

can west, bordering on lakes Erie and Huron. In July there appeared an account of the arrival at Toronto of the captain of a schooner from Michigan who had acquired \$600 worth of Ottawa Bank notes.

About the middle of July, 1837, the editor of the *Montreal Gazette* received a letter from the police magistrate of Buffalo, wishing to be informed, through the medium of his paper, as to the character and standing of the following banks, whose notes were being circulated in that neighbourhood:—The Bank of St. Lawrence Lumber Company, at Malbaie; The Merchants Bank of Montreal; The Mechanics Bank of St. Johns, L.C.; The Bank of Brockville; The Mechanics Bank of Montreal; The Bank of Ottawa; The Canadian Bank of St. Hyacinthe. To this the editor replied that so far as was known none of those banks had any paper in circulation in that city or neighbourhood. Some time before, the Canadian Bank of St. Hyacinthe had notes in circulation which were redeemed by an agent in Montreal at a small discount, but they had been recently withdrawn and were now redeemed at only one-half their value. He refers also to the public meeting with reference to the Merchants Bank and the Bank of Ottawa. This public statement brought forth a reply from the agent of the Banque Canadienne of St. Hyacinthe, an institution already referred to in these articles, stating that the bank had only suspended specie payment in consequence of similar action on the part of the United States and Lower Canadian banks. The agency for the redemption of its notes being no longer needed in Montreal, it was withdrawn. People might indeed have sacrificed their notes at a discount, yet there was no doubt but that they would all be redeemed in time. The editor was also waited on by two gentlemen representing the Mechanics and Merchants banks, who stated that the notes of the banks in question were redeemed in current bills on application at their offices. Their offices however were found to be in very obscure locations. This extreme modesty and retirement on the part of the head offices of banks which were vigorously pushing their notes in the west would seem to indicate that while they might actually redeem such notes as found their way to them, yet they were by no means anxious that many should find their way there.

In the meantime these banks continued to do a thriving