—I cannot think that any law will be passed to prevent Banks paying out Specie if they chose to do so; I do not believe that Specie lying in the Vaults, is of any use either to the Merchant or to the Bank; and I do not see any reason why, in case it should be for the interest of the Merchant to purchase the Specie for the purposes of Trade, he should be unable to get it at any rate, because a Legislative enactment prevents him from getting it at par.

*Ans. 2.*—I think that Specie, like any other article, had better be sold when it is dear, and particularly when it is not used; and bought when it is plenty, and when it is wanted.

*Ans. 3.*—I do not desire to offer any opinions on this subject.

*Ans. 4.*—It would be better to leave it to the Banks themselves to issue small Notes, and let them redeem them if they please in small Silver for change; a compulsory issue of small Notes redeemable in Specie, would place them at a premium, and demonstrate the difference between Specie-paying Notes and non-paying-Specie Notes.

*Ans. 5.*—If the Government Debentures could be purchased with inconvertible Bank Notes, and made a legal tender, it is probable that the Banks would become the purchasers to a limited amount, and if it was afterwards found that they could be made available as Exchange on London, there is no setting any limit to the amount that would be purchased; but this amount must be regulated by the credit which our Banks and our Government are able to preserve in England.

*Ans. 6.*—The value of the Debentures depends too much upon circumstances to venture any further opinions respecting them.

*Ans. 7.*—The general class of Depositors would not invest their Money in Government Debentures, unless they could at any time convert them into Specie or other funds. I do not think, therefore, that the issue of Debentures would lessen the amount of common Deposites to any considerable degree, so as to have influence over Bank issues.

THOS. G. RIDOUT.

*Answers of BENJAMIN SMITH, Esq., (Manager of the Bank of British North America,) to the foregoing questions.*

*Ans. 1.*—I think it is necessary to prevent their parting with the Specie in the case supposed.

*Ans. 2.*—It would enable them to resume payments a few days sooner only, as they would be able to supply themselves with Specie, immediately after the resumption of Cash payments by the Banks of the United States.

*Ans. 3.*—I think the Private Banks acknowledged by Acts of the Parliament, ought to be allowed the same privileges as the Chartered Banks, provided they submit to the same restrictions as are imposed on Chartered Banks.

*Ans. 4.*—I think it would reduce the circulation of the small Notes, but not to any serious extent.

*Ans. 5.*—I think the Banks would purchase Debentures to the amount of one third of their paid up Capitals, provided they were made a tender in such a way as to protect them from paying out their Specie. The Country would derive a benefit from this measure, which would be equivalent to a premium. Should there be any Debentures issued "equal to Gold and Silver," I think they ought to bear a premium equal to that on these metals.

*Ans. 6.*—On Debentures payable in England, the highest rate of premium that would be paid for Bills payable at the same date should be paid.

*Ans. 7.*—I think that the issue of Debentures, would in all cases check the issue of Bank Paper.

B. SMITH.

*Answers of FRANCIS HINCKS, Esq., (Cashier of the Bank of the People.)*

*Ans. 1.*—I do not think, under any circumstances, that any restraint should be placed on the exportation of Gold and Silver from the Province. The suspension of Specie payment, if it takes place at all, should be for as short a time as possible, and the Banks will themselves be anxious to prepare themselves for the resumption. Such a measure would be a direct encouragement to the Bankers here to discount American Paper, in order to place funds in New York to meet the engagements of our Merchants, and persons leaving the Province.

*Ans. 2.*—I think any measure of restraint on the Banks should be applied to their issues, and these I think should be restrained to the lowest point at which they were any time during