

specie, the numerous advocates of the scheme throughout the Province saw foreign markets opening before them, the prices of their produce rising, and such fountains of wealth opened as should overflow the land, enriching the farmers and enabling the Government to pay off its heavy debt, and have an ample surplus for roads, schools, poorhouses, asylums, penitentiaries and other evidences of a prosperous, healthy and law-abiding people. The scheme was vigorously supported in the Assembly, yet the pessimistic element prevailed, and the friends of free paper were left to marvel at the blindness and selfishness of their fellow men.

We have next to glance at the attempts to introduce into Canada the British system of joint-stock banks.

It was first announced, early in the year 1834, that a couple of English gentlemen of capital had arrived in Upper Canada with a view to establishing a bank in York on the joint-stock principle, the partners being liable for all the obligations of the bank as in other business enterprises. These gentlemen were Capt. Geo. Truscott, of the Royal Navy, who had apparently been interested in joint-stock banking in England, and John Cleveland Green, a retired commissary-general.

The bank was organized and opened by Truscott, Green & Co., in May, 1834, under the title of "The Agricultural Bank, City of Toronto." The bank seems to have enjoyed a fairly good business, for within ten months it had discounted paper to the amount of £32,500, had notes in circulation for £28,500, and deposits to the extent of £11,697. They seem to have adopted the Scotch system of granting cash credits, which, on security given, permitted the customer to draw at his convenience up to a certain amount. This obviated the necessity of providing special security for every sum obtained, or having to pay interest on the full amount discounted before it was really needed. In Britain landed security was taken as a basis for these general credits, and to a certain extent this method was followed by the new bank in Canada, though Truscott admitted that it was not so safe here owing to the instability of land values.

In its operations the Agricultural Bank received and held the notes of the chartered banks, and particularly those of the Bank of Upper Canada, as a reserve fund, employing them in much the same manner as the banks now use Dominion notes,