

houses and the complete undoing of the more purely speculative concerns. The policy to be adopted by the New York banks was naturally looked for with the greatest interest. In Upper Canada, owing to the personal views of Governor Head, and in opposition to the wishes of the leading banks and their customers, an independent line was followed for a time, but in Lower Canada the banks followed the American lead very closely.

Professor Dunbar says, in his *History of American Banking*, "If the utterances of bank conventions, bank commissioners, legislative committees, etc., in the different States are read side by side, they are found to contain almost identical expressions to the effect that the public of 'our' State is to be congratulated on the soundness of the banks in it, while the general suffering is attributed to the folly and errors of neighbours; that our banks have plenty of specie for themselves, but they cannot be expected to provide all their neighbours with specie; that it is impossible for any to maintain specie payments unless all do." This very accurately expresses the attitude of the Canadian Provinces, alike towards their British brothers and their American cousins.

The New York banks suspended on May 10th, and immediately after the news was received in Montreal, a public meeting was called for May 16th, to take into consideration, "the present alarming condition of the money market, and to adopt measures to prevent the withdrawal of specie from the vaults of our banks and its exportation to a foreign country." The Hon. Geo. Moffatt was in the chair and briefly explained the nature of the situation. He pointed out that, owing to the very close connection between Montreal and the American business centres, any calamity which overtook the latter must be reflected in Montreal. The New York banks having suspended specie payments, the Canadian banks must do likewise. He was firmly convinced that the banks in Montreal were quite able to redeem their notes, but to do so would mean a severe contraction and possible cessation of their accommodations to the merchants, which would prove ruinous to every interest in the country.

Some correspondence between a committee of the Board of Trade and the three banks in the city was then read. The general tenor of this was that the Bank of Montreal signified its willingness to co-operate with the other banks in a movement