

being urgent, was alone considered. The Assembly took the matter up in committee on January 2nd, 1836. The debate on the subject indicated that the French Canadian leaders intended to radically amend the charters of the banks with a view to altering their system and management. There was a tendency to adopt the constitution of the Banque du Peuple as a standard and to sanction a system of free banking on that basis. In the discussion on the Quebec Bank charter, several amendments were suggested by French Canadian members, with a view to restricting the powers of the officials of the bank, abolishing votes by proxy, preventing members of the same firm from being directors of two different banks, and entirely prohibiting the banks from dealing in exchanges. However, Mr. Papineau intimated that even more radical measures would have to be adopted with reference to the banks. In common with the majority of the House, he took the ground that the whole banking question would have to be gone to the following year, and that therefore it was unnecessary to do more during the present session than renew the charter of the Quebec Bank for thirteen months, so that all the bank charters might expire on the same date. Thus the Act 6th Wm. IV. Cap. 48, consists of but one clause, and simply renews the charter of the Quebec Bank till June 1st, 1837.

But before the next session of the Legislature was called, the political troubles of Lower Canada had reached a very acute stage. The Governor found it necessary to prorogue the Legislature before it got beyond the discussion of the Speech from the Throne. The rebellion breaking out shortly afterwards, the constitutional government of Lower Canada was entirely suspended and the affairs of the Province carried on by a Special Council.

Meantime the banks of Lower Canada, realizing the attitude of the majority towards them, found themselves in a somewhat awkward position. They were threatened with the double danger of failing to secure the renewal of their charters, and of meeting a threatened commercial crisis, in common with American banking and exchange.

During the winter of 1836-37 it became evident to the banks that they had little hope of getting their charters renewed in any form during 1837, hence they prepared to face the inevitable. At a meeting of the shareholders of the Bank of Montreal, held on