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JOURNAL,

OF THE

LEGISLATIVE COUNCIL

OF

UPPER CANADA.



SECOND SESSION OF THE THIRTEENTH PROVINCIAL PARLIAMENT.



HIS EXCELLENCY SIR FRANCIS BOND HEAD, K.C.H.

LIEUTENANT GOVERNOR.

BY ORDER OF THE HONORABLE THE LEGISLATIVE COUNCIL.

TORONTO:

PRINTED BY ROBERT STANTON, PRINTER TO THE KING'S MOST EXCELLENT MAJESTY.

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JOURNAL, &c.

SIR FRANCIS BOND HEAD, K. C. H. LIEUTENANT GOVERNOR.

PROCLAMATION.

UPPER CANADA.

F. B. HEAD.

LIEUTENANT GOVERNOR.

WILLIAM the FOURTH, by the Grace of GOD, of the United Kingdom of Great Britain and Ireland, King, Defender of the Faith, &c. &c. &c.

To our beloved and faithful Legislative Councillors of our Province of Upper Canada, and to our Knights, Citizens and Burgesses, of our said Province; to our Provincial Parliament at our City of Toronto, on the thirteenth day of April, instant, to be commenced, held, called and elected, and to every of you :

Proclamation for proroguing the Parliament to Monday, 22nd May, 1837.

GREETING.

WHEREAS on the Fourth day of March last, we thought fit to prorogue our Provincial Parliament to the Thirteenth day of April, instant, at which time, at our City of Toronto, you were held and constrained to appear.

NOW KNOW YE, that We, taking into our Royal consideration the ease and convenience of our loving Subjects, have thought fit, by and with the advice of our Executive Council, to relieve you and each of you of your attendance at the time aforesaid, hereby con- voking, and by these presents enjoining you, and each of you, that on Monday, the Twenty-second day of May, next ensuing, you meet us in our Provincial Parliament, at our City of Toronto, there to take into consideration the state and welfare of our said Province of Upper Canada, and therein to do as may seem necessary; and herein fail not.

IN TESTIMONY WHEREOF, We have caused these our Letters to be made Patent, and the Great Seal of our said Province to be hereunto affixed: WITNESS our trusty and well-beloved SIR FRANCIS BOND HEAD, K. C. H. &c. &c. &c. Lieutenant Governor of our said Province, at Toronto, this Eighth day of April, in the year of our Lord one thousand eight hundred and thirty-seven, and in the Seventh year of our Reign.

F. B. H.

By Command of His Excellency.

SAMUEL P. JARVIS,

Clerk of the Crown in Chancery.

D. CAMERON,

Secretary.

PROCLAMATION.

UPPER CANADA.

F. B. HEAD,

LIEUTENANT GOVERNOR.

WILLIAM the FOURTH, by the Grace of GOD, of the United Kingdom of Great Britain and Ireland, King, Defender of the Faith, &c. &c. &c.

To our beloved and faithful Legislative Councillors of our Province of Upper Canada, and to our Knights, Citizens and Burgesses, of our said Province; to our Provincial Parliament at our City of Toronto, on the Twenty-second day of May, instant, to be commenced, held, called and elected, and to every of you :

Proclamation for proroguing the Parliament to Friday, 30th June, 1837.

GREETING.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

WHEREAS by our Proclamation bearing date the eighth day of April last, we thought fit to prorogue our Provincial Parliament to the Twenty-second day of May, instant, at which time, at our City of Toronto, you were held and constrained to appear.

NOW KNOW YE, that we, taking into our Royal consideration the case and convenience of our loving Subjects, have thought fit, by and with the advice of our Executive Council, to relieve you and each of you of your attendance at the time aforesaid, hereby convoking, and by these presents enjoining you and each of you, that on Friday the Thirtieth day of June, next ensuing, you meet us in our Provincial Parliament at our City of Toronto, there to take into consideration the state and welfare of our said Province of Upper Canada, and therein to do as may seem necessary, and herein fail not.

IN TESTIMONY WHEREOF, We have caused these our Letters to be made Patent, and the Great Seal of our said Province to be hereunto affixed: WITNESS our trusty and well-beloved SIR FRANCIS BOND HEAD, K. C. H. &c. &c. &c. Lieutenant Governor of our said Province, at Toronto, this Thirteenth day of May, in the year of our Lord one thousand eight hundred and thirty-seven, and in the Seventh year of our Reign.

F. B. H.

By Command of His Excellency.

SAMUEL P. JARVIS,

Clerk of the Crown in Chancery.

D. CAMERON,

Secretary.

PROCLAMATION.

UPPER CANADA.

F. B. HEAD,

LIEUTENANT GOVERNOR.

WILLIAM the FOURTH, by the Grace of GOD, of the United Kingdom of Great Britain and Ireland, King, Defender of the Faith, &c. &c. &c.

To our beloved and faithful Legislative Councillors of our Province of Upper Canada, and to our Knights, Citizens and Burgesses of our said Province; to our Provincial Parliament at our City of Toronto, on the Thirtieth day of June next, to be commenced, held, called and elected, and to every of you:

GREETING.

WHEREAS by our Proclamation bearing date the thirteenth day of May, instant, we thought fit to prorogue our Provincial Parliament to the Thirtieth day of June next, at which time, at our City of Toronto, you were held and constrained to appear. And whereas the emergency of our affairs requires the advice of our Legislative Council and House of Assembly at an earlier period: We do therefore will and command you, and by these Presents firmly enjoin you and each of you, that on Monday the Nineteenth day of June, next ensuing, you met us in our Provincial Parliament, at our City of Toronto, FOR THE ACTUAL DESPATCH OF PUBLIC BUSINESS, there to take into consideration the state and welfare of our said Province of Upper Canada, and therein do as may seem necessary, and herein fail not.

IN TESTIMONY WHEREOF, We have caused these our Letters to be made Patent, and the Great Seal of our said Province to be hereunto affixed: WITNESS our trusty and well-beloved SIR FRANCIS BOND HEAD, K. C. H. &c. &c. &c. Lieutenant Governor of our said Province, at Toronto, this Thirtieth day of May, in the year of our Lord, one thousand eight hundred and thirty-seven, and in the Seventh year of our Reign.

F. B. H.

By command of His Excellency.

C. A. HAGERMAN,

Attorney General.

D. CAMERON,

Secretary.

Proclamation for calling the Parliament together on Monday, 19th June, 1837, for the actual despatch of public business.

LEGISLATIVE COUNCIL.

UPPER CANADA.

MONDAY, 19th JUNE, 1837.

THIS being the day appointed for the meeting of the Provincial Legislature, at half-past three of the clock, P. M. House meets.

The House met.

PRESENT :

<i>The Honorable</i> JOHN B. ROBINSON, SPEAKER.	<i>The Honorable Messrs.</i> ELMSLEY,	
<i>The Honorable Mr.</i> CROOKSHANK,	“ “ BALDWIN,	
<i>The Hon. & Ven. The</i> ARCHDEACON OF YORK,	“ “ HAMILTON,	Members present.
<i>The Honorable Messrs.</i> WELLS,	“ “ ADAMSON,	
“ “ CAMERON,	“ “ JAMES KERBY,	
“ “ MARKLAND,	“ “ JOHN KIRBY,	
“ “ McDONELL,	“ “ MACAULAY.	

At four of the clock, P. M. His Excellency the Lieutenant Governor being seated on the Throne, his Honor the Speaker of the Legislative Council commanded the Gentleman Usher of the Black Rod to inform the Members of the Assembly, that it was His Excellency's pleasure that they do forthwith attend at the Bar of this House: His Excellency comes to the House and commands the attendance of the Assembly.

Who being come thereto, the Speaker of this House said—

Gentlemen of the House of Assembly:

His Excellency the Lieutenant Governor commands me to acquaint you, that in the interval which has elapsed since the last Session of the Legislature, the Honorable Archibald McLean, being one of the Members for the County of Stormont, and also Speaker of the House of Assembly, has been appointed a Judge of His Majesty's Court of King's Bench in this Province, and has accepted the office of Register of the County of Dundas, and that his seat in the Assembly being in consequence vacated by a Provincial Statute, the appointment of another Speaker is rendered necessary. The Speaker of this House commanded by His Excellency the Lieutenant Governor to acquaint the Members of the Assembly, that in consequence of the seat of the Hon. Archibald McLean being vacated, it is necessary to appoint another Speaker.

It is therefore His Excellency's pleasure, that you Gentlemen of the Assembly, do forthwith return to your Chamber, and do there choose a fit and proper person to be your Speaker, and that you do present him whom you shall have so chosen to His Excellency the Lieutenant Governor, in this place, at two of the clock to-morrow, for His Excellency's approbation.

The House of Assembly having withdrawn, His Excellency was pleased to retire. His Excellency retires.

Prayers were read.

The Honorable Messieurs Gordon and Boswell came to the table, and severally took and subscribed the Oath prescribed by the Statute of the 31st Geo. III. chap. 31st, as required by the third rule of this House at the beginning of a Parliament. Oath prescribed by law administered to the Hon. Messieurs Gordon and Boswell.

On motion made and seconded, the House adjourned until to-morrow, at half an hour past one of the clock, P. M. House adjourns.

TUESDAY, 20th JUNE, 1837.

The House met pursuant to adjournment. House meets.

PRESENT :

<i>The Honorable</i> JOHN B. ROBINSON, SPEAKER.	<i>The Honorable Messrs.</i> ADAMSON,	
<i>The Honorable Messrs.</i> GORDON,	“ “ JAMES KERBY,	Members present.
“ “ McDONELL,	“ “ CROOKS,	
“ “ HAMILTON,	“ “ MACAULAY.	
“ “ BOSWELL,		

Prayers were read.

The Minutes of yesterday were read.

Tuesday, 20th June, 1837.

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT. 7th & 8th WILLIAM IV.

Oath prescribed by law administered to the Hon. and Right Rev. Bishop McDonell.

The Honorable and Right Reverend Alexander McDonell, Bishop of Regiopolis, came to the table, and took and subscribed the Oath prescribed by the Statute of the 31st Geo. III. chap. 31st, as required by the third rule of this House at the beginning of a Parliament.

House adjourns during pleasure.

On motion made and seconded, the House adjourned during pleasure.

House forms.

At two of the clock, P. M. the House formed.

PRESENT :

Members present.

The Honorable JOHN B. ROBINSON, SPEAKER.
The Honorable Mr. CROOKSHANK,
The Hon. & Ven. The ARCHDEACON OF YORK,
The Honorable Messrs. WELLS,
 " " CAMERON,
 " " MARKLAND,
 " " GORDON,
 " " McDONELL,
 " " ELSMSLEY,

The Honorable Messrs. BALDWIN,
 " " HAMILTON,
 " " BOSWELL,
 " " ADAMSON,
 " " JAMES KERBY,
 " " JOHN KIRBY,
 " " CROOKS,
The Hon. & Right Rev. BISHOP McDONELL,
The Honorable Mr. MACAULAY.

His Excellency again comes to the House, and commands the attendance of the Assembly.

His Excellency the Lieutenant Governor having come to the House, and being seated in the Chair on the Throne, the Speaker of the Legislative Council commanded the Gentleman Usher of the Black Rod to let the Assembly know, it was His Excellency's pleasure they attend him immediately in this House; who being come—

MR. MACNAB said :

MAY IT PLEASE YOUR EXCELLENCY :

Mr. Macnab informs His Excellency that he is chosen by the Assembly to be Speaker thereof.

The House of Assembly, in obedience to Your Excellency's command, have proceeded to the election of a Speaker, and it now becomes my duty to announce to Your Excellency, that I have been chosen to fill that office.

My deep sense of the importance of the duties which their choice imposes upon me, cannot but make me distrust my own ability sufficiently to discharge them, and I rely rather on my ardent desire to fulfil the just expectations of the House of Assembly, than on my fitness for the situation, while in their behalf I respectfully pray that your Excellency will be pleased to approve of their choice.

Then the Speaker of this House said :

MR. MACNAB,

His Excellency the Lieutenant Governor, through the Speaker of this House, confirms and allows Mr. Macnab to be the Speaker of the Assembly.

His Excellency the Lieutenant Governor commands me to declare to you, that in full assurance of your discretion, ability and zeal, he entirely approves of the choice which the Assembly have made, and does confirm and allow you to be their Speaker.

Then the Speaker of the Assembly said :

MAY IT PLEASE YOUR EXCELLENCY :

Address of the Speaker of the Assembly to His Excellency.

The very gracious manner in which Your Excellency has been pleased to approve of the choice which the Assembly has made of me as their Speaker, demands and receives my most grateful acknowledgment.

If in the execution of the important duties of my station I should at any time fall into error, I entreat that the fault may be imputed to me and not to the Assembly, whose servant I have the honor to be; and that their proceedings may receive from Your Excellency the most favourable interpretation.

Parliament convened.

Then His Excellency the Lieutenant Governor was pleased to open the Session by a gracious Speech to both Houses.

His Excellency retires.

The House of Assembly having withdrawn, His Excellency was pleased to retire.

Speaker reports a copy of His Excellency's Speech. Same read.

The Honorable the Speaker informed the House, that he was in possession of a copy of His Excellency's Speech, which he read, and it was again read, (*pro forma*) by the Clerk, and is as follows :

Tuesday, 20th June, 1837.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

*Honorable Gentlemen of the Legislative Council: and,
Gentlemen of the House of Assembly:*

In the name of our most Gracious Sovereign I have summoned this extraordinary Session of the Legislature, because I have deemed it constitutional, that you should respectively be called upon to share with me in the consideration of the commercial difficulties which have assailed this Province, and having been embarrassed by circumstances which it has been impossible for me to avert, it is with satisfaction that I see again assembled before me those upon whose Legislative wisdom and experience I am proud to be entitled to rely. The Speech.

The unprecedented event which has caused the convention of the Legislature of this Province, is, the Banks of the neighbouring Republican States having determined, simultaneously, to refuse to redeem the Notes they had promised to pay on demand; the reason given to the public creditor being, that it had become contrary to the interest of the community for the Banks to part with the Specie which was in their vaults.

The Notes in the hands of the public having been thus suddenly deprived of their value, the Specie in circulation, as well as that immured in the Banks' vaults, immediately rose in value, and when the intelligence of this event arrived here, it instantly became necessary for the Banks of Upper Canada to deliberate whether they would continue or suspend their cash payments.

They determined to persist in the former course, and although it was anticipated that their coffers would be immediately exhausted, yet such has been the confidence which the Province has reposed in their probity and solvency, that the Notes of these Banks have, contrary to expectation, retained their value, and in the exchanges which are hourly effected throughout the Province, they and Specie are still at par.

From the period at which the Upper Canada Banks determined to stand to their engagements up to the present day, I have not received from any one of them the slightest expression of regret at the course which they have pursued, or of apprehension respecting its results; on the contrary, from reports which have been forwarded to me by the Chartered Banks, it appears that the aggregate amount of Specie at present in their vaults, is about two-thirds of the sum they possessed at the beginning of May.

From various quarters however, it has been submitted to me by persons of considerable information—1st. That if the present circumstances should continue, the Banks of this Province must inevitably be drained of their Specie—and 2nd. That the wisdom of the Legislature, if it were convened, might possibly enact some law by which this calamity could be averted.

It is in compliance with this opinion and suggestion, that (at an unusual season, and so shortly after the close of an arduous and most useful Session) the Provincial Parliament has been again assembled.

As I have reason to feel confidence in your judgment—as I have no theory to advocate—no desire to influence your deliberations—and no object in view, except to cooperate with you in measures conducive to the real interests of the Province—I have but few observations to offer to you.

In case you should on deliberation, be of opinion, that no reaction is likely to take place in the neighbouring Republic; that the Banks of Upper Canada must inevitably be drained of their Specie; and that for the foregoing reasons the Chartered Banks ought, under certain stipulations, to be empowered by the Legislature to continue their business without the necessity of redeeming their Notes by Cash, (notwithstanding that clause in their Charters which now forbids them to do so) you will, I feel confident, weigh fairly the advantages as well as the disadvantages which the public would experience by the Banks suspending payment with their coffers full instead of empty.

It has been clearly explained to me, that by suspending payment with their coffers full, the Banks would be saved the expense of replenishing their vaults whenever the moment should arrive for the resumption of their cash payments.

At the present rate of exchange this expense would amount to a certain per centage, and as the quantum of specie which would be required is also very nearly a known quantity, you

Thursday, 22nd June, 1837.

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

will be enabled from these data to estimate with considerable accuracy the amount or saving which these Banks would *gain* by at once stopping payment with their coffers full.

On the other hand, you will I feel confident, weigh with equal fairness what the Province would *lose* by its Banks breaking faith with the public creditor, on the ground of a supposed necessity, or from a fear of expense and inconvenience; I mean by the Legislature making in the existing laws any alteration which would have the effect of declaring to the holders of Bank Notes and of Government Debentures, that Upper Canada faithfully pays its debts on demand, so long only as it is the interest of the inhabitants of the Province to do so.

You will I am sure, not exclude from your consideration what effect, if any, a declaration of this nature would have on the minds of the British people, whose wealth we confess to them we are in want of, and whose confidence it is our interest to maintain.

When the advantages and disadvantages, the profit as well as the loss attendant on a suspension of payment by the Banks, with their coffers full instead of empty, shall have been calmly investigated by you, I feel confident, that you will arrive at a just conclusion, and I trust I need not add, that it is my earnest desire to meet you at this point.

I am not disposed to pursue an intricate policy; the opinions I entertain scarcely require an explanation.

I consider that to this young rising Province, character is of more intrinsic value than the cost of obtaining specie for its Banks; for however attractive may be the soil, and healthy the climate, which we here enjoy, yet, in order to obtain capital, credit and population, from the Mother Country, it is necessary we should clearly demonstrate, that in Upper Canada life and property are secure; that justice is inflexibly administered; that engagements are scrupulously fulfilled; and that a storm of commercial adversity, or of popular clamour, is but a signal to the Legislature to rally round this Throne, which dignified by the protection of our Gracious Sovereign, stands here, the safeguard and defender of the public creditor.

By plain integrity of conduct the British Empire has amassed its wealth, and I feel confident, that the people of Upper Canada, with this example before their minds, will perceive, that it is not only their duty but their interest to adhere to that simple principle in the religion as well as in the commercial policy of our ancestors, which nobly commands us "to be true and just in all our dealings."

On motion made and seconded, it was,

Ordered, that a Committee be appointed to draft an Address to the Lieutenant Governor, in answer to His Excellency's Speech at the opening of the Session; and,

Ordered, that the Honorable Messieurs Markland, Gordon, Crooks and Macaulay, do compose the same for that purpose.

On motion made and seconded, the House adjourned until Thursday next, at eleven of the clock, A. M.

THURSDAY, 22nd JUNE, 1837.

The House met pursuant to adjournment.

PRESENT:

The Honorable JOHN B. ROBINSON, SPEAKER.

The Honorable Messrs. WELLS,

" " MARKLAND,

" " GORDON,

" " McDONELL,

" " ELMSLEY,

" " BALDWIN,

" " HAMILTON,

The Honorable Messrs. BOSWELL,

" " ADAMSON,

" " JAMES KERBY,

" " JOHN KIRBY,

" " CROOKS,

The Hon. & Right Rev. BISHOP McDONELL,

The Honorable Mr. MACAULAY.

Prayers were read.

The Minutes of Tuesday last were read.

The Honorable Mr. Markland, from the Select Committee appointed to draft an Address to the Lieutenant Governor, in answer to His Excellency's Speech from the Throne, reported a draft thereof, which he read in his place; and,

The same was again read by the Clerk; and it was,

A Committee appointed to draft an Address in answer thereto.

Members composing same.

House adjourns.

House meets.

Members present.

Report of the Committee appointed to draft an Address in answer to His Excellency's Speech, presented and read first time.

Thursday, 22nd June, 1837.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

Ordered, that the House be put into a Committee of the whole presently, to take the same into consideration.

The House was then put into a Committee of the whole accordingly.

Committed.

The Honorable Mr. Wells took the Chair.

After some time the House resumed.

The Chairman reported that the Committee had gone through the said Address, and recommended the same to the adoption of the House.

Reported.

Ordered, that the report be received; and,

Adopted.

Ordered, that the said Address be engrossed, and the same read a third time this day.

A Deputation from the Commons House of Assembly, brought up and delivered at the Bar of this House a Message in the following words, and then withdrew.

Message from the Assembly, requesting that the Hon. Messieurs Elmsley, Markland, Macaulay and Gordon, may have leave to attend a Select Committee of that House.

MR. SPEAKER,

The Commons House of Assembly request that permission may be given to the Honorable Messieurs Elmsley, Markland, Macaulay and Gordon, Members of Your Honorable House, to attend and give evidence before the Select Committee appointed to enquire into the present state of the monetary system of the Province.

ALLAN N. MACNAB,

SPEAKER.

Commons House of Assembly,

Twenty-first June, 1837.

On motion made and seconded; it was,

Ordered, that the Honorable Messieurs Markland, Gordon, Elmsley and Macaulay, have leave to attend the Select Committee of the Commons House of Assembly, as desired by that House in their Message received this day, if they think fit; and,

Leave granted.

Ordered, that the Master in Chancery do go down to the Assembly and acquaint that House, that the Honorable Messieurs Markland, Gordon, Elmsley and Macaulay, have leave to attend the Select Committee of the Commons House of Assembly, as desired by that House in their Message received this day, if they think fit.

And the Assembly acquainted of same.

Pursuant to order, the Address of this House to His Excellency the Lieutenant Governor, in answer to His Excellency's Speech from the Throne, was read a third time and passed:

Address in answer to His Excellency's Speech, read third time and passed.

Whereupon the Speaker signed the same, and it is as follows:

Same signed.

To His Excellency SIR FRANCIS BOND HEAD, Knight Commander of the Royal Hanoverian Guelphic Order, Knight of the Prussian Military Order of Merit, Lieutenant Governor of the Province of Upper Canada, &c. &c. &c.

MAY IT PLEASE YOUR EXCELLENCY:

The constitutional exercise of the prerogative in summoning the Legislature in the name of our most Gracious Sovereign to an extraordinary Session, for the purpose of sharing with Your Excellency the consideration of the commercial difficulties which have assailed this Province, affords us an opportunity of renewing our assurances, that we shall at all times be ready to devote our best abilities in aiding Your Excellency to promote the welfare of our fellow-subjects.

The Address.

The unlooked-for suspension of cash payments by the Banks of the United States of America, while they had specie in their vaults, under the impression that it was necessary to the interests of their community, was an event too much connected with the prosperity of this Province not to engage the early attention of Your Excellency, and to suggest the desire of convening its Legislature, in order to assist in averting any embarrassment that might arise from circumstances which Your Excellency could not control.

It is matter of great satisfaction to know that the consequent deliberations of the Banks, whether they should continue or suspend cash payments, which resulted in a determination to pursue the former course, has justified the confidence which the Province reposed in their probity and solvency, notwithstanding an apprehension that they must inevitably be deprived of their specie; and we are gratified to learn, that Your Excellency has not received from them any expressions of regret at the course which they have pursued, but on the contrary, that the aggregate amount of specie in the vaults of the Chartered Banks, is about two-thirds of the sum they possessed at the beginning of May.

Thursday, 22nd June, 1837.

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

We shall not fail to evince how much we appreciate the confidence Your Excellency is pleased to repose in our judgment, by the earnest attention with which we shall deliberate upon the suggestions submitted to Your Excellency "whether, if the present circumstances continue, the Banks will probably be drained of their specie, and whether any law can be enacted which will avert such a calamity"; and we trust that Your Excellency will be enabled to co-operate with us in such measures as we shall consider most beneficial to the interests of the Province.

The observations which Your Excellency has kindly offered for our deliberation, relative to the prospect of a reaction in the neighbouring Republic, and its effect upon the Banks of Upper Canada, and to the question, whether the Legislature should under such peculiar circumstances, empower them to continue their business without the necessity of redeeming their Notes by cash, we shall not omit to weigh fairly, comparing with due attention, the advantages and disadvantages which the public would experience from such suspension, while there remained the means of payment within the power of the institution; and we shall also fully consider the explanation made to Your Excellency, "that by such a course, the Banks would be saved the expense of replenishing their coffers when the period arrived for the resumption of cash payments."

That this necessity might result in material expense to the Banks, we have little doubt, and we shall carefully deliberate upon this subject, with due regard to a preservation of the public faith in those institutions, and to the assistance required from British capitalists, whose wealth we confess we are in want of, and the continuance of whose confidence is so evidently necessary to our interests.

The high example of the British Empire, pointed out to us by Your Excellency, cannot fail to impress upon our minds how important it is to the welfare of this young rising Province to establish its character for strict integrity, in addition to the advantages of equal justice, fertility of soil and health of climate; and in lending our best efforts under any circumstances, to preserve these benefits, we feel confident that we shall best promote its interests, and adopt the surest mode of obtaining capital, credit and population from the Mother Country.

On motion made and seconded; it was,

Ordered, that a Committee be appointed to wait upon His Excellency the Lieutenant Governor, to know when His Excellency would be pleased to receive this House with their Address; and,

Ordered, that the Honorable Messieurs Gordon and James Kerby, do compose the same for that purpose.

It was moved and seconded, that it be resolved,

1.—That the Chartered Banks of this Province be required without delay to make returns to this House as directed by law, containing a full and true account of the funds and property of the said Banks; the amount of Capital Stock subscribed and paid; the amount of debts due to and from the said Banks; the amount of the Bills and Notes emitted by the said Banks in circulation; and the amount of specie in their said Banks at the time of making such return.

2.—That the Bank of Upper Canada be required to return to this House without delay, a statement of the amount of its Notes in circulation in each year since the year 1830, specifying in such statement the average amount of Notes in circulation in each month within that period; and that the nineteenth rule of this House be dispensed with as respects this motion.

3.—That the Commercial Bank of the Midland District, and the Bank of the Gore District, be requested without delay to return to this House, the amount of their Notes in circulation in each year since they commenced business, specifying in such return the average amount of Notes in circulation in each month; and that the nineteenth rule of this House be dispensed with as respects this motion.

The said resolutions being read a second time, and the question of concurrence put on each, they were severally agreed to by the House; and it was,

Ordered accordingly.

The Honorable Mr. Macaulay brought up the petition of Henry Smith, Warden, and principal Superintendent of the Provincial Penitentiary; which was laid on the table.

A Committee appointed to know when the foregoing Address would be received.

Members composing same.

Resolutions moved requiring the Chartered Banks in this Province to make certain returns to this House.

Read second time and adopted.

Petition of Henry Smith, brought up.

23rd & 26th June, 1837.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

The Honorable Mr. Gordon, from the Select Committee appointed to wait upon His Excellency to know when this House would be received with their Address, reported that they had done so, and that His Excellency had been pleased to appoint half an hour past eleven of the clock, A. M. to-morrow, for that purpose.

Report of the Committee appointed to know when the Address of this House in answer to His Excellency's Speech, would be received.

On motion made and seconded, the House adjourned until to-morrow, at eleven of the clock, A. M.

House adjourns.

FRIDAY, 23rd JUNE, 1837.

The House met pursuant to adjournment.

House meets.

PRESENT:

<i>The Honorable</i> JOHN B. ROBINSON, SPEAKER.	<i>The Honorable Messrs.</i> BALDWIN,	
<i>The Honorable Mr.</i> CROOKSHANK,	" " HAMILTON,	Members present.
<i>The Hon. & Ven The</i> ARCHDEACON OF YORK.	" " BOSWELL,	
<i>The Honorable Messrs.</i> WELLS,	" " ADAMSON,	
" " MARKLAND,	" " JAMES KERBY,	
" " GORDON,	" " JOHN KIRBY,	
" " McDONELL,	" " CROOKS.	

Prayers were read.

The Minutes of yesterday were read.

At the time appointed the House proceeded to the Government House with their Address in answer to His Excellency's Speech from the Throne, and having returned:

Address in answer to His Excellency's Speech from the Throne, presented.

His Honor the Speaker reported, that His Excellency the Lieutenant Governor had been pleased to receive the same, and to give an answer thereto, of which he had obtained a copy, which he read, and it was again read by the Clerk as follows:

Speaker reports His Excellency's reply thereto.

Same read.

HONORABLE GENTLEMEN,

I thank you for the readiness with which you undertake to investigate the Commercial difficulties which have unexpectedly assailed the prosperity of this Province.

The reply.

On motion made and seconded; it was,

Ordered, that certified copies of the resolutions of this House, passed yesterday, relating to the Chartered Banks, be transmitted by the Clerk to the Presidents of the respective Institutions.

Copies of the resolutions passed yesterday, relating to the Chartered Banks, ordered to be transmitted by the Clerk to the Presidents of the respective Institutions.

On motion made and seconded; it was,

Ordered, that a Select Committee be appointed to examine into and report upon the measures which it may be most expedient for the Legislature to adopt in consequence of the present Commercial difficulties in this Province, with power to send for persons and papers; and that the Honorable Messieurs Markland, Gordon, Baldwin, Boswell, Kirby, Crooks, and Macaulay, do compose the same, to report by bill or otherwise.

A Select Committee appointed to report in respect of the commercial difficulties existing in this Province.

Members composing same.

On motion made and seconded, the House adjourned until Monday next, at the hour of one of the clock, P. M.

House adjourns.

MONDAY, 26th JUNE, 1837.

The House met pursuant to adjournment.

House meets.

PRESENT:

<i>The Honorable</i> JOHN B. ROBINSON, SPEAKER.	<i>The Honorable Messrs.</i> BURNHAM,	
<i>The Honorable Messrs.</i> CROOKSHANK,	" " BALDWIN,	Members present.
" " WELLS,	" " HAMILTON,	
" " MARKLAND,	" " JOHN KIRBY,	
" " GORDON,	" " MACAULAY.	
" " McDONELL,		

Prayers were read.

The Minutes of Friday last were read.

Pursuant to the order of the day, the petition of Henry Smith, Warden, and principal Superintendent of the Provincial Penitentiary, on the subject of his pay and allowances, was read.

Petition of Henry Smith, read.

The Honorable Mr. Wells brought up the petition of R. Cline, and others, inhabitants of the Town of Cornwall; which was laid on the table.

Petition of R. Cline, and others, brought up.

Tuesday, 27th June, 1837.

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

Petition of the Mayor,
Aldermen & Commonalty,
of the City of Toronto,
brought up.

The Honorable Mr. Markland brought up the petition of the Mayor, Aldermen and Commonalty of the City of Toronto; which was laid on the table.

House adjourns.

On motion made and seconded, the House adjourned.

TUESDAY, 27th JUNE, 1837.

House meets.

The House met pursuant to adjournment.

PRESENT:

Members present.	<i>The Honorable</i> JOHN B. ROBINSON, SPEAKER.	<i>The Honorable Messrs.</i> BOSWELL,
	<i>The Honorable Messrs.</i> MARKLAND.	" " JAMES KERBY,
	" " GORDON,	" " JOHN KIRBY,
	" " McDONELL.	" " CROOKS,
	" " BALDWIN,	" " MACAULAY.
" " HAMILTON,		

Prayers were read.

The Minutes of yesterday were read.

Message from His
Excellency the Lieutenant
Governor:

A Message from His Excellency the Lieutenant Governor, was delivered by Mr. Secretary Joseph, who being retired, the Speaker read the same, and it was again read by the Clerk, as follows:

F. B. HEAD.

Transmitting copies of
several Despatches
received from His
Majesty's Secretary of
State for the Colonies.

The Licutnant Governor transmits, for the information of the Legislative Council, copies (noted in the margin,) of several Despatches received by him yesterday, from the Secretary of State for the Colonies, containing His Majesty's answers to the Joint Addresses of the two Houses, and to the separate Address of the Legislative Council, passed during the last Session of the Provincial Parliament, together with copies of Despatches referring to the Licutenant Governor's Speech on closing that Session, and to the Address of the Assembly, relative to the instructions received from His Majesty's Government on the subject of Banking Corporations.

Government House,
26th June, 1837.

(Copy.)

No. 162.

DOWNING STREET,
19th April, 1837.

SIR,

Relating to an Address of
the House of Assembly,
with reference to certain
instructions on the subject
of Banking Corporations.

I have the honor to acknowledge your Despatch (No. 10) of the 5th February last, transmitting a copy of an Address, which you had received from the House of Assembly of Upper Canada, requesting to be informed whether you would be prevented, in consequence of the instructions conveyed to you in my Despatch of the 31st August last, from giving the Royal Assent to any Bank bill which may pass the two branches of the Legislature in future.

You also enclose a copy of the reply which, with the advice of your Council, you returned to the question proposed by the Assembly.

I have to convey to you my approval of your answer to the Address of the House of Assembly, as containing an accurate explanation of the motives which suggested the instructions to which that Address refers.

I have the honor to be,

Sir,

Your most obedient,

Humble Servant,

(Signed) GLENELG.

SIR F. HEAD, &c. &c. &c.

A true Copy,

J. JOSEPH.

Tuesday, 27th June, 1837.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

(Copy.)

No. 164.

DOWNING STREET,
19th April, 1837.

SIR,

I have the honor to acknowledge your Despatch (No. 19) of the 4th ultimo, transmitting a copy of the Speech with which, on that day, you had closed the Session of the Legislature of Upper Canada. In relation to the Speech of His Excellency, on closing the last Session.

I beg to assure you that I have read that Speech with much satisfaction, containing as it does, proofs of the important public benefits which have resulted from the labours of the Provincial Legislature during their last Session.

I have, &c.

(Signed) GLENELG.

Lieutenant Governor SIR FRANCIS HEAD, K.C.H., &c. &c. &c.

A true Copy,

J. JOSEPH.

(Copy.)

No. 168.

DOWNING STREET,
20th April, 1837.

SIR,

I have had the honor to lay at the foot of the Throne, the Address from the Legislative Council to yourself, transmitted in your Despatch (No. 24) of the 4th ultimo, explanatory of their conduct in having concurred in a bill sent up from the House of Assembly, for altering the Charter granted by His Majesty to King's College. On the subject of an Address from the Legislative Council to His Excellency, relating to the Charter of King's College.

I have received the King's Commands to express the high satisfaction with which His Majesty regards the laudable solicitude manifested by the Legislative Council to avoid any encroachment on the prerogatives of the Crown, in the form of the proceeding in which they concurred for the amendment of the Charter of Incorporation of King's College.

Considering however, that the Act originated in the express suggestion and recommendation of the King, conveyed through His Majesty's Secretary of State, it has not appeared to His Majesty to involve the departure from the constitutional principle to which the Legislative Council advert in their Address, and which His Majesty is well persuaded will at all times be maintained inviolate by the Legislature of Upper Canada.

I have, &c.

(Signed) GLENELG.

Lieutenant Governor SIR FRANCIS HEAD, K.C.H. &c. &c. &c.

A true Copy.

J. JOSEPH.

(Copy.)

No. 170.

DOWNING STREET,
21st April, 1837.

SIR,

I have the honor to acknowledge your Despatch (No. 26) of the 4th ultimo, in which you transmit to me an Address to His Majesty from the Legislative Council and House of Assembly of Upper Canada, deprecating an Union between the two Provinces of Upper and Lower Canada. On the subject of a Joint Address, deprecating an Union of the two Provinces.

I beg leave to acquaint you, that having laid this Address before the King, His Majesty has been pleased to receive the same very graciously, and to command me to observe, that the project of an Union between the two Provinces, has not been contemplated by His Majesty as fit to be recommended for the sanction of Parliament.

I have, &c.

(Signed) GLENELG.

SIR F. HEAD, &c. &c. &c.

A true Copy.

J. JOSEPH.

Tuesday, 27th June, 1837.

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

(Copy.)

No. 171.

SIR,

DOWNING STREET,
21st April, 1837.

On the subject of a Joint Address of the two Houses, relating to the local Currency and Banking Corporations.

I have the honor to acknowledge the receipt of your Despatch (No. 27) of the 4th ultimo, in which you transmit to me a Joint Address from the Legislative Council and House of Assembly of Upper Canada to the King, relative to the local Currency and Banking Corporations.

I have had the honor of laying this Address before the King, who was pleased to receive it very graciously, and to direct that it should be referred to the Lords Commissioners of His Majesty's Treasury, and to the Lords of the Committee of His Privy Council for Trade, for their reports on the questions to which it adverts.

I have, &c.

(Signed) GLENELG.

Lieutenant Governor SIR FRANCIS HEAD, K.C.H., &c. &c. &c.

A true Copy.

J. JOSEPH.

(Copy.)

No. 172.

SIR,

DOWNING STREET,
21st April, 1837.

On the subject of a Joint Address, relating to the improvement of that part of the River St. Lawrence within the boundary of Lower Canada.

I have received, and have laid at the foot of the Throne, the Joint Address of the Legislative Council and House of Assembly of Upper Canada, to the King, transmitted in your Despatch (No. 28) of the 4th ultimo, relative to the necessity of improving the navigation of that part of the River Saint Lawrence within the boundary of Lower Canada.

His Majesty was pleased to receive this Address very graciously, and to command me to acquaint you, for the information of the Legislature, that the measures submitted by His command for the consideration of Parliament, will, as His Majesty trusts, provide effectually for the redress of the grievance of which the two Houses complain.

I have, &c.

(Signed) GLENELG.

Lieutenant Governor SIR FRANCIS HEAD, K.C.H., &c. &c. &c.

A true Copy.

J. JOSEPH.

On motion made and seconded; it was,

Ordered, that an Address be presented to His Excellency the Lieutenant Governor, respectfully thanking him for his Message received this day, transmitting for the information of this House, copies of the several Despatches received from the Secretary of State for the Colonies, therein contained.

A Committee appointed to present an Address of thanks to His Excellency for the foregoing Message.

Members composing same.

Ordered, that the Honorable Messieurs Hamilton and Macaulay, do present the same.

Petition of the Merchants, Traders, and others, of Kingston; and,

The Honorable Mr. John Kirby brought up the petition of the Merchants, Traders, and others, of the Town of Kingston; which was laid on the table.

Of the President, &c. of the Freeholders' Bank of the Midland District, brought up.

The Honorable Mr. Macaulay brought up the petition of the President, Cashier and Directors, of the Freeholders' Bank of the Midland District; which was laid on the table.

On motion made and seconded; it was,

Ordered, that the several Bank Returns when read, be referred to the Select Committee appointed to examine into and report upon the measures which it may be most expedient for the Legislature to adopt, in consequence of the present Commercial difficulties in this Province.

The several Bank returns when read, ordered to be referred to the Select Committee appointed to report upon the Commercial difficulties in this Province.

House adjourns.

On motion made and seconded, the House adjourned.

28th & 29th June, 1837.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

WEDNESDAY, 28th JUNE, 1837.

The House met pursuant to adjournment.

House meets.

PRESENT :

The Honorable JOHN B. ROBINSON, SPEAKER.*The Honorable Messrs.* BALDWIN,*The Honorable Messrs.* CROOKSHANK,

" " BOSWELL,

" " MARKLAND,

" " JAMES KERBY,

" " GORDON,

" " JOHN KIRBY,

" " McDONELL,

" " CROOKS.

Members present.

Prayers were read.

The Minutes of yesterday were read.

Pursuant to the order of the day, the petition of R. Cline, and others, inhabitants of the Town of Cornwall, praying for a Bridge over the Canal at the said Town; and also the petition of the Mayor, Aldermen and Commonalty, of the City of Toronto, praying for an Act declaring their proceedings in the issuing of certain Debentures to be legal, were severally read.

Petition of R. Cline, and others; and,

Of the Mayor, Aldermen and Commonalty, of the City of Toronto, read.

A Deputation from the Commons House of Assembly brought up a bill entitled, "An Act to afford relief to the Freeholders' Bank of the Midland District, and other Private Banks hitherto in existence in this Province, and to allow them to wind up their affairs," to which they requested the concurrence of this House, and then withdrew.

Private Banks relief bill, brought up.

The said bill was then read; and it was,

Read first time.

Ordered, that the same be read a second time to-morrow.

On motion made and seconded, the House adjourned.

House adjourns.

THURSDAY, 29th JUNE, 1837.

The House met pursuant to adjournment.

House meets.

PRESENT :

The Honorable JOHN B. ROBINSON, SPEAKER.*The Honorable Messrs.* BOSWELL,*The Honorable Messrs.* CROOKSHANK,

" " JAMES KERBY,

" " WELLS,

" " JOHN KIRBY,

" " GORDON,

" " CROOKS,

" " McDONELL,

" " MACAULAY.

Members present.

Prayers were read.

The Minutes of yesterday were read.

Pursuant to the order of the day, the bill entitled, "An Act to afford relief to the Freeholders' Bank of the Midland District, and other Private Banks hitherto in existence in this Province, and to allow them to wind up their affairs," was read a second time; and it was,

Private Banks relief bill, read second time.

Ordered, that the House be put into a Committee of the whole presently, to take the same into consideration.

The House was then put into a Committee of the whole accordingly.

Committed.

The Honorable Mr. James Kirby took the Chair.

After some time the House resumed.

The Chairman reported that the Committee had taken the said bill into consideration, had made some progress therein, and asked leave to sit again to-morrow.

Reported and leave asked to sit again.

Ordered, that the report be received, and leave granted accordingly.

Leave granted.

Pursuant to the order of the day, the petition of the President, Cashier and Directors, of the Freeholders' Bank of the Midland District, praying for Legislative authority to enable them to settle up the affairs of the said Institution; and also the petition of the Merchants, Traders and others, of the Town of Kingston, praying that the British Government may be made aware of the necessity which exists for the immediate construction of a Lock at the St. Anne's Rapids, and for the improvement of the whole line of the Rideau Canal to Lachine, were severally read.

Petition of the President, &c. of the Freeholders' Bank of the Midland District; and,

Of the Merchants, Traders and others, of the Town of Kingston, read.

The Honorable Mr. Baldwin brought up the petition of E. Lesslie & Sons, of the City of Toronto, Merchants; which was laid on the table.

Petition of E. Lesslie & Sons; and,

The Honorable Mr. James Kerby brought up the petition of Benjamin Cauley, and others, of the District of Niagara; which was laid on the table.

Of Benjamin Cauley, and others, brought up.

Friday, 30th June, 1837.

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

Banks Specie Payment Suspension bill, brought up.
 A Deputation from the Commons House of Assembly brought up a bill entitled, "An Act to authorise the Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned," to which they requested the concurrence of this House, and then withdrew.

Read first time.
 The said bill was then read; and it was,

Forty-fourth rule dispensed with.
 Ordered, that the forty-fourth rule of this House be dispensed with as regards this bill, and that the same be read a second time presently.

The bill read second time.
 The said bill was then read a second time accordingly; and it was,

And referred to the Select Committee appointed to report in respect of the Commercial Difficulties existing in this Province.
 Ordered, that it be referred to the Select Committee appointed to examine into and report upon the measures which it may be most expedient for the Legislature to adopt, in consequence of the present Commercial difficulties in this Province, with power to send for persons and papers, and to report thereon by amendment or otherwise.

House adjourns.
 On motion made and seconded, the House adjourned until to-morrow, at eleven of the clock, A.M.

FRIDAY, 30th JUNE, 1837.

House meets.
 The House met pursuant to adjournment.

PRESENT :

Members present.
The Honorable JOHN B. ROBINSON, SPEAKER.
The Honorable Messrs. GORDON,
 " " McDONELL,
 " " BALDWIN,
The Honorable Messrs. BOSWELL,
 " " JAMES KERBY,
 " " JOHN KIRBY,
 " " CROOKS.

Prayers were read.

The Minutes of yesterday were read.

Private Banks relief bill, discharged from the order of the day.
 The order of the day being read for again putting the House into a Committee of the whole upon the bill entitled, "An Act to afford relief to the Freeholders' Bank of the Midland District, and other Private Banks hitherto in existence in this Province, and to allow them to wind up their affairs;" it was,

Ordered, that it be discharged, and that the said bill do stand upon the order of the day for to-morrow.

Debenture Acts amendment bill, brought up from the Assembly.
 A Deputation from the Commons House of Assembly brought up a bill entitled, "An Act to alter and amend several Acts passed during the last Session of the Legislature, authorising the issue of Government Debentures," to which they requested the concurrence of this House; and they brought up and delivered at the Bar of this House two Messages in the following words, and then withdrew.

And two Messages therefrom;

MR. SPEAKER,

Requesting the concurrence of this House to a certain report of the House of Assembly, upon the petition of Benjamin Canby, and others.
 The Commons House of Assembly have adopted the accompanying Report on the petition of Benjamin Canby and others, and request the concurrence of the Honorable the Legislative Council thereto.

ALLAN N. MACNAB,
 SPEAKER.

Commons' House of Assembly.

Thirtieth day of June, 1837.

(Copy.)

To the Honorable the Commons House of Assembly.

The Select Committee to whom was referred the petition of Benjamin Canby and others, beg leave to Report:

The Report.
 That as a bill passed the House during the last Session, granting £4000 to prepare the Road between Canboro' and Simcoe for Macadamising; and as the same did not pass the Legislative Council, for want of time or some other cause, that in consequence no part of the appropriation made last Session was applied to said road;—that the road is now almost impassable—and as the Committee are informed, the inhabitants can borrow money to repair

Saturday, 1st July, 1837.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

the same, in case they get an expression of opinion from the two branches of the Legislature; the Committee recommend the Legislature to grant the sum of £4000 next Session, on the same terms as the past.

All which is respectfully submitted.

(Signed)

WM. HAMILTON MERRITT,
CHAIRMAN.

Committee Room, House of Assembly,
Thirtieth June, 1837.

Attest.

JAMES FITZGIBBON,
CLERK OF ASSEMBLY.

MR. SPEAKER,

The Commons House of Assembly have passed the accompanying Address, upon the subject of funding certain monies in the Public Debentures in this Province, to which they request the concurrence of the Honorable the Legislative Council.

Transmitting an Address for concurrence to His Majesty, on the subject of funding certain monies in the public Debentures in this Province.

ALLAN N. MACNAB,
SPEAKER.

Commons House of Assembly,
Thirtieth day of June, 1837.

TO THE KING'S MOST EXCELLENT MAJESTY.

MOST GRACIOUS SOVEREIGN;

We, Your Majesty's most faithful Subjects the ——— Assembly of the Province of Up-
per Canada, in Provincial Parliament assembled, humbly pray that Your Majesty will be graciously pleased to direct your Principal Secretary of State for the Colonies, to take such measures as will cause to be speedily funded in the Public Debentures in this Province, such monies as have been raised in this Province from the sale of Public Lands, or from any other source whatever, and are now placed at Interest or funded in the Stocks of your Majesty's United Kingdom, or elsewhere.

The Address.

ALLAN N. MACNAB,
SPEAKER.

Passed Commons House of Assembly,
the Thirtieth of June, 1837

On motion made and seconded; it was,

Ordered, that the report of the Commons House of Assembly upon the petition of Benjamin Canby and others, be referred to a Committee of the whole House to-morrow.

On motion made and seconded; it was,

Ordered, that the Address of the Assembly to the King, on the subject of funding certain monies in the Public Debentures in this Province, be referred to a Committee of the whole House to-morrow.

The Bill entitled, "An Act to alter and amend several Acts passed during the last Session of the Legislature, authorising the issue of Government Debentures," was read; and it was,

Debenture Acts amendment bill, read first time.

Ordered, that the same be read a second time to-morrow.

On motion made and seconded, the House adjourned until to-morrow, at eleven of the clock, A. M.

House adjourns.

SATURDAY, 1st JULY, 1837.

The House met pursuant to adjournment.

House meets.

PRESENT :

The Honorable JOHN B. ROBINSON, SPEAKER.

The Honorable Messrs. BALDWIN,

The Honorable Messrs. CROOKSHANK,

" " JAMES KERBY,

" " WELLS,

" " JOHN KIRBY,

" " GORDON,

" " CROOKS,

" " McDONELL,

" " MACAULAY.

Members present.

Prayers were read.

The Minutes of yesterday were read.

E.

Saturday, 1st July, 1837.

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

Private Banks relief bill,
re-committed.

Pursuant to the order of the day, the House was again put into a Committee of the whole upon the Bill entitled, "An Act to afford relief to the Freeholders' Bank of the Midland District, and other Private Banks hitherto in existence in this Province, and to allow them to wind up their affairs."

The Honorable Mr. James Kerby took the chair.

After some time the House resumed.

Amendments reported.

The Chairman reported that the Committee had gone through the said Bill, and had made some amendments thereto, which they recommended to the adoption of the House.

Ordered, that the report be received; and,

Read first time.

The said amendments were then read by the Clerk, as follows:

The amendments.

In the Title—Line 1. After the word "relief" expunge the remainder of the Title and insert, "to certain Banking Institutions heretofore carrying on business in this Province, by enabling them more conveniently to settle their affairs, and for protecting the interests of persons holding their Notes.

In the Bill—Press. 1. Line 1. After "Whereas" expunge the remainder and insert, "there is reason to believe that about the time of the passing of the Act of the Parliament of this Province, in the seventh year of His present Majesty's reign, entitled, 'An Act to protect the Public against injury from Private Banks,' and before the passing of that Act became generally known throughout this Province, several associations of persons were engaged in carrying on the business of Banking, not being among the number of those enumerated in that Act as intended to be exempt from its provisions; And whereas it is expedient to afford facility to such associations in collecting their debts, and in the final arrangement of their affairs, in order that the prohibition against the continuance of their business may not operate injuriously to the public. Be it therefore enacted, by the King's most Excellent Majesty, by and with the advice and consent of the Legislative Council and Assembly of the Province of Upper Canada, constituted and assembled by virtue of and under the authority of an Act passed in the Parliament of Great Britain, entitled, "An Act to repeal certain parts of an Act passed in the fourteenth year of His Majesty's reign, entitled, 'An Act for making more effectual provision for the Government of the Province of Quebec in North America, and to make further provision for the Government of the said Province; and by the authority of the same," that if any person, or association of persons, were, before the first day of April now last past, engaged in carrying on the business of Banking in this Province, and in the issuing of Bills or Notes, contrary to the provisions of the said Act, passed in the seventh year of His present Majesty's reign, which person, or association of persons, not being specified in the said Act, remains subject to the prohibitions and provisions therein contained, it shall and may be lawful for the person or persons in every such case to apply by petition to the Judge of the District Court for the District in which their principal Office or place of business was situated, to approve of any three persons to be named by them as Commissioners for the purpose of settling the affairs of such Bank or Institution, and in case the persons so named shall be approved of by such Judge, as being men of good character and substance, then such persons shall be and are hereby enabled (using their individual names) to sue, as Commissioners for settling the affairs of such Bank or Institution, for any debt or demand arising upon any Mortgage, Bond, Bill, Note or other security, given to the said Bank or Institution, or to any person or persons for their use, or in trust for them, or in order to secure any monies advanced by them; and the amount due upon any such security may be recovered in an action for money had and received, to the use of the persons suing as Commissioners; a copy of the instrument or writing being attached to the copy of process which may be served upon the defendant.

2. And be it further enacted by the authority aforesaid, That before any appointment of Commissioners shall take place under this Act, the names of all persons who have been parties to the association applying for the nomination of such Commissioners, from the commencement thereof, shall be stated in a list which shall accompany the petition, and shall remain filed in the office of the Clerk

Saturday, 1st July, 1837.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

of the District Court with such petition; and that in the said list shall be specified when each person became a member of such association, and when, if at any time, he ceased to be a member thereof; and that the correctness of such list shall be attested by the oaths of the President and Cashier of such association, or of one-third of the number of persons stated in such list to be members thereof; which oath the Judge of such District Court is hereby authorised to administer, and a copy of the articles of association agreement, or deed of settlement, attested in like manner, shall be annexed to the said list. The amendments.

3. And be it further enacted by the authority aforesaid, That the Commissioners to be named in any case under the authority of this Act, shall have power to compel payment by any subscriber to such association or institution, of the amount of stock or shares subscribed by him or her and not paid in, in an action for money had and received to their use.

4. And be it further enacted by the authority aforesaid, That the holders of any notes or bills, put in circulation by any person or association of persons coming under the provisions of this Act, may, after demanding payment from any of the Commissioners that may be appointed for settling the affairs of such Bank or Institution, sue upon such note or bill in the Court of Requests, or in any other Court of higher jurisdiction as the case may require, any one or more of the persons who shall appear upon the list delivered and attested as aforesaid, to have been associated in such Bank or Institution at or after the time of such note or bill being issued: Provided always, that nothing herein contained shall interfere with any other remedy given by law to the holder of any bill, note or other evidence of debt, of any such Association, Bank or Institution.

5. And be it further enacted by the authority aforesaid, That no person or persons shall be liable to any penalty or punishment under the said Act, passed in the seventh year of His present Majesty's reign, for any thing done contrary to the provisions of the said Act, before the first day of April now last past.

6. And be it further enacted by the authority aforesaid, That the nomination of Commissioners shall be made at a meeting of the Subscribers or Shareholders, to be held on the first Monday in August after the passing of this Act, at the place where the District Court is usually holden for the District in which the principal Office of any such Bank or Institution shall have been or shall be situated; and in case the Judge shall not confirm such nomination, then others shall be chosen at a meeting to be held at the same place, on a day to be named by him by advertisement in some public newspaper of the District, giving ten days notice;—and that in case of any vacancy occurring by the death, removal or incapacity, of any of the Commissioners, a successor shall be nominated and appointed in like manner, upon a notice of meeting to be given as hereinbefore provided by the Judge of the District Court."

The said amendments being read a second time, and the question of concurrence put on each, they were severally agreed to by the House; and it was, Read second time and adopted.

Ordered, that they be engrossed, and the said bill as amended, read a third time on Monday next.

Pursuant to the order of the day, the bill entitled, "An Act to alter and amend several Acts passed during the last Session of the Legislature, authorising the issue of Government Debentures," was read a second time; and it was, Debenture Acts amendment bill, read second time.

Ordered, that the House be put into a Committee of the whole on Monday next, to take the same into consideration.

On motion made and seconded, the House adjourned until Monday next, at twelve of the clock, at noon. House adjourns.

Monday, 3rd July, 1837.

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

MONDAY, 3rd JULY, 1837.

House meets.

The House met pursuant to adjournment.

PRESENT :

Members present.	<i>The Honorable</i> JOHN B. ROBINSON, SPEAKER.	<i>The Honorable Messrs.</i> JAMES KERBY,
	<i>The Honorable Messrs.</i> MARKLAND,	“ “ JOHN KIRBY,
	“ “ GORDON,	“ “ MACAULAY.
	“ “ BALDWIN,	

Prayers were read.

The Minutes of Saturday were read.

Private Banks relief bill, as amended, read third time and passed.

Pursuant to the order of the day, the bill entitled, “An Act to afford relief to the Freeholders’ Bank of the Midland District, and other Private Banks hitherto in existence in this Province, and to allow them to wind up their affairs;” was as amended read a third time; and,

The question being put, whether this bill as amended should pass, it was carried in the affirmative :

Amendments signed ;

Whereupon the Speaker signed the amendments ; and it was,

And sent to the Assembly for concurrence.

Ordered, that the Master in Chancery do go down to the Assembly, and acquaint that House that the Legislative Council has passed this bill, with certain amendments, to which they desire the concurrence of the Commons House of Assembly.

On motion made and seconded ; it was,

Members summoned.

Ordered, that the Members in Town be summoned to attend in their places in this House, at three of the clock, P. M. this day.

Members enter.

The Honorable Messieurs Crookshank, Wells and McDonell, enter.

Report of the Select Committee (by amendment) upon Banks specie payment suspension bill, presented.

The Honorable Mr. Markland, from the Select Committee to whom was referred the bill entitled, “An Act to authorise the Banks in this Province to suspend the redemption of their notes in specie, under certain regulations for a limited time, and for other purposes therein mentioned,” reported certain amendments.

Ordered, that the report be received ; and,

Amendments read.

The amendments were then read by the Clerk, as follows :

Your Committee appointed to examine and report upon the measures which it may be most expedient to adopt in consequence of the present commercial difficulties in this Province, and to which has also been referred a bill entitled, “An Act to authorise the Banks in this Province to suspend the redemption of their notes in specie, under certain regulations for a limited time, and for other purposes therein mentioned;” beg leave to present as their first report:—That they have, in pursuance of the former duty, received much valuable evidence upon that important subject, from which they are preparing a further report to be hereafter submitted to your Honorable House; they have also taken the said bill into consideration, and herein beg leave to suggest some amendments to it, which they do not conceive will render its effects materially different, and which they recommend to your adoption.

All which is respectfully submitted.

GEORGE H. MARKLAND,
CHAIRMAN.

Legislative Council Committee Room,

Third day of July, 1837.

The amendments.

In the title—After “the” insert “Chartered”

Press 1, line 1—After “Whereas” expunge to clause 14th, and insert “under the peculiar circumstances of the Banks in the United States of America, and in the Province of Lower Canada, having recently determined to suspend cash payments, it may become necessary for the several Chartered Banks in this Province to cease from redeeming their notes with specie, either in consequence of the difficulty of procuring specie, or from the impossibility of retaining it while the unusual state of commercial affairs in the adjoining countries gives to gold and silver an extraordinary value: And whereas, it is of great consequence to the commercial and agricultural interests of this Province, that the accommodation which Banks of undoubted solvency can safely extend to those engaged in business, should not be suddenly discontinued, which under the existing laws must be the consequence of their being compelled to suspend cash payments, and it is therefore

Monday, 3rd July, 1837.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

expedient to make such temporary provision as may afford relief against this inconvenience: Be it therefore enacted by the King's most Excellent Majesty, by and with the advice and consent of the Legislative Council and Assembly of the Province of Upper Canada, constituted and assembled by virtue of, and under the authority of an Act passed in the Parliament of Great Britain, entitled, "An Act to repeal certain parts of an Act passed in the fourteenth year of His Majesty's reign, entitled, 'An Act for making more effectual provision for the Government of the Province of Quebec in North America, and to make further provision for the Government of the said Province, and by the authority of the same," that if any of the Banks in this Province, chartered by Act of the Legislature, shall, during the continuance of this Act, judge it necessary under existing circumstances, to suspend the redemption of their notes by specie, such Bank may forthwith make a disclosure of the state of their affairs to the Lieutenant Governor of this Province, in Council, and shall state the reasons which have led to such suspension; and in case it shall appear proper and advisable to the Lieutenant Governor and Council, that such Bank should, under the circumstances disclosed by them, be allowed to continue their business of Banking, notwithstanding their suspension of cash payment, then it shall be lawful for the Lieutenant Governor in Council to make a minute to that effect, which shall be published in the Upper Canada Gazette during the time of such suspension of cash payment, and such minute of the Lieutenant Governor and Council shall have the effect of saving such Bank from any forfeiture of their charter, by reason of their suspension of cash payments before or after the making of such minute, and from any and every penalty or disability which would or might otherwise ensue thereon." The amendments.

"And be it further enacted by the authority aforesaid, That it shall and may be lawful for the Lieutenant Governor in Council to require from the President and Directors, or the Cashier or other Officer of any such Bank, whatever information they may deem necessary for their satisfaction, in respect to the solvency of the Bank, and the actual condition and management of their affairs, which information they may desire to be given under the oath of the person or persons furnishing the same, and that such oath may be administered by any Judge of His Majesty's Court of King's Bench in this Province, or by any Judge of a District Court therein."

"And be it further enacted by the authority aforesaid, That in case authority to continue business shall be given by the Lieutenant Governor in Council, such authority may remain in force during the continuance of this Act."

"And be it further enacted by the authority aforesaid, That so long as such authority shall continue, it shall and may be lawful for the Lieutenant Governor of this Province, to appoint from time to time, two or more Commissioners, with power to inspect and examine into the affairs of the Bank to which such authority shall be extended, and to report thereon in such manner as shall be thought necessary; and that such Commissioners and every of them, shall have authority to require statements on oath, from the President, or any Director, Cashier, or other officer of such Bank, in relation to any of the affairs or business of the said Bank, and that any one of the Commissioners shall have power to administer an oath for the purpose aforesaid."

"And be it further enacted by the authority aforesaid, That during the time such authority to suspend cash payments shall be continued, it shall be the duty of the Bank to which the same shall be extended, to transmit to the Lieutenant Governor in Council, once in each month, or oftener if it should be thought necessary, a return of their business and affairs, such as they may be required under their Act of Incorporation, to furnish for the information of the Legislature."

Monday, 3rd July, 1837.

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

The amendments.

“And be it further enacted by the authority aforesaid, That if any person shall knowingly swear falsely in any matter stated by him on oath, under the provisions of this Act, he shall on conviction, be deemed guilty of wilful and corrupt perjury.”

“And be it further enacted by the authority aforesaid, That so long as any Bank shall continue, under the provisions of this Act, to conduct their business of Banking without paying their notes in specie on demand, their total amount of paper in circulation shall never exceed their capital stock actually paid up.”

“And be it further enacted by the authority aforesaid, That during the time of such suspension of cash payments, it shall not be lawful for any Bank to make sale of any proportion of the gold or silver which may be in their possession, or make any other disposition thereof, which would diminish the amount according to its legal value, than by paying in change the fractional parts of a dollar, or by paying on demand, the amount of such of their notes for one dollar each, as may be presented to them for payment; and that the Bank shall observe such directions as may, from time to time, be given by the Lieutenant Governor in Council, respecting the amount of such notes which shall be maintained in circulation, and respecting the redemption thereof in specie by such Bank.”

“And be it further enacted by the authority aforesaid, That it shall be in the power of the Lieutenant Governor of this Province in Council, to make an order, directing that any Bank which shall avail itself of the provisions of this Act, shall, from the expiration of one month, or any further time that may be thought reasonable, after its suspension of payments in specie, procure and retain in its vaults an amount of current gold or silver coin, bearing such proportion to its amount of bills or notes in circulation as shall be prescribed in such order, being not more than ten per cent. of the amount in circulation.”

“And whereas, in case of its becoming necessary for the Chartered Banks in this Province to suspend payment in specie, it may be found impracticable for individuals, during such suspension, to obtain gold or silver, and it is therefore necessary to make such provision as may afford reasonable protection in that behalf; Be it therefore enacted by the authority aforesaid, That so long as any of the Chartered Banks in this Province, shall be authorised under the provisions of this Act, to suspend payment in specie, in case any action shall be depending or shall be hereafter brought in any Court in this Province, for the recovery of any debt, it shall be lawful for such Court, on the application of the defendant, and on the hearing of the parties, to stay proceedings in such action without costs, until further order shall be made thereon; provided it be made to appear to the satisfaction of the Court, that the necessity for proceeding in such action does not arise from the want of the amount of debt being ascertained, or from the unwillingness or inability of the defendant to pay the same, but solely from his inability to procure gold or silver in this Province in order to make such payment.”

“And be it further enacted by the authority aforesaid, That during the continuance of this Act, no action or suit shall be prosecuted against any of the Banks which shall avail itself of the provisions of this Act, in order to compel payment of any notes of such Bank expressed to be payable on demand: And it shall be lawful for the President and Directors of every such Bank, during the continuance of their suspension of cash payments in the manner allowed by this Act, to apply to the Court wherein any such action shall be brought, or shall be depending, to stay proceedings therein in a summary way; and in case such action or suit shall be brought to compel payment of any note or notes made payable on demand, such Court shall stay all proceedings accordingly, during the continuance of this Act, or during the suspension of cash payments as provided by this Act: Provided always, that if it shall appear to such Court to be necessary for the purpose of ascertaining the amount of any demand on

Tuesday, 4th July, 1837.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

such Bank, or otherwise, for the furtherance of justice, that any proceeding should be had for such purpose, it shall be lawful for such Court to permit proceedings to be had in any such action or suit for such necessary purpose only: Provided also, that no costs shall be recovered against any such Bank, in any action or suit which shall be brought for the purpose of compelling payment of any debt or demand, unless the Court wherein the same shall be brought shall be of opinion that the same was necessary for the purpose of ascertaining the amount of such debt or demand, or the title thereto." The amendments.

Press 8, line 2—After "Act," insert "or with any order given under its authority"

" " " 6—Expunge from "that," to "the," in line eight.

" " " 8—After "Act," expunge "such Commissioners"

" " " 10—After "duties," insert "hereby"—after "them," expunge "by this Act"

" " " 12—After "Act," expunge "such payment," and insert "and"

Expunge the eighteenth clause.

" 9, " 2—Expunge "the," and insert "any"

" " " 3—After "otherwise," add "and that each Commissioner appointed under this Act, shall before entering upon the duties of his office, take the following oath, which may be administered by the Vice-Chancellor, or any Judge of the Court of King's Bench in this Province, or by any Judge of a District Court therein."

"I, A. B. do swear, that I will faithfully discharge the duties of a Commissioner appointed to examine into and report upon the affairs of the _____ Bank, under the Act of the Legislature in that behalf, and that I will not disclose any of the transactions of private individuals with the said Bank, farther than it may become necessary for the faithful discharge of my duty.—So help me God."

" 10 & 11—Expunge the schedules.

On motion made and seconded; it was,

Ordered, that the said amendments be referred to a Committee of the whole House, to-morrow.

On motion made and seconded, the House adjourned until eleven of the clock, to-morrow, A. M. House adjourns.

TUESDAY, 4th JULY 1837.

The House met pursuant to adjournment. House meets.

PRESENT:

The Honorable JOHN B. ROBINSON, SPEAKER.

The Honorable Mr. CROOKSHANK,

The Hon. & Ven. The ARCHDEACON OF YORK,

The Honorable Messrs. WELLS,

" " CAMERON,

" " MARKLAND,

" " GORDON,

" " McDONELL,

The Honorable Messrs. ELMSLEY,

" " BALDWIN,

" " JAMES KERBY,

" " JOHN KIRBY,

" " CROOKS,

The Hon. & Right Rev. BISHOP McDONELL,

The Honorable Mr. MACAULAY.

Members present.

Prayers were read.

The Minutes of yesterday were read.

Pursuant to the order of the day, the House was put into a Committee of the whole, upon the amendments reported by the Select Committee to whom was referred the bill entitled, "An Act to authorise the Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned." Amendments reported by the Select Committee to Banks specie payment suspension bill, committed.

The Honorable Mr. Macaulay took the Chair.

After some time the House resumed.

The Chairman reported that the Committee had gone through the said amendments, and recommended the same to the adoption of the House. Reported.

Ordered, that the report be received to-morrow.

Wednesday, 5th July, 1837.

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

House adjourns.

On motion made and seconded, the House adjourned until to-morrow, at ten of the clock, A. M.

WEDNESDAY, 5th JULY, 1837.

House meets.

The House met pursuant to adjournment.

PRESENT :

Members present.

The Honorable JOHN B. ROBINSON, SPEAKER.
The Hon. & Ven. The ARCHDEACON OF YORK,
The Honorable Messrs MARKLAND,
" " GORDON,
" " McDONELL,

The Honorable Messrs. BALDWIN,
" " HAMILTON,
" " JAMES KERBY,
" " MACAULAY.

Prayers were read.

The Minutes of yesterday were read.

Amendments to Banks specie payment suspension bill, presented.

Pursuant to the order of the day, the Honorable Mr. Macaulay, from the Committee of the whole, upon the bill entitled, "An Act to authorise the Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned," presented the amendments made in and to the same; and,

Read first time.

They were then read by the Clerk, as follows :

In the title—After "the" insert "Chartered"

Press 1, line 1.—After "Whereas" expunge to clause 14th, and insert "under the peculiar circumstances of the Banks in the United States of America, and in the Province of Lower Canada, having recently determined to suspend cash payments, it may become necessary for the several Chartered Banks in this Province to cease from redeeming their notes with specie, either in consequence of the difficulty of procuring specie, or from the impossibility of retaining it while the unusual state, of commercial affairs in the adjoining countries gives to gold and silver an extraordinary value: And whereas, it is of great consequence to the commercial and agricultural interests of this Province, that the accommodation which Banks of undoubted solvency can safely extend to those engaged in business, should not be suddenly discontinued, which under the existing laws must be the consequence of their being compelled to suspend cash payments, and it is therefore expedient to make such temporary provision as may afford relief against this inconvenience: Be it therefore enacted by the King's most Excellent Majesty, by and with the advice and consent of the Legislative Council and Assembly of the Province of Upper Canada, constituted and assembled by virtue of, and under the authority of an Act passed in the Parliament of Great Britain, entitled, "An Act to repeal certain parts of an Act passed in the fourteenth year of His Majesty's reign, entitled, 'An Act for making more effectual provision for the Government of the Province of Quebec in North America, and to make further provision for the Government of the said Province, and by the authority of the same," that if any of the Banks in this Province, chartered by Act of the Legislature, shall, during the continuance of this Act, judge it necessary under existing circumstances, to suspend the redemption of their notes by specie, such Bank may forthwith make a disclosure of the state of their affairs to the Lieutenant Governor of this Province in Council, and shall state the reasons which have led to such suspension; and in case it shall appear proper and advisable to the Lieutenant Governor and Council, that such Bank should, under the circumstances disclosed by them, be allowed to continue their business of Banking, notwithstanding their suspension of cash payment, then it shall be lawful for the Lieutenant Governor in Council to make a minute to that effect, which shall be published in the Upper Canada Gazette during the time of such suspension of cash payment, and such minute of the Lieutenant Governor and Council shall have the effect of saving such Bank from any forfeiture of their charter, by reason of their suspension of cash payments before or after the making of such minute, and from any and every penalty or disability which would or might otherwise ensue thereon."

The amendments.

Wednesday, 5th July, 1837.

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“And be it further enacted by the authority aforesaid, That it shall and may be lawful for the Lieutenant Governor in Council to require from the President and Directors, or the Cashier or other Officer of any such Bank, whatever information they may deem necessary for their satisfaction, in respect to the solvency of the Bank, and the actual condition and management of their affairs, which information they may desire to be given under the oath of the person or persons furnishing the same, and that such oath may be administered by any Judge of His Majesty's Court of King's Bench in this Province, or by any Judge of a District Court therein.” The amendments.

“And be it further enacted by the authority aforesaid, That in case authority to continue business shall be given by the Lieutenant Governor in Council, such authority may remain in force during the continuance of this Act.”

“And be it further enacted by the authority aforesaid, That so long as such authority shall continue, it shall and may be lawful for the Lieutenant Governor of this Province, to appoint from time to time, two or more Commissioners, with power to inspect and examine into the affairs of the Bank to which such authority shall be extended, and to report thereon in such manner as shall be thought necessary; and that such Commissioners and every of them, shall have authority to require statements on oath, from the President, or any Director, Cashier, or other officer of such Bank, in relation to any of the affairs or business of the said Bank, and that any one of the Commissioners shall have power to administer an oath for the purpose aforesaid.”

“And be it further enacted by the authority aforesaid, That during the time such authority to suspend cash payments shall be continued, it shall be the duty of the Bank to which the same shall be extended, to transmit to the Lieutenant Governor in Council, once in each month, or oftener if it should be thought necessary, a return of their business and affairs, such as they may be required under their Act of Incorporation to furnish for the information of the Legislature.”

“And be it further enacted by the authority aforesaid, That if any person shall knowingly swear falsely in any matter stated by him on oath, under the provisions of this Act, he shall on conviction, be deemed guilty of wilful and corrupt perjury.”

“And be it further enacted by the authority aforesaid, That so long as any Bank shall continue, under the provisions of this Act, to conduct their business of Banking without paying their notes in specie on demand, their total amount of paper in circulation shall never exceed their capital stock actually paid up.”

“And be it further enacted by the authority aforesaid, That during the time of such suspension of cash payments, it shall not be lawful for any Bank to make sale of any proportion of the gold or silver which may be in their possession, or make any other disposition thereof, which would diminish the amount according to its legal value, than by paying in change the fractional parts of a dollar, or by paying on demand, the amount of such of their notes for one dollar each, as may be presented to them for payment; and that the Bank shall observe such directions as may, from time to time, be given by the Lieutenant Governor in Council, respecting the amount of such notes which shall be maintained in circulation, and respecting the redemption thereof in specie by such Bank.”

“And be it further enacted by the authority aforesaid, That it shall be in the power of the Lieutenant Governor of this Province in Council, to make an order, directing that any Bank which shall avail itself of the provisions of this Act, shall, from the expiration of one month, or any further time that may be thought reasonable, after its suspension of payments in specie, procure and retain in its vaults an amount of current gold or silver coin, bearing such propor-

Wednesday, 5th July, 1837.

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

tion to its amount of bills or notes in circulation as shall be prescribed in such order, being not more than ten per cent. of the amount in circulation."

The amendments.

"And whereas, in case of its becoming necessary for the Chartered Banks in this Province to suspend payment in specie, it may be found impracticable for individuals, during such suspension, to obtain gold or silver, and it is therefore necessary to make such provision as may afford reasonable protection in that behalf; Be it therefore enacted by the authority aforesaid, That so long as any of the Chartered Banks in this Province, shall be authorised under the provisions of this Act, to suspend payment in specie, in case any action shall be depending or shall be hereafter brought in any Court in this Province, for the recovery of any debt, it shall be lawful for such Court, on the application of the defendant, and on the hearing of the parties, to stay proceedings in such action without costs, until further order shall be made thereon; provided it be made to appear to the satisfaction of the Court, that the necessity for proceeding in such action does not arise from the want of the amount of debt being ascertained, or from the unwillingness or inability of the defendant to pay the same, but solely from his inability to procure gold or silver in this Province in order to make such payment."

"And be it further enacted by the authority aforesaid, That during the continuance of this Act, no action or suit shall be prosecuted against any of the Banks which shall avail itself of the provisions of this Act, in order to compel payment of any notes of such Bank expressed to be payable on demand: And it shall be lawful for the President and Directors of every such Bank, during the continuance of their suspension of cash payments in the manner allowed by this Act, to apply to the Court wherein any such action shall be brought, or shall be depending, to stay proceedings therein in a summary way; and in case such action or suit shall be brought to compel payment of any note or notes made payable on demand, such Court shall stay all proceedings accordingly, during the continuance of this Act, or during the suspension of cash payments as provided by this Act: Provided always, that if it shall appear to such Court to be necessary for the purpose of ascertaining the amount of any demand on such Bank, or otherwise, for the furtherance of justice, that any proceeding should be had for such purpose, it shall be lawful for such Court to permit proceedings to be had in any such action or suit for such necessary purpose only: Provided also, that no costs shall be recovered against any such Bank, in any action or suit which shall be brought for the purpose of compelling payment of any debt or demand, unless the Court wherein the same shall be brought shall be of opinion that the same was necessary for the purpose of ascertaining the amount of such debt or demand, or the title thereto."

Press S, line 2—After "Act," insert "or with any order given under its authority"

" " " 6—Expunge from "that," to "the," in line eight.

" " " 8—After "Act," expunge "such Commissioners"

" " " 10—After "duties," insert "hereby"—after "them," expunge "by this Act"

" " " 12—After "Act," expunge "such payment," and insert "and"

Expunge the eighteenth clause.

" 9, " 2—Expunge "the," and insert "any"

" " " 3—After "otherwise," add "and that each Commissioner appointed under this Act, shall before entering upon the duties of his office, take the following oath, which may be administered by the Vice Chancellor, or any Judge of the Court of King's Bench in this Province, or by any Judge of a District Court therein."

"I, A. B. do swear, that I will faithfully discharge the duties of a Commissioner appointed to examine into and report upon the affairs of the ——— Bank, under the Act of the Legislature in that behalf, and that I will not disclose any of the transactions of private individuals with the said Bank, farther than it may become necessary for the faithful discharge of my duty.—So help me God."

" 10 & 11—Expunge the schedules.

Thursday, 6th July, 1837.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

The said amendments being read a second time, and the question of concurrence put on each, they were severally agreed to by the House; and it was,

Read second time and adopted.

Ordered, that the said amendments be engrossed, and the bill as amended, read a third time, this day.

On motion made and seconded; it was,

Ordered, that the last-mentioned bill, as amended, be printed for the use of Members.

Bill, as amended, ordered to be printed.

A Deputation from the Commons House of Assembly returned the bill entitled, "An Act to afford relief to the Freeholders' Bank of the Midland District, and other private Banks hitherto in existence in this Province, and to allow them to wind up their affairs," and acquainted this House, that the Commons House of Assembly had acceded to the amendments made by the Legislative Council in and to the same. The same Deputation brought up a bill entitled, "An Act to extend the Gaol limits in the several Districts of this Province," to which they requested the concurrence of this House, and then withdrew.

Amendments to Private Banks relief bill, acceded to by the Assembly.

Gaol Limits extension bill, brought up therefrom.

The said bill was then read; and it was,

Read first time.

Ordered, that the same be read a second time to-morrow.

Pursuant to order, the bill entitled, "An Act to authorise the Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned," was, as amended, read a third time; and,

Banks Specie Payment Suspension bill, as amended, read third time and passed.

The question being put, whether this bill as amended, should pass, it was carried in the affirmative:

Whereupon the Speaker signed the amendments; and it was,

Amendments signed:

Ordered, that the Master in Chancery do go down to the Assembly, and acquaint that House, that the Legislative Council has passed this bill, with certain amendments, to which they desire the concurrence of the Commons House of Assembly.

And sent to the Assembly for concurrence.

A Deputation from the Commons House of Assembly brought up a bill entitled, "An Act to prohibit the taking and killing of Deer and other Game at certain seasons of the year, and to prevent hunting and shooting on the Lord's Day," to which they requested the concurrence of this House, and then withdrew.

Game Preservation bill, brought up.

The said bill was then read; and it was,

Read first time.

Ordered, that the same be read a second time to-morrow.

The Honorable Mr. Markland, from the Select Committee appointed to examine into and report upon the measures which it may be most expedient to adopt, in consequence of the present commercial difficulties in this Province, presented their second Report.

Second report of the Select Committee upon the Commercial difficulties existing in this Province, presented.

Ordered, that it be received; and,

The same was then read by the Clerk, as follows:

Read.

(For the second Report—See Appendix A.)

On motion made and seconded; it was,

Ordered, that the foregoing report be referred to a Committee of the whole House to-morrow.

On motion made and seconded, the House adjourned until to-morrow, at eleven of the clock, A.M.

House adjourns.

THURSDAY, 6th JULY, 1837.

The House met pursuant to adjournment.

House meets.

PRESENT:

The Honorable JOHN B. ROBINSON, SPEAKER.

The Honorable Messrs. ELMSLEY,

The Honorable Messrs. CROOKSHANK,

" " BALDWIN,

" " WELLS,

" " JAMES KERBY,

" " MARKLAND,

" " CROOKS,

" " McDONELL,

" " MACAULAY.

Members present.

Prayers were read.

The Minutes of yesterday were read.

Pursuant to the order of the day, the House was put into a Committee of the whole upon the second report of the Select Committee, appointed to examine into and report upon the measures which it may be most expedient to adopt in consequence of the present commercial difficulties in this Province.

Second report of the Select Committee upon the Commercial difficulties existing in this Province, committed.

Friday, 7th July, 1837.

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

	The Honorable Mr. Markland took the Chair.
	After some time the House resumed.
Reported.	The Chairman reported that the Committee had gone through the said report of the Select Committee, and recommended the same to the adoption of the House.
	Ordered, that the report be received; and,
Adopted.	Ordered, that the said report of the Select Committee be adopted; and,
And ordered to be printed.	Ordered, that five hundred copies thereof, together with the evidence on which the same was founded, be printed.
Report of the Select Committee of the Assembly upon the petition of Benjamin Canby, and others, committed.	Pursuant to the order of the day, the House was put into a Committee of the whole upon the report of a Select Committee of the Commons House of Assembly, upon the petition of Benjamin Canby, and others.
	The Honorable Mr. Baldwin took the Chair.
House resumes.	After some time the House resumed.
Address of the Assembly to the King, on the subject of funding certain monies in the Public Debentures in this Province, committed.	Pursuant to the order of the day, the House was put into a Committee of the whole upon the address of the Commons House of Assembly to the King, on the subject of funding certain monies in the Public Debentures in this Province.
	The Honorable Mr. James Kerby took the Chair.
	After some time the House resumed.
Reported and leave asked to sit again.	The Chairman reported that the Committee had taken the said address into consideration, had made some progress therein, and asked leave to sit again on Monday next.
Leave granted.	Ordered, that the report be received, and leave granted accordingly.
Debenture Act's amendment bill, discharged from the order of the day.	The order of the day being read for the House to be put into a Committee of the whole upon the bill entitled, "An Act to alter and amend several Acts passed during the last Session of the Legislature, authorising the issue of Government Debentures;" it was,
	Ordered to be discharged, and that the same do stand upon the order of the day for Monday next.
Gaol Limits extension bill, read second time.	Pursuant to the order of the day, the bill entitled, "An Act to extend the Gaol limits in the several Districts of this Province," was read a second time.
Game Preservation bill, read second time.	Pursuant to the order of the day, the bill entitled, "An Act to prohibit the taking and killing of Deer and other Game, at certain seasons of the year, and to prevent hunting and shooting on the Lord's day," was read a second time; and it was,
	Ordered, that the House be put into a Committee of the whole presently, to take the same into consideration.
Committed.	The House was then put into a Committee of the whole accordingly.
	The Honorable Mr. Macaulay took the Chair.
	After some time the House resumed.
Reported and leave asked to sit again.	The Chairman reported that the Committee had taken the said bill into consideration, had made some progress therein, and asked leave to sit again to-morrow.
Leave granted.	Ordered, that the report be received, and leave granted accordingly.
Petitions of E. Lesslie & Sons; and, Of Benjamin Canby, and others, read.	Pursuant to the order of the day, the petition of E. Lesslie & Sons, of the City of Toronto, Merchants, praying for relief; and also the petition of Benjamin Canby, and others, of the District of Niagara, praying for a grant of money to be expended in improving the road between Canboro' and Simcoe; were severally read.
Petition of James Scarff, and others, brought up.	The Honorable Mr. Baldwin brought up the petition of James Scarff, and others, freeholders and inhabitants of the County of Oxford; which was laid on the table.
House adjourns.	On motion made and seconded, the House adjourned until to-morrow, at the hour of twelve of the clock, at noon.

FRIDAY, 7th JULY, 1837.

House meets. The House met pursuant to adjournment.

PRESENT :

Members present.	The Honorable JOHN B. ROBINSON, SPEAKER.	The Honorable Messrs. ELMSLEY,
	The Honorable Messrs. CAMERON,	" " BALDWIN,
	" " MARKLAND,	" " JAMES KERBY,
	" " GORDON,	" " MACAULAY.
	" " McDONELL	

Prayers were read.

Friday, 7th July, 1837.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

The Minutes of yesterday were read.

Pursuant to the order of the day, the House was again put into a Committee of the whole, upon the bill entitled, "An Act to prohibit the taking and killing of Deer and other Game, at certain seasons of the year, and to prevent Hunting and Shooting on the Lord's day."

Game Preservation bill, re-committed.

The Honorable Mr. Macaulay took the Chair.

After some time the House resumed.

The Chairman reported that the Committee had taken the said bill into consideration, had made some progress therein, and asked leave to sit again this day.

Reported and leave asked to sit again.

Ordered, that the report be received, and leave granted accordingly.

Leave granted.

A Deputation from the Commons House of Assembly brought up a bill entitled, "An Act to authorise the Chartered Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned;" and also a bill entitled, "An Act to enable Foreigners to hold real estate in this Province, on condition of actual settlement;" to which they requested the concurrence of this House, and then withdrew.

Chartered Banks Specie Payment Suspension bill;

And Foreigners' Real Estate bill, brought up.

The bill entitled, "An Act to authorise the Chartered Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned," was read; and it was,

Chartered Banks Specie Payment Suspension bill, read first time.

Ordered, that the forty-fourth rule of this House be dispensed with as far as it regards the said bill, and that the same be read a second time this day.

Forty-fourth rule dispensed with.

The bill entitled, "An Act to enable Foreigners to hold real estate in this Province, on condition of actual settlement," was read; and it was,

Foreigners' Real Estate bill, read first time.

Ordered, that the same be read a second time to-morrow.

Pursuant to order, the bill entitled, "An Act to authorise the Chartered Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned," was read a second time; and it was,

Chartered Banks Specie Payment Suspension bill, read second time.

Ordered, that the House be put into a Committee of the whole, to-morrow, to take the same into consideration.

The Honorable Mr. Wells enters.

A Member enters.

Ordered, that the Members in Town be summoned to attend in their places in this House, to-morrow.

Members summoned.

The Honorable and Right Reverend Bishop McDonell enters.

A Member enters.

Pursuant to order, the House was again put into a Committee of the whole, upon the bill entitled, "An Act to prohibit the taking and killing of Deer and other Game, at certain seasons of the year, and to prevent Hunting and Shooting on the Lord's day."

Game Preservation bill, re-committed.

The Honorable Mr. Macaulay took the Chair.

After some time the House resumed.

House resumes.

On motion made and seconded; it was,

Ordered, that the House be put into a Committee of the whole, presently, upon the bill entitled, "An Act to extend the Gaol limits in the several Districts of this Province."

The House was then put into a Committee of the whole accordingly.

Gaol Limits extension bill, committed.

The Honorable Mr. James Kerby took the Chair.

After some time the House resumed.

House resumes.

The Honorable the Speaker brought in a bill for authorising the appointment of a Board of Commissioners for ascertaining and determining upon the plan of a Gaol, and for authorising the erection of every new Gaol according to such plan.

Gaol Plan Commissioners' appointment bill, brought in.

The said bill was then read; and it was,

Read first time.

Ordered, that the same be read a second time to-morrow.

The Honorable Mr. Macaulay brought up the petition of the Committee of the Board of Trade of the City of Toronto; which was laid on the table.

Petition of the Committee of the Board of Trade of the City of Toronto, brought up.

On motion made and seconded, the House adjourned until to-morrow, at ten of the clock, A. M.

House adjourns.

Saturday, 8th July, 1837.

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

SATURDAY, 8th JULY, 1837.

House meets. The House met pursuant to adjournment.

PRESENT :

	<i>The Honorable</i> JOHN B. ROBINSON, SPEAKER	<i>The Honorable Messrs.</i> GORDON,
Members present.	<i>The Honorable Messrs.</i> CROOKSHANK,	" " McDONELL,
	" " CAMERON,	" " JAMES KERBY,
	" " MARKLAND,	" " MACAULAY.

Prayers were read.

The Minutes of yesterday were read.

Chartered Banks Specie
Payment Suspension bill,
committed.

Pursuant to the order of the day, the House was put into a Committee of the whole upon the bill entitled, "An Act to authorise the Chartered Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein mentioned."

The Honorable Mr. James Kerby took the Chair.

After some time the House resumed.

Resolutions reported.

The Chairman reported that the Committee had taken the said bill into consideration, and had agreed to certain resolutions, which they recommended to the adoption of the House.

Ordered, that the report be received; and,

Read first time.

The said resolutions were then read, as follows:

The resolutions.

Resolved,—That it appears to this Committee, that the bill sent up from the House of Assembly, on Friday the seventh instant, entitled, "An Act to authorise the Chartered Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein mentioned;" contains provisions materially different from those contained in the bill sent up by the House of Assembly, on Friday the 29th day of June last, entitled, "An Act to authorise the Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned;" and wholly omits some provisions which formed part of that bill when it came from the Assembly;—that the last mentioned bill having been passed by this House, with certain amendments, was sent down to the Assembly, on Wednesday the fifth day of July instant; that no message has been sent to this House, signifying that the House of Assembly has either concurred in those amendments or rejected them, nor has any conference been desired with this House thereon, but the bill, with the amendments made thereto by this House is still in the possession of the House of Assembly, and not disposed of, so far as this House is aware, while a new measure upon the same subject, but not agreeing in substance with the former bill, either before or after its amendment, is sent up for the concurrence of this House.

Resolved,—That in the opinion of this Committee it is expedient that the Committee rise, and that a conference be requested with the House of Assembly respecting this bill.

Read second time and
adopted.

The said resolutions being read a second time, and the question of concurrence put on each, they were severally agreed to by the House; and it was,

Ordered accordingly.

A Conference ordered.

Ordered, that a Conference be desired with the Commons House of Assembly, on the subject matter of the bill sent up from that House, entitled, "An Act to authorise the Chartered Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned," and,

Conferrees appointed;

Ordered, that the Honorable Messieurs Markland and Macaulay be appointed the Conferrees on the part of this House, for that purpose; and,

And the Assembly
acquainted of same.

Ordered, that the Master in Chancery do go down to the Assembly and acquaint that House, that the Legislative Council desire a Conference with the Commons House of Assembly, on the subject matter of the bill sent up from that House, entitled, "An Act to authorise the Chartered Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned," and have appointed the Honorable Messieurs Markland and Macaulay to be the Conferrees on the part of this House, who will be ready to meet a Committee on the part of the Commons House of Assembly, this day, at half an hour past eleven of the clock, in the Committee room of the Legislative Council, for that purpose.

Saturday, 8th July, 1837.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

A Deputation from the Commons House of Assembly brought up a bill entitled, "An Act to continue the expiring Laws to the end of the next Session of Parliament," to which they requested the concurrence of this House, and then withdrew.

Expiring Laws continuation bill, brought up.

The said bill was then read; and it was,

Read first time.

Ordered, that the forty-fourth rule of this House be dispensed with as far as it regards this bill, and that the same be read a second time, this day.

Forty-fourth rule dispensed with.

The Honorable and Venerable the Archdeacon of York, and the Honorable Messieurs Wells, Elmsley and Baldwin, enter.

Members enter.

A Deputation from the Commons House of Assembly brought up, and delivered at the Bar of this House, a Message, in the following words, and then withdrew.

Message from the Assembly:

MR. SPEAKER,

The Commons House of Assembly accede to the request of the Honorable the Legislative Council, for a Conference on the subject matter of the bill sent up from this House, entitled, "An Act to authorise the Chartered Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned," and have appointed four of their Members, who will be ready to meet the Conferrees on the part of the Honorable the Legislative Council, at the time and place appointed.

Acceding to a Conference upon Chartered Banks Specie Payment Suspension bill.

ALLAN N. MACNAB,

SPEAKER.

Commons House of Assembly,

Eighth day of July, 1837.

Ordered, that the Committee of Conference, just named, be instructed to represent, that the Legislative Council have requested this Conference with the House of Assembly, respecting the bill entitled, "An Act to authorise the Chartered Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned," for the purpose of representing, that in the opinion of the Legislative Council, the House of Assembly have deviated, no doubt inadvertently, from the established course of proceeding, in sending up for the concurrence of the Legislative Council this second bill, upon the subject of the Banks in this Province suspending specie payments; a former bill upon the same subject, and with nearly the same title, but with provisions very different in substance, having been already passed by the Assembly during this Session, and been returned by the Legislative Council with several amendments, which amendments have not, to the knowledge of the Council, been either concurred in or rejected; nor has any Conference with the Council been requested on the subject of those amendments, nor has the substance of the amendments been adopted in the new bill.

Instructions to the Conferrees on the part of this House.

The Legislative Council fully admits, that the House of Assembly might, if they had seen fit, have amended the amendments made by the Council, and they are also aware, that where both Houses have coincided in opinion as to the details of the bills, which in point of form could not consistently with usage be amended by the Legislative Council, it has not unfrequently happened, that a new bill has been sent from the Assembly, containing the enactments of a bill which had already in the same session been passed by them, together with amendments suggested by the Legislative Council.

To facilitate the supplying of accidental omissions, and the correction of obvious errors, a course has frequently been taken in this respect, which in point of form, perhaps might have been considered irregular. On such occasions it is found convenient in Legislative bodies to relax their rules; and the Legislative Council is happy to acknowledge the liberal disposition manifested by the House of Assembly to observe no unnecessary rigor in this respect.

But the Legislative Council is not aware, that on any occasion, where there has been a difference of opinion upon the principles and provisions of a measure, either branch of the Legislature has, during the pendency of one bill upon a given subject, passed and sent up another bill on the same subject, departing in many important particulars from that which they had themselves first passed, and thereby in effect amending their own bill;—and they consider that the irregularity in the present case; which they have no doubt was unintentional, is increased by the circumstance of the former bill having been passed and returned with amendments, which have not yet, to the knowledge of the Legislative Council, been disposed of by the House of Assembly.

Saturday, 8th July, 1837.

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

The Legislative Council is convinced, that the adoption of such a method of proceeding would soon be found to lead to great inconvenience and confusion; and that to admit it on an important occasion, when it cannot be supposed to have been passed over lightly, might tend to establish a precedent, which must be equally binding on both Houses, but which each in turn would have reason to regret.

The Legislative Council laments that any matter of form should retard the disposal of the question now before the Legislature, and they will be found ready and anxious to concur in any regular course, by which the sense of the two Houses may be finally expressed with the least possible delay.

Foreigners' Real Estate bill, read second time.

Pursuant to the order of the day, the bill entitled, "An Act to enable foreigners to hold real estate in the Province, on condition of actual settlement," was read a second time.

Gaol Plan Commissioners' appointment bill, read second time.

Pursuant to the order of the day, the bill for authorising the appointment of a Board of Commissioners for ascertaining and determining upon the plan of a Gaol, and for authorising the erection of every new Gaol according to such plan, was read a second time; and it was,

Ordered, that the House be put into a Committee of the whole presently, to take the same into consideration.

Last-mentioned bill, committed.

The House was then put into a Committee of the whole accordingly.

The Honorable Mr. James Kerby took the Chair.

After some time the House resumed.

Reported.

The Chairman reported that the Committee had gone through the said bill, and recommended the same, without any amendment, to the adoption of the House.

Adopted.

Ordered, that the report be received; and,

Ordered, that the said bill be engrossed, and the same read a third time on Monday next.

Expiring Laws continuation bill, read second time.

Pursuant to order, the bill entitled, "An Act to continue the expiring laws to the end of the next Session of Parliament," was read a second time; and it was,

Ordered, that the House be put into a Committee of the whole presently, to take the same into consideration.

Committed.

The House was then put into a Committee of the whole accordingly.

The Honorable Mr. Wells took the Chair.

After some time the House resumed.

Reported.

The Chairman reported that the Committee had gone through the said bill, and recommended the same, without any amendment, to the adoption of the House.

Adopted.

Ordered, that the report be received; and,

Ordered, that the said bill be read a third time, presently.

Read third time and passed.

The said bill was then read a third time accordingly, and passed:

Same signed;

Whereupon the Speaker signed the same; and it was,

And the Assembly acquainted thereof.

Ordered, that the Master in Chancery do go down to the Assembly and acquaint that House, that the Legislative Council has passed this bill without any amendment.

Petition of James Scarff, and others, read.

Pursuant to the order of the day, the petition of James Scarff, and others, freeholders and inhabitants of the County of Oxford, praying that the Legislature will adopt some measure for alleviating the commercial difficulties existing in this Province," was read.

Message from the Assembly:

A Deputation from the Commons House of Assembly brought up, and delivered at the Bar of this House, a Message, in the following words, and then withdrew.

MR. SPEAKER,

Requesting the Council to proceed with Chartered Banks Specie Payment Suspension bill, and otherwise relating thereto.

The Commons House of Assembly are of opinion, that the view taken by the Honorable the Legislative Council, respecting the proceedings of the Commons House of Assembly on the bill entitled, "An Act to authorise the Chartered Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned," as set forth in the report of the Committee of Conference, is correct, provided it is considered that amendments to the original bill were not disposed of.

It appears that the Committee of the whole House, on the amendments to the bill of the Honorable the Legislative Council rose, reported progress, and asked leave to sit again, without naming a day, which if construed into an indefinite postponement, would appear by the authorities to be a parliamentary way of disposing of a matter during the present Session.

The Commons House of Assembly therefore request, that the Honorable the Legislative Council will, under existing circumstances, and in the present depressed state of affairs, pro-

Saturday, 8th July, 1837.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

ceed with the bill now before them, and that the present shall not be construed into a precedent.

ALLAN N. MACNAB,
SPEAKER.

Commons House of Assembly,
Eighth July, 1837.

On motion made and seconded; it was,

Ordered, that the foregoing Message be referred to a Committee of the whole House, presently.

The House was then put into a Committee of the whole accordingly.

The Honorable Mr. Baldwin took the Chair.

After some time the House resumed.

The Chairman reported that the Committee had taken the said Message into consideration, and had agreed to a resolution, which they recommended to the adoption of the House.

Ordered, that the report be received; and,

The said resolution was then read by the Clerk, as follows:

Resolved—That it is the opinion of this Committee, that without entering into further discussion of the regularity of the proceeding adopted in respect to the measure to which the Message from the Assembly refers, it is expedient to enter upon the further consideration of the bill now before this House, respecting the suspension of specie payments by Banks in this Province, upon the assurance which the Legislative Council has received from the House of Assembly, that this proceeding shall not hereafter be drawn into precedent.

The said resolution being read a second time, and the question of concurrence put thereon, it was agreed to by the House; and it was,

Ordered accordingly.

A Deputation from the Commons House of Assembly brought up, and delivered at the Bar of this House, a Message, in the following words, and then withdrew.

MR. SPEAKER,

The Commons House of Assembly doth take notice of the unusual manner, by which the message from your Honorable House was communicated this day to the Commons House of Assembly, on the subject of a conference, and desire that the same may not be drawn into precedent.

ALLAN N. MACNAB,
SPEAKER.

Commons House of Assembly,
Eighth day of July, 1837.

Pursuant to order, the House was again put into a Committee of the whole, upon the bill entitled, "An Act to authorise the Chartered Banks in this Province, to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned."

The Honorable Mr. Wells took the Chair.

After some time the House resumed.

The Chairman reported that the Committee had gone through the said bill, and had made some amendments thereto, which they recommended to the adoption of the House.

Ordered, that the report be received on Monday next.

A Deputation from the Commons House of Assembly brought up a bill, entitled, "An Act granting a retired allowance to Nathaniel Coffin, Esquire, Adjutant General of Militia in this Province, and for other purposes therein mentioned," to which they requested the concurrence of this House, and then withdrew.

The said bill was then read; and it was,

Ordered, that the same be read a second time on Monday next.

On motion made and seconded, the House adjourned until Monday next, at the hour of ten of the clock, A. M.

Monday, 10th July, 1837.

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

MONDAY, 10th JULY, 1837.

House meets.

The House met pursuant to adjournment.

PRESENT :

	<i>The Honorable</i> JOHN B. ROBINSON, SPEAKER.	<i>The Honorable Messrs.</i> MARKLAND,
	<i>The Honorable Messrs.</i> CROOKSHANK,	“ “ GORDON,
Members present.	“ “ WELLS,	“ “ McDONELL.
	“ “ CAMERON,	“ “ JAMES KERBY,
	“ “ ELMSLEY,	“ “ MACAULAY.
	“ “ BALDWIN,	

Prayers were read.

The Minutes of Saturday last were read.

Amendments to Chartered
Banks Specie Payment
Suspension bill, presented.

Pursuant to the order of the day, the Honorable Mr. Wells from the Committee of the whole, upon the bill, entitled, “An Act to authorise the Chartered Banks in this Province, to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned,” presented the amendments made in and to the same; and,

Read first time.

They were then read by the Clerk, as follows :

The amendments.

Press 1, line 2—After “should” insert “under the pressure of the present extraordinary circumstances.”

“ “ “ 3—After “operations” insert, “And whereas it is of great consequence to the commercial and agricultural interests of this Province, that the accommodation which Banks, of undoubted solvency, can safely extend to those engaged in business, should not be suddenly discontinued, which under the existing laws must be the consequence of their being compelled to suspend cash payments; and it is therefore expedient to make such temporary provision as may afford relief against this inconvenience.”

“ “ “ 12—After “coin of” expunge “the” and insert “this.”

“ “ “ 14—After “any” insert “disability”—after “forfeiture” expunge “to redeem” in line 15, and insert “by reason of its having ceased.”

“ “ “ 17—After “notwithstanding” add “Provided, that it shall appear proper and advisable to the Lieutenant Governor and Council, that such Bank should, under the circumstances disclosed by them, be allowed to continue their business of Banking, notwithstanding their suspension of cash payment; in which case it shall be lawful for the Lieutenant Governor in Council, to make a minute to that effect, which shall be published in the Upper Canada Gazette during the time of such suspension of cash payment; and such minute of the Lieutenant Governor and Council shall have the effect of saving such Bank from any forfeiture of their charter, by reason of their suspension of cash payments before or after the making of such minute, and from any and every penalty or disability which would or might otherwise ensue thereon.”

“And be it further enacted by the authority aforesaid, That it shall and may be lawful for the Lieutenant Governor in Council to require from the President and Directors, or the Cashier or other Officer of any such Bank, whatever information they may deem necessary for their satisfaction, in respect to the solvency of the Bank, and the actual condition and management of their affairs, which information they may desire to be given under the oath of the person or persons furnishing the same, and that such oath may be administered by any Judge of His Majesty’s Court of King’s Bench in this Province, or by any Judge of a District Court therein.”

Press 2—Expunge the second clause, and insert “And whereas, in case of its becoming necessary for the Chartered Banks in this Province to suspend payment in specie, it may be found impracticable for individuals, or associations of individuals, during such suspension, to obtain gold or silver, and it is therefore necessary to make such provision as may afford reasonable protection in that behalf: Be it therefore enacted by the authority aforesaid, That so long as any of the Chartered Banks in this Province, shall be authorised under the provisions of this Act, to suspend payment

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in specie, in case any action shall be depending or shall be hereafter brought in any Court in this Province, for the recovery of any debt, it shall be lawful for such Court, on the application of the defendant, and on the hearing of the parties, to stay proceedings in such action without costs, until further order shall be made thereon; provided it be made to appear to the satisfaction of the Court, that the necessity for proceeding in such action does not arise from the want of the amount of debt being ascertained, or from the unwillingness or inability of the defendant to pay the same, but solely from his inability to procure gold or silver in this Province, in order to make such payment."

"And be it further enacted by the authority aforesaid, That during the continuance of this Act, no action or suit shall be prosecuted against any of the Banks which shall avail itself of the provisions of this Act, in order to compel payment of any notes of such Bank expressed to be payable on demand: And it shall be lawful for the President and Directors of every such Bank, during the continuance of their suspension of cash payments in the manner allowed by this Act, to apply to the Court wherein any such action shall be brought, or shall be depending, to stay proceedings therein in a summary way; and in case such action or suit shall be brought to compel payment of any note or notes made payable on demand, such Court shall stay all proceedings accordingly, during the continuance of this Act, or during the suspension of cash payments as provided by this Act: Provided always, that if it shall appear to such Court to be necessary for the purpose of ascertaining the amount of any demand on such Bank, or otherwise, for the furtherance of justice, that any proceeding should be had for such purpose, it shall be lawful for such Court to permit proceedings to be had in any such action or suit for such necessary purpose only: Provided also, that no costs shall be recovered against any such Bank, in any action or suit which shall be brought for the purpose of compelling payment of any debt or demand, unless the Court wherein the same shall be brought shall be of opinion that the same was necessary for the purpose of ascertaining the amount of such debt or demand, or the title thereto, or for the furtherance of justice, as aforesaid."

Press 3, lines 1 & 2—Expunge "from and after the passing" and insert "during the continuance"

" 3, line 2—Expunge "incorporated"—expunge "or in any one of the Banking"

" " " 3—Expunge "institutions"—after "Province" expunge to "against" in line 5.

" " " 7—After "Bench" insert "or in any District Court"

" " " 18—After "payment" add "and that the amount of notes, of five shillings each, which such Bank shall keep in circulation, shall not generally bear a less proportion to its total issues than five per cent.

Expunge the sixth and tenth clauses.

The said amendments being read a second time, and the question of concurrence put on each, they were severally agreed to by the House; and it was,

Read second time and adopted.

Ordered, that they be engrossed, and the said bill as amended, read a third time presently.

The same was then read a third time accordingly; and,

Bill as amended, read third time and passed.

The question being put, whether this bill as amended should pass, it was carried in the affirmative:

Whereupon the Speaker signed the amendments; and it was,

Amendments signed;

Ordered, that the Master in Chancery do go down to the Assembly, and acquaint that House that the Legislative Council has passed this bill, with certain amendments, to which they desire the concurrence of the Commons House of Assembly.

And sent to the Assembly for concurrence.

A Message from His Excellency the Lieutenant Governor, was delivered by Mr. Secretary Joseph, who being retired, the Speaker read the same, and it was again read by the Clerk, as follows:

Message from His Excellency the Lieutenant Governor.

Monday, 10th July, 1837.

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

F. B. HEAD.

Transmitting copies of certain Despatches addressed by him to Lord Glenelg, on the subject of the Commercial difficulties existing in this Province.

The Lieutenant Governor transmits, for the information of the Legislative Council, copies of certain Despatches which he has addressed to Lord Glenelg, on the subject of the commercial difficulties which have assailed this Province.

Government House,
10th July, 1837.

(Copy.)

No. 45.

UPPER CANADA,
Toronto, 23rd April, 1837.

MY LORD,

The copies.

Rumours having reached this City, that the London Houses of Messrs. Baring, Brothers & Co. and of Messrs. Thomas Wilson & Co. have stopped payment; I feel it prudent (having consulted my Council) at once to address Your Lordship on the subject.

The enclosed statements of Bills of Exchange which have been drawn on the above named two Houses, by the Receiver General of this Province, will at once explain to Your Lordship the extent of the calamity which would befall Upper Canada, in case these Bills (which were sold to the Receiver General at about 12 per cent. premium,) should, when at maturity, be protested; and as there are no funds here to meet them, the credit of the Province, and the price of the unsold Debentures (which by the enclosed statement appear to amount to about £147,000,) would fall in London, perhaps never to rise again; for as these Debentures are endorsed in blank, if they were to get into other hands, the amount for which they are drawn would be utterly lost.

The ruin which this would produce to the trade and credit of Upper Canada, (particularly to the Banks) would be dreadful in its effects, and I know of no way in which it could be averted, except by the Treasury undertaking to pay the bills, for the honor of the Province, as they arrived at maturity; the temporary advance so made, to be refunded by the sale of the 3 per cents. invested by the Lords of the Treasury out of monies arising from the Clergy Reserves of this Province, for which they will receive here in lieu six per cent. Debentures; and should it moreover be deemed expedient to transfer to this Province the monies lodged in the 3 per cents, for use of the Six Nations Indians, this would be a favorable opportunity to do so.

The re-investment of the Clergy Reserves in Upper Canada would, I am aware, require an Act of the Imperial Parliament.

Having respectfully submitted to Your Lordship the above observations, I have no hesitation in declaring, that I have reason to believe this Legislature would submit to any sacrifice, in order to maintain unsullied the commercial integrity of the Province.

I have the honor to be,

My Lord,

Your Lordship's

Most obedient Servant,

(Signed)

F. B. HEAD.

The LORD GLENELG, &c. &c. &c.

A true Copy.

J. JOSEPH.

(Copy.)

No. 49.

UPPER CANADA,
Toronto, 29th April, 1837.

MY LORD,

In consequence of further intelligence which I have this day received, reporting the embarrassed state of the Commercial Houses in England, with whom the public loan of this Province has been negotiated, under the Act, the 5th, William 4th, chapter 31st, and upon whom Bills have been drawn by the Receiver General to a large amount, I have determined to send immediately to England one of the Members of my Executive Council, to be the especial

Monday, 10th July, 1837.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

bearer of the duplicate of my Despatch (No. 45) which on the 23rd instant, I had the honor to address to Your Lordship, on the subject of the reported failures of these Commercial Houses.

I accordingly beg leave to introduce to Your Lordship, the Honorable W. H. Draper, whose appointment to be Solicitor General of this Province has been lately communicated to Your Lordship, in my Despatch, No. 41.

Mr. Draper is not authorised to make to Your Lordship any further communication on my part, than what is contained in the duplicate Despatch, which he will have the honor to present to Your Lordship; that Despatch, short as it is, containing all I feel it proper to say on the important subject to which it relates.

It will appear however from a perusal of this communication, that in case the Bills drawn upon England by the Receiver General, should be protested, the Province of Upper Canada will be thrown into a state of bankruptcy.

In the Despatch alluded to, without presuming to advocate the measure, I respectfully pointed out to Your Lordship, in a very few words, the only way in which I considered that the credit of this Province could be saved, and having done this, I felt, and still feel, the utmost confidence in committing the subject to the consideration of His Majesty's Government; nevertheless on a question of such vital importance to Upper Canada, I cannot but be sensible, that I may have omitted unintentionally to give to Your Lordship some particular piece of information relating to the financial or political state of the Province, for want of which His Majesty's Government may find it inexpedient to render assistance; and as the Bills drawn upon England at sixty days' date, are irrevocably hasting to maturity, and as consequently, Your Lordship has no time to communicate with me, I have considered, that the expense of sending a Member of the Executive Government to Your Lordship, bears no proportion whatever to the ruin which must inevitably befall this noble country, in case its commercial character should be dishonoured.

I feel confident, not only that both Houses of the Legislature will approve of the precautionary effort I am about to make, but that in case the anticipated calamity should befall us, I should always be reproached if I had neglected to appeal in time, to that Mother Country for which the people of this Province unaffectedly entertain confidence, attachment and respect.

I feel it due to the inhabitants of this Province, to pledge myself to Your Lordship, that they will honorably support me in redeeming any engagement or stipulations, which in return for assistance His Majesty's Government may deem it just and proper to desire, and having made this solemn assurance it only remains for me to add, that Mr. Draper, who possesses my confidence, and upon whose honor and integrity Your Lordship may, I believe, firmly rely, will most respectfully give Your Lordship any explanation or information regarding the present state of this Province, or the future intentions of the Executive Government, which Your Lordship may feel it necessary to demand.

I have the honor to be,

My Lord,

Your Lordship's

Most obedient humble Servant,

(Signed,)

F. B. HEAD.

THE LORD GLENELG, &c. &c. &c.

A true Copy.

J. JOSEPH.

(Copy.)

No. 60.

UPPER CANADA,

Toronto, 23rd May, 1837.

MY LORD,

I have the honor to inform Your Lordship, that on the 16th instant, I received from the President of the Bank of Upper Canada, a communication, of which the following is a copy.—(*Vide Appendix.*)

To the above communication I replied as follows.—(*Vide Appendix.*)

In reply to the foregoing communication, I received from the President of the Bank of Upper Canada, a statement of its affairs, and a minute of its proceedings; copies of which I

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SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

forwarded to His Excellency the Earl of Gosford, to Commissary General Routh, and to Lieutenant General Sir John Colborne, with the following letters.—(*Vide Appendix.*)

With the concurrence of my Council, I yesterday addressed to the Presidents of the three Chartered Banks in this Province, a communication, of which the following is a copy.—(*Vide Appendix.*)

Having now explained to Your Lordship the course which, under circumstances of unparalleled difficulty, I have deemed it advisable to pursue, it only remains for me to state, that I entertain no apprehensions respecting the serious responsibility under which I now stand; for never in the course of my life have I felt more confident of the rectitude of my conduct than I do at this present moment.

The first impulse of this Province was to follow by a general suspension of cash payments the example of the adjoining Republic; but I have conversed with no man who has individually been able to maintain this recommendation against the plain homely arguments that oppose it.

If the foreign demand for specie continues, the exhaustion of the Banks is, I admit, inevitable. The only question therefore is, shall payment be suspended with their coffers full or empty? Or in other words, is specie or character of most value to this Province? In reply, I have no hesitation in affirming, that Upper Canada would prefer to lose its specie rather than its character, the former may be termed its commercial *blood*, but the latter is its *life*—and it is but common policy to shed the one in defence of the other.

My Lord, if the Banks of America can be permitted, in rude health, to agree together to suspend their payments, whenever it may be deemed convenient for them to do so, the British Creditor who has trusted to their solvency, from having previously calculated their assets, is liable at any time to the application of a sponge, destructive of all confidence or credit.

Against this levelling anti-commercial republican system, Upper Canada is now proudly contending; and I feel confident that by maintaining its character, and consequently its connection with the Mother Country, the Province will be amply repaid for the temporary inconvenience it now labours under.

As the last Session of the Provincial Legislature was one of unusual duration, and as the members of both Houses are now busily occupied at their homes, I am desirous not to convene them unless it should be absolutely necessary; I shall therefore wait until I hear from Lord Gosford—until I see whether the Banks can hold out or not, and perhaps until I know whether the United States intend to remedy the commercial disorder which has been created.

I have the honor to be,

My Lord,

Your Lordship's

Most obedient humble Servant,

(Signed) F. B. HEAD.

The LORD GLENELG, &c. &c. &c.

A true Copy.

J. JOSEPH.

On motion made and seconded; it was,

Ordered, that an address be presented to His Excellency the Lieutenant Governor, thanking him for his Message of this day, transmitting copies of several Despatches addressed by His Excellency to His Majesty's Secretary of State for the Colonies; and,

Ordered, that the Honorable Messieurs Gordon and Baldwin, be appointed a Committee to present the same.

On motion made and seconded; it was,

Ordered, that the House be put into a Committee of the whole presently, upon the message of the Commons House of Assembly received on Saturday last, relating to the delivery of a message from this House by Mr. Taylor.

The House was then put into a Committee of the whole accordingly.

The Honorable Mr. Crookshank took the Chair.

After some time the House resumed.

The Chairman reported that the Committee had taken the said message into consideration, and had agreed to a resolution, which they recommended to the adoption of the House.

Address of thanks ordered to be presented to His Excellency, for his foregoing Message.

Members appointed therefor.

Message of the Assembly received on Saturday last, relating to the delivery of a Message from this House by Mr. Taylor, committed.

A resolution reported.

Monday, 10th July, 1837.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

Ordered, that the report be received; and,

The said resolution was then read by the Clerk, as follows:

Read first time.

Resolved,—That it is the opinion of this Committee, that a Message be sent to the Assembly representing, that the Legislative Council much regrets that the House of Assembly should have found occasion to except to the manner in which a Message from this House was sent down on Saturday last; that on that day, the Legislative Council met at an hour earlier than usual, in order to expedite as much as possible the business before them. That the Master in Chancery attendant on this House, owing to an illness occurring in his family, was not present when the House met, and the Clerk of the House being also unavoidably detained for a short time, the Legislative Council, in their anxiety to avoid delay, sent their Message by Mr. Taylor, who has for several Sessions sat as assistant to the Clerk during his absence, and who was at that time acting as their Clerk.

The resolution.

That the Legislative Council would probably have delayed their message until they could send it by their ordinary Messenger, if they had not been anxious, and more on account of the Assembly than for their own sake, to expedite the measure before them; but that nevertheless, the Legislative Council will always be governed by a strong desire to adhere to established usages, and had no intention to deviate from them on this occasion.

The said resolution being read a second time, and the question of concurrence put thereon, it was agreed to by the House; and it was,

Read second time and adopted.

Ordered accordingly.

Ordered, that a Message be sent to the Assembly, by the Master in Chancery, with the foregoing resolution.

A Message sent to the Assembly with the foregoing resolution.

Pursuant to the order of the day, the bill for authorising the appointment of a Board of Commissioners for ascertaining and determining upon the plan of a Gaol, and for authorising the erection of every new Gaol according to such plan, was read a third time, and passed; and it was,

Gaol Plan Commissioners' appointment bill, read third time and passed.

Ordered, that the title be, "An Act to make provision respecting the erection and government of Gaols in this Province."

Title ordered.

Whereupon the Speaker signed the bill; and it was,

Bill signed;

Ordered, that the same be sent to the Commons House of Assembly by the Master in Chancery, for the concurrence of that House.

And sent to the Assembly for concurrence.

Pursuant to the order of the day, the House was put into a Committee of the whole, upon the Address of the Commons House of Assembly, on the subject of funding certain monies in the Public Debentures in this Province.

Address of the Assembly to the King, on the subject of funding certain monies in the public Debentures in this Province, committed.

The Honorable Mr. Baldwin took the Chair.

After some time the House resumed.

The Chairman reported that the Committee had taken the said Address into consideration, had made some progress therein, and asked leave to sit again to-morrow.

Reported and leave asked to sit again.

Ordered, that the report be received, and leave granted accordingly.

Leave granted.

Pursuant to the order of the day, the House was again put into a Committee of the whole, upon the bill entitled, "An Act to alter and amend several Acts passed during the last Session of the Legislature, authorising the issue of Government Debentures."

Debenture Acts amendment bill, re-committed.

The Honorable Mr. James Kerby took the Chair.

After some time the House resumed.

The Chairman reported that the Committee had taken the said bill into consideration, had made some progress therein, and asked leave to sit again to-morrow.

Reported and leave asked to sit again.

Ordered, that the report be received, and leave granted accordingly.

Leave granted.

Pursuant to the order of the day, the bill entitled, "An Act granting a retired allowance to Nathaniel Coffin, Esquire, Adjutant General of Militia in this Province, and for other purposes therein-mentioned," was read a second time.

Coffin's Retired Allowance bill, read second time.

The Honorable Mr. Crookshank brought up the petition of N. Coffin, Adjutant General of Militia; which was laid on the table.

Petition of N. Coffin, brought up.

On motion made and seconded; it was,

Ordered, that the House be put into a Committee of the whole, presently, upon the bill entitled, "An Act granting a retired allowance to Nathaniel Coffin, Esquire, Adjutant General of Militia in this Province, and for other purposes therein-mentioned."

Coffin's Retired Allowance bill, committed.

The House was then put into a Committee of the whole accordingly.

The Honorable Mr. Macaulay took the Chair.

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After some time the House resumed.

Reported.

The Chairman reported that the Committee had gone through the said bill, and recommended the same, without any amendment, to the adoption of the House.

Adopted.

Ordered, that the report be received; and,

Forty-fourth rule dispensed with.

Ordered, that the forty-fourth rule of this House be dispensed with as far as it regards this bill, and that the same be read a third time this day.

Petition of the Committee of the Board of Trade of the City of Toronto, read.

Pursuant to the order of the day, the petition of the Committee of the Board of Trade of the City of Toronto, praying that the bill now before the Legislative Council for protecting the Banking Institutions of this Province may be passed, with certain amendments, was read.

Amendments to Chartered Banks Specie Payment Suspension bill, amended by the Assembly.

A Deputation from the Commons House of Assembly returned the bill entitled, "An Act to authorise the Chartered Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned," and acquainted this House, that they had made certain amendments in and to the amendments of the Legislative Council, in and to the said bill, to which they requested the concurrence of this House, and then withdrew.

Amendments to the amendments, read first time.

The amendments in and to the amendments were then read by the Clerk, as follows:

The amendments to the amendments.

Amendments made by the Commons House of Assembly in and to the amendments made by the Honorable the Legislative Council, in and to the bill sent up from the Commons House of Assembly, entitled, "An Act to authorise the Chartered Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned."

Press 2, of the amendments, line 19—After "same," expunge to the end of the clause.

" 3—Expunge the whole of line seventeen.

" 3—Expunge the whole of line eighteen.

Private Bank-Prohibition repeal bill, brought up.

A Deputation from the Commons House of Assembly, brought up a bill entitled, "An Act to repeal a certain Act passed during the last Session of the Legislature, entitled, 'An Act to protect the public against injury from private Banks; and also to afford protection to the public, and for other purposes therein-mentioned,'" to which they requested the concurrence of this House, and then withdrew.

Read first time.

The said bill was then read.

On motion made and seconded; it was,

Forty-fourth rule dispensed with, as it regards the amendments to the amendments to Chartered Banks Specie Payment Suspension bill.

Ordered, that the forty-fourth rule of this House be dispensed with, as it regards the amendments of the Commons House of Assembly in and to the amendments of this House, made in and to the bill entitled, "An Act to authorise the Chartered Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned," and that they be read a second time, presently.

The amendments to the amendments, read second time.

The same were then read a second time accordingly: and it was,

Ordered, that the House be put into a Committee of the whole, presently, to take the same into consideration.

Committed.

The House was then put into a Committee of the whole accordingly.

The Honorable Mr. Markland took the Chair.

After some time the House resumed.

Reported.

The Chairman reported that the Committee had gone through the said amendments of the Assembly, which they recommended to the adoption of the House.

Adopted.

Ordered, that the report be received; and,

Ordered, that the said amendments of the Assembly be read a third time, presently.

Read third time and passed.
Same signed;

The same were then read a third time accordingly, and passed:

Whereupon the Speaker signed the said amendments; and it was,

And the Assembly acquainted thereof.

Ordered, that the Master in Chancery do go down to the Assembly and acquaint that House, that the Legislative Council has adopted the amendments made in and to the amendments of this House in and to this bill.

Coffin's Retired Allowance bill, read third time.

Pursuant to order, the bill entitled "An Act granting a retired allowance to Nathaniel Coffin, Esquire, Adjutant General of Militia in this Province, and for other purposes therein-mentioned," was read a third time; and,

The passing of same debated.

Upon the question being put, whether this bill should pass, debates ensued; and it was,

Debate adjourned.

Ordered, that the debate be adjourned until to-morrow.

Tuesday, 11th July, 1837.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

On motion made and seconded, the House adjourned until to-morrow at ten of the clock, A. M. House adjourns.

TUESDAY, 11th JULY 1837.

The House met pursuant to adjournment. House meets.

PRESENT:

The Honorable JOHN B. ROBINSON, *SPEAKER.*
The Honorable Messrs. MARKLAND,
" " GORDON,
" " McDONELL.

The Honorable Messrs. BALDWIN,
" " JAMES KERBY,
" " MACAULAY.

Members present.

Prayers were read.

The Minutes of yesterday were read.

Pursuant to the order of the day, the House was again put into a Committee of the whole, upon the Address of the Commons House of Assembly to the King, on the subject of funding certain monies in the public Debentures in this Province. Address of the Assembly to the King, on the subject of funding certain monies in the public Debentures in this Province, re-committed.

The Honorable Mr. Baldwin took the Chair.

After some time the House resumed. House resumes.

Pursuant to the order of the day, the House was again put into a Committee of the whole, upon the bill entitled, "An Act to alter and amend several Acts passed during the last Session of the Legislature, authorising the issue of Government Debentures." Debenture Acts amendment bill, re-committed.

The Honorable Mr. James Kerby took the Chair.

After some time the House resumed.

The Chairman reported that the Committee had gone through the bill, and had made some amendments thereto, which they recommended to the adoption of the House. Amendments reported.

Ordered, that the report be received; and,

The said amendments were then read by the Clerk, as follows: Read first time.

Press. 1, line 1—Expunge "would" and insert "might"

" " " 2—Expunge "public works" and insert "Macadamized roads."

" " " 5—Expunge "in certain cases"

" " " 15—Expunge after "same" to "that" in line 23.

" " " 24—After "to" expunge the remainder of the bill and insert "authorise the issuing of Debentures, to the amount that may be required, for the purpose of making the several Macadamized roads, authorised by Acts of the Legislature passed in the last Session, in sums not less than fifty pounds sterling each, and bearing an interest of six per cent. payable in this Province, or of five per cent. payable in London, redeemable at the expiration of twenty years."

The amendments.

"And whereas it is expedient to authorise the raising, in like manner, of such portion of the monies granted, during the last Session, for completing the Welland Canal as may be necessary for maintaining the same in sufficient repair, and for discharging the debts due on account of the said work; Be it therefore enacted by the authority aforesaid, that the Lieutenant Governor of this Province, by and with the advice of the Executive Council, may authorise the issuing Debentures to such amount as may be necessary for those purposes within the present year, in sums not less than fifty pounds sterling each, and bearing interest at six per cent. payable in this Province, or five per cent. payable in London, and redeemable at the expiration of twenty years."

"And be it further enacted by the authority aforesaid, that the Debentures authorised to be issued under this Act, shall be chargeable on the funds and securities mentioned in the respective Acts authorising the appropriation of monies to the purposes aforesaid."

The said amendments being read a second time, and the question of concurrence put on each, they were severally agreed to by the House; and it was, Read second time and adopted.

Ordered, that they be engrossed, and the said bill as amended, read a third time this day.

Tuesday, 11th July, 1837.

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

Members enter.

The Honorable and Venerable the Archdeacon of York, and the Honorable Mr. Adamson enter.

The last mentioned bill (as amended) read third time and passed.

Pursuant to order, the bill entitled, "An Act to alter and amend several Acts passed during the last Session of the Legislature, authorising the issue of Government Debentures," was, as amended, read a third time, and the question being put, whether this bill as amended should pass, it was carried in the affirmative;

Amendments signed :

Whereupon the Speaker signed the amendments; and it was,

And sent to the Assembly for concurrence.

Ordered, that the Master in Chancery do go down to the Assembly and acquaint that House, that the Legislative Council has passed this bill with certain amendments, to which they desire the concurrence of the Commons House of Assembly.

Debate upon the passing of Coffin's retired allowance bill, resumed.

Pursuant to the order of the day, the debate upon passing the bill entitled, "An Act granting a retired allowance to Nathaniel Coffin, Esquire, Adjutant General of Militia in this Province, and for other purposes therein mentioned," was resumed; and it was,

Ordered, that the House be again put into a Committee of the whole presently, to take the same into further consideration.

The bill re-committed.

The House was then put into a Committee of the whole accordingly.

The Honorable Mr. James Kerby took the Chair.

After some time the House resumed.

Amendments reported.

The Chairman reported that the Committee had gone through the said bill, and had made some amendments thereto, which they recommended to the adoption of the House.

Ordered, that the report be received; and,

Read first time.

The said amendments were then read by the Clerk, as follows:

The amendments.

In the title—Expunge "and for other purposes therein-mentioned."

Expunge the last clause.

Read second time and adopted.

The said amendments being read a second time, and the question of concurrence put on each, they were severally agreed to by the House; and it was,

Ordered, that they be engrossed, and the said bill, as amended, read a third time presently.

Bill, as amended, read third time and passed.

The same was then read a third time accordingly; and,

The question being put, whether this bill, as amended, should pass, it was carried in the affirmative;

Amendments signed.

Whereupon the Speaker signed the amendments; and it was,

And sent to the Assembly for concurrence.

Ordered, that the Master in Chancery do go down to the Assembly and acquaint that House, that the Legislative Council has passed this bill with certain amendments, to which they desire the concurrence of the Commons House of Assembly.

Macadamized road loans negotiation bill, brought up.

A Deputation from the Commons House of Assembly brought up a bill entitled, "An Act to facilitate the negotiation of loans of money required for the completion of the Macadamized roads, and for the purposes therein-mentioned," to which they requested the concurrence of this House, and then withdrew.

Read first time.

The said bill was then read; and it was,

Forty-fourth rule dispensed with.

Ordered, that the forty-fourth rule of this House be dispensed with, as far as it regards this bill, and that the same be read a second time presently.

Bill read second time.

The bill was then read a second time accordingly; and it was,

Ordered, that the House be put into a Committee of the whole presently, to take the same into consideration.

Committed.

The House was then put into a Committee of the whole accordingly.

The Honorable Mr. Adamson took the Chair.

After some time the House resumed.

Reported.

The Chairman reported that the Committee had gone through the said bill, and recommended the same, without any amendment, to the adoption of the House.

Adopted.

Ordered, that the report be received; and,

Ordered, that the said bill be read a third time presently.

Read third time and passed.

The same was then read a third time accordingly, and passed:

Same signed;

Whereupon the Speaker signed the bill; and it was,

And the Assembly acquainted thereof.

Ordered, that the Master in Chancery do go down to the Assembly and acquaint that House, that the Legislative Council has passed this bill without any amendment.

His Excellency comes to the House, and commands the attendance of the Assembly.

At four of the clock, P. M. His Excellency the Lieutenant Governor being come to the Legislative Council Chamber, and seated on the Throne, the Gentleman Usher of the Black

Tuesday, 11th July, 1837.

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

Rod was ordered to direct the immediate attendance of the Assembly; who being come, His Excellency was pleased, in His Majesty's name, to assent to the following bills, viz:—

1. "An Act to afford relief to certain Banking Institutions heretofore carrying on business in this Province, by enabling them more conveniently to settle their affairs, and for protecting the interests of persons holding their notes." And assents to:
Private Banks relief bill.
2. "An Act to authorise the Chartered Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein mentioned." Chartered Banks Specie
Payment Suspension bill.
3. "An Act to continue the expiring laws to the end of the next Session of Parliament." Expiring Laws continua-
tion bill; and,
4. "An Act to facilitate the negotiation of loans of money required for the completion of the Macadamized roads, and for other purposes therein mentioned." Macadamized road loans
negotiation bill.

After which, His Excellency the Lieutenant Governor was pleased to address the two Houses of the Legislature, in the following words:

*Honorable Gentlemen of the Legislative Council; and,
Gentlemen of the House of Assembly:*

I thank you for the zeal and assiduity with which you have deliberated on the important subject, for which you were especially convened; and I am gratified at the prospect of the Legislative relief you have afforded to the agricultural and mercantile interests of the Province. His Excellency's Speech
at the prorogation.

The Banking Institutions of Upper Canada are now relieved from all fear of forfeiture or penalty, in case by extending accommodation to the public, they should find it necessary to discontinue for a time the redemption of their notes in specie.

I am making arrangements for the issue of the money appropriated during the last Session for the improvement of the roads, and I have pleasure in informing you, that I shall be enabled to cause the payment of a considerable portion of it without delay.

The alteration allowed to be made in the terms of the Debentures, authorized to be issued for the construction of Macadamized roads, will it is expected, facilitate the negotiations of the loan; and the outlay of these monies during the present moment of embarrassment, will I trust, afford timely relief.

In the exercise of the powers which you have conferred upon me, no exertion shall be wanting on my part, to give the measures you have agreed on their most beneficial effects, and I trust, that the Banks and the People by mutually supporting each other, will assist the Government in meeting the unexampled difficulties of the present crisis with steadiness and resolution.

The Honorable the Speaker of the Legislative Council then said, it is His Excellency the Lieutenant Governor's will and pleasure, that this Provincial Parliament be prorogued to Tuesday, the fifteenth day of August next, to be then here holden, and this Provincial Parliament is prorogued accordingly. Parliament prorogued.

APPENDIX

TO THE

JOURNAL OF THE LEGISLATIVE COUNCIL:

1837.

APPENDIX A.—(See Journal, page 27.)

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

APPENDIX A.—(See Journal, page 27.)

APPENDIX A.

SECOND REPORT,

Of the Select Committee appointed to Examine and Report upon the Measures which it may be most expedient to adopt, in consequence of the present Commercial difficulties in this Province.

Second Report of the Select Committee appointed to examine and report upon the measures which it may be most expedient to adopt, in consequence of the present Commercial difficulties in this Province.

The Committee appointed to examine and report upon the measures which it may be most expedient to adopt, in consequence of the present commercial difficulties in this Province, and to which has also been referred the bill entitled, "An Act to authorise the Banks in this Province to suspend the redemption of their notes in specie, under certain regulations, for a limited time, and for other purposes therein-mentioned," beg leave to Report:

That they have devoted their earnest attention to the important and very difficult question before them, and in the course of their enquiries have collected much valuable information, which they submit, in the form in which it has been received, to the notice of your Honorable House.

The causes of the existing pressure on the trade and general business of the Province are extrinsic, and do not in any material degree arise from overtrading, or from an unwarrantable spirit of speculation in any portion of our own population. The difficulties which have suddenly overtaken this Country, at a moment when it was preparing to put forth its energies in the advancement of works of great public utility, has originated in circumstances which must affect, to a greater or less degree, the whole commercial world. Since the recovery in England, and in America, from the commercial difficulties of 1825, a continually increasing tide of prosperity appears to have set in upon both Countries, by which mercantile speculation has been encouraged to an extraordinary extent—a spirit of rash adventure created by the prospect of immense gains, and a departure from the true character of commerce produced. In England, the establishment, since 1826, of what is termed the Joint Stock Banking system, has led to much overtrading, a natural result of the facilities of discount afforded by the increased number of Banking Institutions in that country; for a tendency of the system is to carry the issue of notes too far, and thus endanger commercial solvency.

The abundance of money in England, arising from general prosperity, appears to have induced numbers to seek profitable employment for their capital, in the vast fields for speculation which invited their attention in the United States, and accordingly America has become a debtor to England, to an immense amount, the inability to repay which at the present period, appears to be the proximate cause of the existing commercial and pecuniary embarrassments on both sides of the Atlantic. In the United States the circumstances attending the present derangement of their monied affairs are various, as may be gathered from the evidence appended to this report.

The foundation of the whole is probably the defective system of Banking universally prevalent in that Country, where each State and Territory, nearly thirty in all, in its distinct Legislative capacity, regulates the number of its own Banking Institutions, and the extent of credit which may be associated with the national coin.

This system cannot fail to produce those periodical returns of commercial distress, which arise from a gradually increasing expansion, and subsequent sudden contraction, of the currency, provided by one thousand Banks, of which the recent history of the United States affords many examples. The following facts are compiled from documents before the Committee.

Amount of Bank Capital in the United States at different periods, and of Bank Paper and Specie in circulation, and Specie possessed by the Banks.

	CAPITAL.	SPECIE IN BANKS.	SPECIE IN CIRCULATION.	BANK NOTES IN CIRCULATION.
January 1st 1834,	\$200,000,000	\$27,000,000	\$12,000,000	\$76,000,000
" 1835,	231,000,000	43,000,000	18,000,000	82,000,000
" 1836,	250,000,000	40,000,000	23,000,000	108,000,000
" 1837,	300,000,000	45,000,000	28,000,000	120,000,000

The amount of the money coined in the United States in the year 1836, was \$7,764,000.

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The general circulation of Great Britain is stated to be nearly as follows:

Gold.....	£ 20,000,000.
Silver,.....	10,000,000.
Bank of England Notes,.....	19,000,000.
Notes of Joint Stock and Private Bankers,.....	11,000,000.

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It is thus clear that a very great expansion of Bank credit took place in the United States, during a corresponding period of unusual prosperity in England, which is now undergoing a rapid contraction, accompanied, as on former occasions, by a severe pressure upon all classes—stagnation of trade—reduction in price of staple commodities—depreciation of real property—diminution of rents and profits—suspension of enterprises, in which labourers and Mechanics are employed—forced sales of merchandize and domestic chattels, and farm stock—multiplied lawsuits, and a great variety of other evils.

The Government of the United States, not insensible of the effects likely to result to that nation from excessive issues of paper by its numerous Banks, set about the work of introducing a sound metallic basis for the general currency, and in this work many of the State Governments have assisted, by prohibiting the circulation of Bank Notes of any denomination under five dollars.

The first measure of the general Government was to enhance the value of the precious metals—the next, to require payment for lands in specie, to be deposited in certain Banks enjoying the confidence of the Administration, after the custody of the public funds had been taken from the National Bank. The effect of these measures was to attract specie to America, and accumulate it in certain Banks in the United States. The following table extracted from an American document, and presumed to be correct, will shew how rapidly the specie has flowed into the United States within the last eight years.

Table of Import and Export, Gold and Silver Coin, and Bullion, from 1821 to 1836.

	Imported.	Exported.
1821,.....	\$ 8,064,890.....	\$10,478,059.
1822,.....	3,369,846.....	10,810,180.
1823,.....	5,097,896.....	6,372,987.
1824,.....	8,379,835.....	7,014,552.
1825,.....	6,150,765.....	8,797,055.
1826,.....	6,880,960.....	4,704,533.
1827,.....	8,151,130.....	8,014,880.
1828,.....	7,489,741.....	8,243,476.
1829,.....	7,408,612.....	4,924,020.
1830,.....	8,155,964.....	2,178,773.
1831,.....	7,305,945.....	9,014,931.
1832,.....	5,907,504.....	5,656,340.
1833,.....	7,070,368.....	2,614,952.
1834,.....	17,911,632.....	1,676,258.
1835,.....	13,131,447.....	5,748,174.
1836,.....	12,166,372.....	4,435,815.

How far the policy respecting the circulating medium of the United States which has been pursued in that country since 1828, was wise and judicious, your Committee do not feel competent to determine. It is on one side assumed, that this policy has had a great share in aggravating the distress of the present crisis, while on the other it is maintained, that the Country, by the steady course of the Executive, has been spared much more serious evils than any by which it is now afflicted, and has checked the rapid expansion of a paper system that threatened a total banishment of the precious metals from the country, and fostered an unsafe desire for speculation, irresistibly tending towards the Western Territory of the Union, and which, in the language of an eminent American Statesman, is described as transmuting a quire of paper, speckled over with figures, into 100,000 acres of land, and a ream of paper, into a million of acres.

The crisis originating in circumstances not controlled by the Executive, was sure to arrive, and therefore, though it is probable that the policy now pursued may bear with peculiar severity on the commercial class of the American people, still your Committee are impressed

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with a hope, that it will eventually produce a wholesome effect on their currency, and system of paper credit.

The judicious observations of Mr. Huskisson, on the depreciation of the British Currency in 1810, are worthy, at this time, of general attention.

“The business of a merchant,” says that able economist, and soundly practical Statesman, “is to buy cheap and sell dear; the general wish is to be able, for this purpose, to command as large a credit as possible; he must consequently, upon abstract principle, be favorable to any system which is likely to give facility to the discount of commercial securities. His interest, therefore, appears to be the same as that of the banker, whose profit increases with the extension of such discounts; his skill and his success depend upon his rapidly converting credit into goods, and thereafter reselling these goods at advanced prices. Generally, therefore, a merchant is a large possessor or *creditor* of produce, and a *debtor* for a considerable part of the same with which it was purchased. If the currency in which that debt is to be liquidated be progressively decreasing in value, his profit upon every transaction will be augmented in proportion to the increased depreciation of the currency: But is this the fair profit of trade? Are these the gains to which the unsophisticated meaning of our laws—the clearest principles of justice on which they are founded—the sacred obligations of public faith, of which they are the pledge—and the rights and the interests of the whole community are to be sacrificed? Is this the description of trade, or rather of gambling, which ought to find funds among the real merchants, or advocates in the Legislature of this country?”

“Besides the continued success of such a trade depends upon the progressive increase of the depreciation of our currency. In the more probable case of fluctuating depreciation liable to be increased or diminished by every change in the councils of the Bank—by any extensive or sudden failures of Country Banks, or by the doubts and suspicions to which all currency, if not referable to some established and certain criterion of value, must be obnoxious—it cannot, I think, be long before every merchant (if he be really worthy of that name) must wish for some *fixed standard* by which he may ascertain the value of his commodities, may regulate his purchases and sales, and measure the extent of his engagements, before he must be convinced that paper, *though never issued except in the discount of perfectly good bills, founded on real mercantile transactions, may yet be carried to excess*; that its real use and benefit (and they cannot be prized too highly) are not in what it adds to the currency of a country, but in what it saves of expense in providing it. That from the profit incident to the issues of such paper, the public derive a sufficient security that the wants of our circulation will be constantly supplied, but that the full and safe enjoyment of this convenience essentially depends, on the assurance that such paper shall be strictly *circulating credit*—that it shall retain its value in conformity to our own *standard*, and thereby, in reference to the currency of other countries, and that nothing but its interchangeableness with cash can now restore that assurance, or at any time permanently maintain it.”

In consequence of the difficulties which have arisen from the causes before alluded to, the Banks generally in the United States have determined to carry on business without redeeming their notes in current coin; and it is uncertain how long this suspension of cash payments may continue—for it has been authorised by some of the State Legislatures for a year, and in others until March next. Congress, which is to hold in September an extraordinary session, has yet to deliberate on the crisis, and if possible extricate the national currency from its present disordered state. It is not likely that Congress can succeed in re-establishing their currency on a sound and satisfactory footing until New York shall have adjusted her account with London, which city has been well denominated the focus in which the greatest mass of capital has been drawn together, and the fountain-head of commercial credit.

The effect of this state of things having been to cause a suspension of cash payments in Lower Canada, and an entire cessation of discounts by the Banks of this Province, from which much embarrassment is threatened to the community in their ordinary transactions, it is now to be determined in what manner relief can be provided in an emergency so unusually embarrassing.

To arrive at any safe decision, it will be necessary to enquire into the present state of this Province, which Your Committee believe, will lead to the conclusion, that though in conse-

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quence of the late deficient crops, a scarcity of provisions has existed since the month of January, in many parts of the Province, yet the high prices realized soon after harvest by such as had not suffered from the unpropitious season, have placed the mass of the Agricultural population beyond the more immediate effects of the existing pecuniary pressure. The mechanic and the labourer have suffered from the dearth of provisions: and they are already sensible of the effects produced by the cessation of Banking business during the last two months—for neither public nor private enterprises can be proceeded with under present circumstances. The merchant, though suddenly arrested in the prosecution of a sound and gainful business, by the wide spreading disorder of the Banking system, has not over-traded, but possesses the means that would, in ordinary times, enable him with ease to meet all his engagements. The spirit of wild enterprise has not beguiled him into schemes for reaping extravagant profits, or into a ruinous imitation of those ardent and sanguine speculators in a neighbouring country, who have vainly expected to find in the extensive tracts of the Western Prairies, purchased with borrowed means, the foundation of sudden affluence.

Looking to the Banking Institutions of the Province, it will appear, on adverting to the statement of their officers, that their affairs have been conducted with great prudence and success, and that they are, beyond all question, in a state of entire solvency and efficiency.

The returns received from the three Chartered Banks, since the opening of the Session, shew that their specie and circulation were, about the 25th of June, as follows:

	Specie.	Circulation.
Upper Canada Bank,.....	£32,366.....	£146,852
Commercial Bank,.....	23,022.....	123,595
Gore Bank,.....	17,932.....	34,246
	<u>£73,320</u>	<u>£304,693</u>

In the month of May, the total amount of loans and deposits of the Incorporated Banks was £1,008,364; on the 24th June, this sum was reduced to £889,043; at the same period the amount of capital paid up was £476,988; and of deposits, £195,523.

There is good reason to suppose that these Banks are able to pay all their notes now in circulation in cash, as fast as they may be presented at their counters; but in pursuing this course, and withdrawing their paper, they would contract the currency in a manner calculated most injuriously to affect the public interests. The whole weight of the evidence taken by Your Committee goes to establish the certainty, that the most ruinous consequences must result from this policy, which Your Committee are convinced the Directors of the Banks would, under all circumstances, be most desirous of avoiding. Evidence on this point, however, was unnecessary from persons in this country, while we possessed the recorded experience of England and of the United States, to prove the mischief caused by a sudden contraction of the circulating credit of banking associations.

Leaving out of consideration the issues of the unchartered Banks, of which Your Committee have not sufficient knowledge, it is found, by reference to the returns from the Incorporated Banks, that the amount of their notes in circulation has been reduced between March and June, i. e. within three months, as follows:

Bank of Upper Canada,.....	£ 87,850
Commercial Bank,.....	78,951
Gore Bank,.....	14,985
	<u>£171,786</u>

The whole amount of notes withdrawn from a circulation of £468,000 by the Banks of the Province, within three months, would thus be about £170,000.

The Cashier of the Upper Canada Bank however, whose opinion on this subject is entitled to regard, estimates the average amount of active circulation in Upper Canada, as follows:

	Ordinary average.	Present amount.
Provincial Notes,.....	£450,000	£300,000
Foreign Notes,.....	50,000	75,000
Specie,.....	50,000	80,000
	<u>£550,000</u>	<u>£455,000</u>

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The circulating medium, taken at this estimate, is undergoing a great and steady contraction by the gradual drain of specie, by remittances to Lower Canada and to the United States, and by payments to the Banks, which notwithstanding the utmost indulgencies that can be granted in the way of renewals or re-discounts, must continue for some time to be very considerable.

The amount in which the country is indebted to the Banks is nearly £900,000, and it may be enquired, in what manner is this immense liability to be met, if the Banks continue steadily to withdraw their paper from circulation, and thus contribute to increase the pressure which must assail all classes in meeting their engagements? The effect of such a sudden and continued contraction of the currency is not left to conjecture. Banks may survive it, and proceed to commence new business, as soon as their circulation and deposits shall, under the liability to specie payments have been reduced within a manageable compass, but the disastrous consequences to the public of a mere regard to the credit of the Banks alone in such a crisis, are fully detailed in the history of other communities.

As an instance of the effect of over-issues and corresponding contraction, the Committee will select the first case that occurs, and which is to be found in the Report of the Select Committee of the Senate of Pennsylvania, appointed in the year 1820, to enquire into the causes of the public distress.

“The Bank of the United States,” it is said, “discovered, almost too late, that its issues had been extended beyond the limits of safety, and that it was completely in the power of its creditors. It also foresaw, that the payment of that portion of the Louisiana debt, redeemable on the 21st October, 1818, which was held by foreigners, might occasion a demand for a considerable amount of coin; that the enhanced prices of China, India and other goods, occasioned by the depreciation of the currency, from the over-issues of itself and the States’ Banks, would lead to a demand for specie, and that as it was professedly a Specie Bank, and liable, under a penalty of twelve per cent. per annum, to pay its notes on demand, the same delicacy and forbearance would not be exercised towards it as to the States’ Banks. These considerations compelled it to seek its own safety, and from that moment a system of reduction commenced. This reduction operating upon the States’ Banks which had not profited by the opportunity afforded them, of contracting their loans while the other was extending, obliged them also to diminish their transactions, and a general curtailment ensued which has not yet had its consummation. The severity of the pressure commenced in Philadelphia in October, 1818, and was continued without intermission for a year; at the expiration of which time, it is said, that the reductions made then by the National Bank alone, has exceeded seven million of dollars, and those by the other Banks probably two or three more.”

From the foregoing history, it will be seen what influence has been produced upon the affairs of the community by the operation of the Banking system. Real property has been raised in nominal value, and thousands of individuals have been led into speculation, who, without the facility of Bank loans, would never have been thus reduced. The gradual nominal rise in the price of land has produced an artificial appearance of increasing wealth, which has led to the indulging of extravagance and luxury, and to the neglect of productive industry. Foreign importations and domestic consumptions have thus been carried to an extent far beyond what the actual resources of the country and people would justify; and in pursuing a shadow, the community have lost sight of the substance.

The Committee of the House of Representatives on the same occasion, remark as follows: “As to the extent of distress, it might be answered in the language of the resolutions under which Your Committee act, that it is general; it extends indeed to the pursuits and habitations of the former capitalist, as well as to those of the more humble farmer and mechanic: there is no part of the Commonwealth into which calamity has not penetrated, or in which numerous victims have not been found. But with regard to the extent of the loss which the State has suffered from the destruction of capital—the emigration of our citizens to the wilderness—the stagnation of business—the deterioration of landed property—and the prostration of manufactories—and above all, in the change of the moral character, of many of our citizens, by the presence of distress, Your Committee are utterly unable to decide; the extent of the mischief, they believe defies scrutiny, and surpasses the power of calculation.”

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If then commercial credit must inevitably sink, in the event of the Banks persevering to decline all new business, while they redeem their outstanding notes, on demand, in specie, it is to be considered in what manner and to what extent relief may be afforded; and it appears to Your Committee to be most desirable, that the Legislature, thus hastily convened for the important purpose of devising some immediate remedy for this pressing exigency, should cautiously abstain from interfering more than may be absolutely necessary with the ordinary current of commercial affairs, and should not in the midst of these unexpected difficulties, venture upon new measures of doubtful effect upon the public credit, and upon the interests of individuals.

For this reason, among others, they do not recommend to the House the adoption of that part of the bill referred to them, which authorises the issue of Government Debentures, bearing interest, which to a certain extent, shall be treated as specie, while deposited in the vaults of the Banks, and which it is proposed should be made in effect a legal tender, in payment of debts.

It appears to Your Committee, that there is but too much reason to apprehend, that the Revenue which will be received in this Province for the next two or three years, may be found to fall considerably short of the necessary public expenditure, without increasing that expenditure by the contracting of any additional debt.

The unsettled state of the Province of Lower Canada, and still more, the deranged state of the commerce in the Mother Country and in America, with the effect of the apprehension that will naturally be entertained in England, in respect of the security of investments to be made, at this moment, in commercial transactions with any part of this Continent, seem likely, if not certain, to produce a very considerable diminution of imports into the Port of Quebec; and it can hardly be denied, that the very liberal provision made in the last Session, for affording aids to public works, by loans to be contracted on the credit of the Province, was based upon a more favorable view of our probable resources than the present actual condition of the commercial world will permit to be realized.

Under such circumstances, when it has been ascertained that the Government Debentures authorised by the Acts referred to, have not been voluntarily taken up, after being publicly offered for several months, it does not seem to Your Committee, that it would be justifiable, as regards individuals, or safe, as regards the honor of the Government, to attempt to force into use the credit of the Province, at so inauspicious a moment. It is, besides, to be considered, that the British Statute 4, George 3, chapter 34, remains, so far as we know, fully in force; and it appears to be at least against the spirit, if not against the letter, of that Statute, to make Government bills of credit a legal tender, even to the extent and in the qualified manner proposed by this bill.

The next material point on which Your Committee have not felt it expedient to recommend a concurrence in the bill which has come from the Assembly, is the intended control and interference with respect to Banks not chartered by any public authority, and whose proceedings in this emergency, Your Committee therefore conceives, should be left as heretofore, to be regulated by their own prudent sense of their own interests.

They are at present subject to none of the positive restrictions which, in the event of a suspension of cash payments, would really create the embarrassment against which it is thought desirable, (for the sake of the public at large,) that the Chartered Banks should be relieved; and the Committee conceives, that it would be safer and more proper to leave the conductors of those institutions to the exercise of their own discretion in the management of their affairs, since, in the first instance, they did not desire to place themselves under Legislative control.

If they find it necessary to suspend cash payments, they are at liberty to follow their own judgment in proceeding with their business; and the confidence which will be felt by the public in their character and means, must determine to what extent they can afford accommodation, under such circumstances.

If in a crisis of this kind, the Legislature abstains altogether from interfering with them, such forbearance may be attended with some degree of responsibility; but with a less degree, it appears to Your Committee, than would follow any attempt to support their paper by Legislative interposition.

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The nature of the amendments suggested by Your Committee may be shortly stated, thus:—

1st—They will take from the bill all that relates to the proposed issuing of Government Debentures as a substitute for specie.

2nd—They will leave the measure to apply only to the Chartered Banks, leaving Private Banks untouched.

3rd—They will make the suspension of cash payments by the Chartered Banks, not a compulsory measure, but one which they will adopt or reject upon their own view of its necessity, in the first instance; a principle which seems to Your Committee the most consistent with justice, because the suspending cash payments for a time, with the necessity of returning to them in future, may be attended with consequences to the interests of the Stockholders composing those institutions, which it may be impossible at this time fully to estimate; and the decision therefore, should be their own, rather than made for them.

4th—Having determined to suspend cash payments, the bill, as amended, subjects their decision so far to the control and approval of the Government, that unless it received this only authentic mark of public approbation which can be given to it in the absence of the Legislature, they will not be regarded as having exercised a sound discretion in placing themselves in that situation, and will therefore for the sake of the public, be disabled from increasing their liabilities, under such circumstances.

Your Committee, when they suggest this course, are aware, that it leaves a delicate discretion to be exercised by the Executive Government; but at the same time, it is a discretion, the right exercise of which is most important, and attended with grave responsibility: and it appears to Your Committee most consistent with the form and principles of our Constitution, that such a responsibility should be imposed upon the Government in the absence of the Legislature. It must be presumed, that it will be discreetly exercised, with a just consideration of the actual condition of affairs at the moment, and with reasonable deference to the ascertained wishes and opinions of the Legislature, and to the evident interests of the public at large. An inflexible rule prescribed before-hand, and not subject to modifications that rapidly varying circumstances may call for, would be unsuitable, in our opinion, to the nature of those difficulties with which this Province has to contend.

5th—To avoid any apprehension of the proposed Act clashing with the British Statute 4th, George 3, chapter 34, and being consequently rendered nugatory by judicial decisions, the Committee have thought it expedient to propose as a substitute for the 10th and 11th clauses of the bill passed by the Assembly, a provision simply giving power to the Courts of law to restrain suits at law for the recovery of debts, upon the application of the defendant; which application would of course, be fairly met by the plaintiff's declaring himself willing to accept of Bank notes.

6th—The Committee have thought it advisable to recommend the adoption, in substance, of the provision made in the British Statute 37, George 3, chapter 45, for protecting the Banks against actions during their temporary suspension of cash payments.

The other minor changes proposed, do not appear to Your Committee to require explanation. The House will readily perceive the intention and effect of them, and will adopt them or not, as may seem advisable.

All which is respectfully submitted.

GEORGE H. MARKLAND,

CHAIRMAN.

Legislative Council Committee Room,
Fifth day July, 1837.

BILL,

Sent up from the House of Assembly entitled, "An Act to authorise the Banks in this Province to suspend the redemption of their Notes in Specie, under certain regulations, for a limited time, and for other purposes therein-mentioned."

Whereas the Banks of the neighbouring Countries have recently suspended the redemption of their notes in specie: And whereas, it is necessary to protect the Banking Institutions of this Province from a forfeiture of their charters, should a suspension of specie payments, on their

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part, become unavoidable: Be it, &c. That any Incorporated Bank, which, from sudden or unexpected demand of specie, shall cease to redeem its notes or other liabilities, in the lawful current coin of the Province, shall not, in consequence thereof, be deemed to have forfeited its charter, or be rendered liable to any penalty or forfeiture, or be subject to any restraint in conducting its usual business, any thing in any Act of Incorporation of such Bank to the contrary notwithstanding.

2. And be it, &c. That from and after the passing of this Act, any person or persons, bodies politic or corporate, in this Province, against whom any action shall be brought, by reason that such person or persons, bodies politic or corporate, have failed to redeem their notes, or other liabilities, in current coin, the party bringing such action shall not recover any costs against the party sued, if the Judge before whom the trial of such action shall take place, shall certify that the person or persons, bodies politic or corporate, so sued, had offered payment of the notes or liability, for the recovery of which the suit was instituted, in Debentures issued under the authority of any law of this Province, passed during the last Session of the Legislature, for any sum over six pounds five shillings, or in notes of any of the Banks within this Province, which shall avail themselves of the provisions of this Act, for any sum less than six pounds five shillings.

3. And be it, &c. That from and after the passing of this Act, any Incorporated Bank, or any one of the Banking Institutions in this Province excepted in an Act passed during the last Session of the Legislature, entitled, "An Act to protect the public against injury from Private Banks," against whom any action shall be brought, by reason that such Bank has failed to redeem its notes or other liabilities in current coin, shall be sued in His Majesty's Court of King's Bench in this Province, and no other.

4. And be it, &c. That from and after the passing of this Act, it shall and may be lawful for any one or all of the three Commissioners to be appointed hereafter, under the provisions of this Act, to examine into the state of each of the Chartered Banks of this Province, and to ascertain the amount of their notes or evidence of debt then actually in circulation—the amount of capital paid up—the quantity of specie or bullion in the vaults of each, respectively, and all other matters whatever, relating to the finances of said Banks, and to present a true and correct report of the same, under his or their hands, to the Lieutenant Governor, within eight days from the date of such examination.

5. And be it, &c. That the amount of notes or bills issued and in circulation of the Banks of this Province, which shall suspend specie payment, and which shall avail themselves of the provisions of this Act, shall be regulated according to the schedule to this Act annexed, and marked A, and so in proportion, the Banks with a greater or less capital paid in.

6. And be it, &c. That if any such Bank or Banks shall have in their vaults, at any time, a sum of money in lawful gold, silver and copper coins, to a larger amount than according to the proportions in the said schedule mentioned, it shall and may be lawful for the said Bank or Banks to issue a sum of money in the notes of such Bank or Banks, proportioned to such excess of specie beyond the ten pounds per centum of the paid up capital of such Bank or Banks, as stated in the schedule to this Act annexed, marked A.

7. Provided always, and be it, &c. That no Chartered or other Bank shall be allowed at any time, or under any circumstances, to issue more than three times the amount of their capital actually paid in.

8. And be it, &c. That the Commissioners referred to in this Act be appointed by the Legislature of this Province, and that each and every one of the said Commissioners, shall, upon notification of his appointment to such office, take the oath to this Act annexed, and marked B; which oath shall be administered to such Commissioner or Commissioners, by the Vice-Chancellor of this Province, by the Chief Justice, or any Commissioner of His Majesty's Court of King's Bench therein.

9. And be it, &c. That one or more of such Commissioners shall, at least once in every month, personally examine into the affairs of each and every Chartered Bank in this Province, and of such private Banks as shall, within one month from the passing of this Act, make in writing, signed by the President and Cashier, or Manager, of such Bank or Banks respectively, a request to the said Commissioners to be placed within the provisions of this Act; and such Commissioners shall, within eight days after such application and examination, present, under

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oath, a true and correct report of the state of the finances, &c. of such Bank or Banks, to the Lieutenant Governor: Provided always, that such Commissioner or Commissioners shall not in such report, nor at any other period, enter into a statement of, or interfere with the private accounts of individuals, who shall be transacting their ordinary business with such Bank or Banks, any thing in this Act, or in any other Act, to the contrary notwithstanding, excepting only so far as may be necessary for ascertaining the gross amount of liabilities of such Bank for deposits.

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10. And be it, &c. That during the continuance of this Act, no person or persons shall be held to bail upon any process issuing out of any Court in this Province, unless the affidavit which shall be made for that purpose shall not only contain the several matters now required by law, but also, that no offer has been made to pay the sum of money in such affidavit sworn to in the manner provided by this Act, upon good and sufficient proof that any person or persons shall have tendered payment in full of any demand or debt, as authorised by this Act, and that such tender of payment aforesaid shall have been refused by the person or persons to whom such debt was due; and if such creditor shall proceed to arrest or hold to bail any person or persons, after such tender duly made, such arrest or holding to bail shall be deemed frivolous and vexatious; and it shall be lawful for the Court from which the process issued, to discharge such debtor from custody: Provided always, that it shall be lawful for such Court, in the furtherance of justice, or for ascertaining the amount due to any creditor or creditors, to permit proceeding to be had for any such purpose.

11. And be it, &c. That from and after the passing of this Act, if any Sheriff or Coroner, or other officer, shall have or shall take in execution, the goods and chattels, or real estate, or other property of any defendant or defendants, in any suit or action, or under any process issued out of any Court, or by the virtue of any landlord's warrant, or other process whatsoever, and shall proceed to sell or dispose of the same, or shall distrain or levy any distress after he shall have been duly tendered the amount of debt and costs, in the manner provided by this Act, such Sheriff, Coroner or other Officer, shall be liable to an action at law, in His Majesty's Court of King's Bench in this Province; and upon due proof of such tender having been made, shall be liable to damages in an amount not less than double the value of the property, goods and chattels, so sold or distrained upon, or on which any such distress may have been levied, any thing in any Act of the Parliament of this Province contained to the contrary notwithstanding.

12. And be it, &c. That it shall not be lawful for the President, Directors and Cashier, or other Officers, or Shareholders, of any Bank or Banks authorised to suspend specie payments under the provisions of this Act, to sell or dispose of, or in any way to reduce or lessen the amount of gold, silver or copper coins, in their possession at the time of the passing of this Act, or to pay to their respective shareholders or stockholders any dividend or share of profits upon their capital stock, in cash or specie, or in any other manner than with their own notes respectively, excepting always the component parts of one dollar or five shillings, in silver coins, and the component parts of seven pence halfpenny, in copper coins; and that the President and Cashier be required, in their returns, to make affidavits that no such sale or dividend of specie as aforesaid has taken place, and no other reduction of the specie aforesaid than what was requisite for the payment of the component parts of five shillings, in the regular business of the Bank.

13. And be it, &c. That nothing in this Act contained shall be construed to extend to giving any relief to any chartered or private Bank or Banks, or to authorise the suspension of cash or specie payments by any such Bank or Banks, unless such Bank or Banks shall have fully and unreservedly complied, according to the full and true intent and meaning of this Act, with each and every provision of this Act, and shall make it clear to the Commissioner or Commissioners to be appointed under this Act, that such Bank or Banks shall actually have in their vaults the amount of specie proportioned to their paid up capitals respectively, required by this Act; and if such Bank or Banks shall refuse or neglect to comply with the provisions in this Act contained, such Bank or Banks so refusing or neglecting to comply, shall not in any way be entitled to any of the benefits or advantages of this Act, and shall continue and remain subject to each and every of the liabilities, &c. which they would have been subject to if this Act had not been passed.

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14. And be it, &c. That if any Bank or Banks, which shall become subject to the provisions of this Act, shall offer any obstruction to the Commissioners to be appointed under this Act, in the discharge of their duty, as set forth herein, or shall refuse or neglect to comply with the provisions of this Act, then and in that case any Bank so refusing to comply with the conditions of this Act, shall not be entitled to any advantage under its provisions, but shall be and remain subject to all liabilities, as if this Act had never passed.

15. And be it, &c. That during the continuance of this Act, or while such Banks shall continue under the surveillance of the Commissioners to be appointed under this Act, such Commissioners shall be paid twenty shillings each per diem, for the time they are necessarily employed in the discharge of the duties imposed upon them by this Act: such payment to be made from the funds of the different Banks respectively, which may come under the provisions of this Act, such payment to be in full for travelling expenses, and all other allowances whatsoever, and to continue only during the time of suspension of specie payments, or during the continuance of this Act.

16. And be it, &c. That this Act shall take effect immediately, and shall continue in force until the end of the next ensuing Session of Parliament, and no longer.

17. And be it, &c. That the Legislature shall have power to repeal, alter or amend, this Act at any time.

18. And be it, &c. That the Honorable George H. Markland, Dr. James Hamilton, and David John Smith, be Commissioners to carry into effect the provisions of this Act.

19. And be it, &c. That it shall and may be lawful for the Lieutenant Governor, for the time being, to fill any vacancy that may occur in the Board of Commissioners, by death, resignation, or otherwise.

A.

AMOUNT of paid up Capital.	PROPORTION of Specie in the Vaults.	PROPORTION of Notes which may be issued.	
£100,000,	£10,000	£100,000	
	15,000	110,000	
	20,000	125,000	
	25,000	140,000	
	30,000	150,000	
	35,000	160,000	
	40,000	170,000	
	45,000	180,000	
	50,000	190,000	
	55,000	200,000	
	60,000	210,000	
	65,000	220,000	
	70,000	230,000	
	80,000	250,000	
	90,000	275,000	
	100,000	300,000	Resume Cash Payments.

And so in proportion to a less or greater Capital.

B.

Form of Affidavit.

I, A.B., do solemnly swear, that I will faithfully, justly and truly, and without favour or partiality, and according to the best of my abilities and judgment, discharge the duties of a Bank Commissioner, in the manner and way provided for by law; and that I will, during my continuance in such office, once in each and every month, and oftener if so directed by the Lieutenant Governor, and unless prevented by sickness or other good and sufficient cause, carefully and strictly examine the accounts of such Bank or Banks as I may be authorised to inspect, and as far as in my power lies, ascertain the amount of notes, or evidences of debt, issued by such Bank or Banks, and then in circulation; the amount and nature of exchange transactions, in which such Bank or Banks may have engaged; the amount of gold, silver and

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copper coins in their vaults; and all other matters appertaining to the finances of such Bank or Banks; and that I will, within eight days from the date of each and every such examination respectively, present, under oath, to the Lieutenant Governor, a true and correct report of the transactions and affairs of such Bank or Banks, excepting always the lawful accounts and transactions of private individuals with such Banks; which accounts and transactions of private individuals, I solemnly swear to keep secret, and not disclose or discuss with any person or persons, except the Officers of such Bank or Banks, during such examination of their affairs, and unless thereto required in furtherance of justice, as an evidence in any Court of Equity or Law in this Province, and unless any such transaction or transactions should be fraudulent in themselves, or detrimental to the general interests of the Province.

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B I L L,

Entitled, An Act to authorise the Chartered Banks in this Province to suspend the redemption of their Notes in Specie, under certain Regulations, for a limited time, and for other purposes therein-mentioned, (as amended by the LEGISLATIVE COUNCIL.)

Whereas under the peculiar circumstances of the Banks in the United States of America, and in the Province of Lower Canada, having recently determined to suspend cash payments, it may become necessary for the several Chartered Banks in this Province to cease from redeeming their notes with specie, either in consequence of the difficulty of procuring specie, or from the impossibility of retaining it while the unusual state of commercial affairs in the adjoining countries gives to gold and silver an extraordinary value: And whereas, it is of great consequence to the commercial and agricultural interests of this Province, that the accommodation which Banks of undoubted solvency can safely extend to those engaged in business, should not be suddenly discontinued, which under the existing laws must be the consequence of their being compelled to suspend cash payments; and it is therefore expedient to make such temporary provision as may afford relief against this inconvenience: Be it therefore enacted by the King's most Excellent Majesty, by and with the advice and consent of the Legislative Council and Assembly of the Province of Upper Canada, constituted and assembled by virtue of, and under the authority of an Act passed in the Parliament of Great Britain, entitled, "An Act to repeal certain parts of an Act passed in the fourteenth year of His Majesty's reign, entitled, 'An Act for making more effectual provision for the Government of the Province of Quebec in North America, and to make further provision for the Government of the said Province, and by the authority of the same,'" That if any of the Banks in this Province, chartered by Act of the Legislature, shall, during the continuance of this Act, judge it necessary under existing circumstances, to suspend the redemption of their notes by specie, such Bank may forthwith make a disclosure of the state of their affairs to the Lieutenant Governor of this Province in Council, and shall state the reasons which have led to such suspension; and in case it shall appear proper and advisable to the Lieutenant Governor and Council, that such Bank should, under the circumstances disclosed by them, be allowed to continue their business of Banking, notwithstanding their suspension of cash payment, then it shall be lawful for the Lieutenant Governor in Council to make a minute to that effect, which shall be published in the Upper Canada Gazette during the time of such suspension of cash payment; and such minute of the Lieutenant Governor and Council shall have the effect of saving such Bank from any forfeiture of their charter, by reason of their suspension of cash payments before or after the making of such minute, and from any and every penalty or disability which would or might otherwise ensue thereon."

2. And be it further enacted by the authority aforesaid, That it shall and may be lawful for the Lieutenant Governor in Council to require from the President and Directors, or the Cashier or other Officer of any such Bank, whatever information they may deem necessary for their satisfaction, in respect to the solvency of the Bank, and the actual condition and management of their affairs, which information they may desire to be given under the oath of the person or persons furnishing the same, and that such oath may be administered by any Judge of His Majesty's Court of King's Bench in this Province, or by any Judge of a District Court therein.

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3. And be it further enacted by the authority aforesaid, That in case authority to continue business shall be given by the Lieutenant Governor in Council, such authority may remain in force during the continuance of this Act.

4. And be it further enacted by the authority aforesaid, That so long as such authority shall continue, it shall and may be lawful for the Lieutenant Governor of this Province, to appoint from time to time, two or more Commissioners, with power to inspect and examine into the affairs of the Bank to which such authority shall be extended; and to report thereon in such manner as shall be thought necessary; and that such Commissioners and every of them, shall have authority to require statements on oath, from the President, or any Director, Cashier, or other officer of such Bank, in relation to any of the affairs or business of the said Bank, and that any one of the Commissioners shall have power to administer an oath for the purpose aforesaid.

5. And be it further enacted by the authority aforesaid, That during the time such authority to suspend cash payments shall be continued, it shall be the duty of the Bank to which the same shall be extended, to transmit to the Lieutenant Governor in Council, once in each month, or oftener if it should be thought necessary, a return of their business and affairs, such as they may be required under their Act of Incorporation to furnish for the information of the Legislature.

6. And be it further enacted by the authority aforesaid, That if any person shall knowingly swear falsely in any matter stated by him on oath, under the provisions of this Act, he shall on conviction, be deemed guilty of wilful and corrupt perjury.

7. And be it further enacted by the authority aforesaid, That so long as any Bank shall continue, under the provisions of this Act, to conduct their business of Banking without paying their notes in specie on demand, their total amount of paper in circulation shall never exceed their capital stock actually paid up.

8. And be it further enacted by the authority aforesaid, That during the time of such suspension of cash payments, it shall not be lawful for any Bank to make sale of any proportion of the gold or silver which may be in their possession, or make any other disposition thereof, which would diminish the amount according to its legal value, than by paying in change the fractional parts of a dollar, or by paying on demand, the amount of such of their notes for one dollar each, as may be presented to them for payment; and that the Bank shall observe such directions as may, from time to time, be given by the Lieutenant Governor in Council, respecting the amount of such notes which shall be maintained in circulation, and respecting the redemption thereof in specie by such Bank.

9. And be it further enacted by the authority aforesaid, That it shall be in the power of the Lieutenant Governor of this Province in Council, to make an order, directing that any Bank which shall avail itself of the provisions of this Act, shall, from the expiration of one month, or any further time that may be thought reasonable, after its suspension of payments in specie, procure and retain in its vaults an amount of current gold or silver coin, bearing such proportion to its amount of bills or notes in circulation as shall be prescribed in such order, being not more than ten per cent. of the amount in circulation.

10. *And whereas*, in case of its becoming necessary for the Chartered Banks in this Province to suspend payment in specie, it may be found impracticable for individuals, during such suspension, to obtain gold or silver, and it is therefore necessary to make such provision as may afford reasonable protection in that behalf: Be it therefore enacted by the authority aforesaid, That so long as any of the Chartered Banks in this Province, shall be authorised under the provisions of this Act, to suspend payment in specie, in case any action shall be depending or shall be hereafter brought in any Court in this Province, for the recovery of any debt, it shall be lawful for such Court, on the application of the defendant, and on the hearing of the parties, to stay proceedings in such action without costs, until further order shall be made thereon; provided it be made to appear to the satisfaction of the Court, that the necessity for proceeding in such action does not arise from the want of the amount of debt being ascertained, or from the unwillingness or inability of the defendant to pay the same, but solely from his inability to procure gold or silver in this Province, in order to make such payment.

11. And be it further enacted by the authority aforesaid, That during the continuance of this Act, no action or suit shall be prosecuted against any of the Banks which shall avail

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itself of the provisions of this Act, in order to compel payment of any notes of such Bank expressed to be payable on demand: And it shall be lawful for the President and Directors of every such Bank, during the continuance of their suspension of cash payments in the manner allowed by this Act, to apply to the Court wherein any such action shall be brought, or shall be depending, to stay proceedings therein in a summary way; and in case such action or suit shall be brought to compel payment of any note or notes made payable on demand, such Court shall stay all proceedings accordingly, during the continuance of this Act, or during the suspension of cash payments as provided by this Act: Provided always, that if it shall appear to such Court to be necessary for the purpose of ascertaining the amount of any demand on such Bank, or otherwise, for the furtherance of justice, that any proceeding should be had for such purposes, it shall be lawful for such Court to permit proceedings to be had in any such action or suit for such necessary purpose only: Provided also, that no costs shall be recovered against any such Bank, in any action or suit which shall be brought for the purpose of compelling payment of any debt or demand, unless the Court wherein the same shall be brought shall be of opinion that the same was necessary for the purpose of ascertaining the amount of such debt or demand, or the title thereto.

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12. And be it further enacted by the authority aforesaid, That if any Bank or Banks which shall become subject to the provisions of this Act, shall offer any obstruction to the Commissioners to be appointed under this Act, in the discharge of their duties, as set forth herein, or shall refuse or neglect to comply with the provisions of this Act, or with any order given under its authority, then and in that case, any Bank so refusing to comply with the conditions of this Act, shall not be entitled to any advantage under its provisions, but shall be and remain subject to all liabilities, as if this Act had never passed.

13. And be it further enacted by the authority aforesaid, That the Commissioners to be appointed under this Act, shall be paid twenty shillings each per diem, for the time they are necessarily employed in the discharge of the duties hereby imposed upon them, such payment to be made from the funds of the different Banks respectively, which may come under the provisions of this Act, and to be in full for travelling expenses, and all other allowances whatsoever, and to continue only during the time of suspension of specie payments, or during the continuance of this Act.

14. And be it further enacted by the authority aforesaid, That this Act shall take effect immediately, and shall continue in force until the end of the next ensuing Session of Parliament, and no longer.

15. And be it further enacted by the authority aforesaid, That the Legislature shall have power to repeal, alter or amend, this Act at any time.

16. And be it further enacted by the authority aforesaid, That it shall and may be lawful for the Lieutenant Governor, for the time being, to fill any vacancy that may occur in any Board of Commissioners, by death, resignation or otherwise; and that each Commissioner appointed under this Act, shall before entering upon the duties of his office, take the following Oath, which may be administered by the Vice Chancellor, or any Judge of the Court of King's Bench in this Province, or by any Judge of a District Court therein:"

"I, A. B. do swear, that I will faithfully discharge the duties of a Commissioner, appointed to examine into and report upon the affairs of the ——— Bank, under the Act of the Legislature in that behalf, and that I will not disclose any of the transactions of private individuals with the said Bank, farther than it may become necessary for the faithful discharge of my duty —So help me God."

COMMITTEE ROOM,

Toronto, 24th June, 1837.

Sir,

You are requested to oblige a Committee of the Legislative Council, by answering, to the best of your ability, and with as little delay as possible, the following questions, in order to enable them to report upon the present commercial difficulties which have assailed this Province.

I have the honor to be, &c. &c. &c.

GEORGE H. MARKLAND,

CHAIRMAN.

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Ques. 1.—You have doubtless reflected on the existing commercial difficulties, produced apparently by the pressure in the money market of the United States; be pleased to state generally, your views respecting the present condition of the trade and banking concerns of the Province, together with your opinion respecting the best mode of relieving the mercantile community from their embarrassments?

Ques. 2.—Can the Banks, under present circumstances, continue to make new discounts and issues of their paper, and at the same time retain specie in their vaults? If not, be pleased to state on what grounds your opinion is formed.

Ques. 3.—Have you any means of estimating the average amount of the circulating medium in active operation in the Province, during its ordinary state of business; and can you also form an estimate of the amount at which it might safely be kept up during any such unfortunate state of things as would be produced by a failure on the part of the Banks to redeem their notes in specie, on demand?

Ques. 4.—Do you consider it consistent with mercantile honour, and the character of the Province, to suspend cash payments, and yet continue business; and if you do, is such a measure, in your opinion, called for by the state of the country?

Ques. 5.—What would be the effect on commercial credit, and prices generally, were the Banks compelled, by the impossibility of carrying on business with convertible paper, to close their doors?

Ques. 6.—If you think it practicable for the Banks to continue emissions of notes convertible into specie at the pleasure of the holder, be pleased to explain the mode and means by which you conceive that such an object might be accomplished?

Ques. 7.—Can you inform the Committee in what manner the late run on the Banks for specie was carried on—how the specie was drawn from the vaults, and whether it has remained, to any extent, in the Province, or been exported?

Ques. 8.—How do you account for the present tardy return of notes to the Banks, taking into consideration the natural course of business?

Ques. 9.—Have you any knowledge of the extent of our mercantile intercourse with Lower Canada and the United States? If you have, be pleased to state how far our business with the latter country can be considered as increasing positively; and also whether it is increasing at a greater or less rate than our business with Lower Canada; and favor the Committee, at the same time, with an estimate of the probable annual amount of remittances from Upper Canada to the United States?

Ques. 10.—What is the annual amount of the drafts of your Bank on your agents in New York?

Ques. 11.—Assuming it as necessary to enable the Banks to continue their business with inconvertible paper, for a limited period, in order to avert mercantile insolvency, and the general depreciation of property, real and personal, what regulations for the prevention of an excessive issue of Bank notes would you desire to substitute for the check temporarily removed?

Ques. 12.—What would be the effect of an issue of Government debentures, of various amounts for a given period, with interest, payable partly in this Province, and partly in London?

Ques. 13.—Would such an issue, at the present moment, protected by an enactment similar to that in force some years ago respecting the Army Bills, enable the Banks to continue discounts with their paper, and sustain commercial credit?

Ques. 14.—In what manner would the issue of debentures afford relief to the mercantile body?

Ques. 15.—Have any of the debentures, authorised to be issued by the Acts of the last Session, been taken up? If so, to what amount?

Ques. 16.—To what extent would it be necessary to issue debentures, in order to relieve the community at the present time?

Ques. 17.—Is it probable that debentures to any great amount could be disposed of at this moment? If so, by whom would they probably be taken up?

Ques. 18.—How would the sale of debentures act on the money market here or elsewhere?

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Ques. 19.—In the event of the public credit being at the present moment lent in the manner proposed, to the support of commercial and private credit, would there be any risk of the former being impaired?

Ques. 20.—How could the punctual payment of the interest on the debentures semi-annually be secured, as well at home as in London.

Ques. 21.—Would these debentures sustain their value at an equality with the current coin of the Province?

Ques. 22.—Would the debentures be at a premium, when compared with Bank paper, and at a discount when compared with gold and silver? If not—How would they probably stand in relation to the metallic and the paper currency?

Ques. 23.—What would be the effect of this issue of debentures, on the resumption of cash payments by the Banks hereafter?

Ques. 24.—If the debentures were purchased by the Banks, and held by them as a substitute for specie, when do you suppose it would be practicable for them to acquire the means of resuming cash payments?

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ANSWERS TO THE FOREGOING QUESTIONS.

By ALEXANDER ROBERTSON, Esquire.

1.—I have reflected on these commercial difficulties, which I ascribe, directly, to the withdrawal of the usual accommodation afforded by the local Banks to the trade of the Province, and the excessive reduction of the circulating medium (both paper and specie) of the Country; and indirectly, to the pecuniary and commercial embarrassments of the neighbouring States, our monetary exchanges being, in a great measure, governed by the great money mart in our vicinity, New York, where gold and silver have recently risen to a very high premium, beyond their legal current value here.

Our existing difficulties are not, in my opinion, at all attributable to over-trading, or a spirit of speculation here. From my personal acquaintance, as far as it goes, with the subject, and from a consideration of Commercial Returns and Banking Statements, I do not think there has been any thing like over-trading or excessive paper issues in the Canadas; indeed, I should say, as compared with the influx of wealth and population into these Provinces, and with their great natural resources, they have not done the quantity of business, of late years, that might have been fairly expected from them—and if I might suggest, a tabular statement of the population, Banking capital, trade, &c. &c. for ten or fifteen years back, would shew this.

The mode of relieving the mercantile community from their embarrassments, which I would most respectfully submit to the Committee, is as follows:

I would make it compulsory on the three Chartered Banks totally to suspend specie payments, and make their paper, the extent hereafter mentioned, a legal tender, as far as to protect from costs of suit and damages. Any partial suspension would I think, only create confusion, and tie up the hands of the Banks unnecessarily, besides being perhaps, a means of fraud or oppression.

I see no harm in the Government trying to raise money on its Debentures, so long as the course hitherto adopted by it be pursued, namely, issuing Debentures for such amounts as will make them more a medium in which for capitalists to invest their money, than to subserve as a *working* portion of the currency. I think the people would look with jealousy on a small paper issue of Government; or it might unsettle their confidence in the value of Bank paper, and the present character of the Banks. Besides, I see no urgent reason why the Government should come into competition with the Banking Institutions, in that branch of their business which is peculiarly theirs, and expressly assured to them for the public service.

The Debentures could not be sold at the present time for specie, except at a loss; or if the Banks were to pay specie for them, at par, the coin, so soon as it left the hands of Government, would find its way to the States, thereby wholly sapping the foundation of the paper currency of the Country, and preventing the Banks resuming cash payments as early as they might otherwise be enabled to do.

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Again, exchanging Government Debentures, with interest, and to be a legal tender with the Banks for their notes, is making a present to the Banks at the expense of the public, without at all insuring to the trading community any increased accommodation from the Banks. Nothing, it appears to me, but a clear and positive protection to the Banks against a drain for specie, whether a rapid one, and in large amounts, or a gradual one, and in minute sums, will either enable or induce the Banks to come out freely and fearlessly with adequate assistance to the public at the present crisis. The Debentures if too large would protect the Banks enough, or rather not at all, against a drain; and if made so small as to perform the work of an active circulating medium, it is to say the least, a novel and dangerous system to introduce into the monetary affairs of the Province. If the Banks are safe, let them as heretofore, supply the operative part of the currency; and as they can best judge of the wants of the public, and as it is their interest to meet them to a fair extent, protect these issues as I have advised, and their need be no fear of any bad results from this measure.

Tradition records the situation of a King whose Subjects possessed the privilege of resorting at pleasure to his kitchen, and salting his soups. The individuals, acting by no preconcert, would endeavour to evince their loyalty by casting in some salt, and not unfrequently the soups would become so surcharged with salt, that the King, who was compelled to eat them, became sadly disordered. There is something analogous to this in dosing the circulating medium with Government Debentures, Joint Stock Paper, and Chartered Bank Notes, instead of conferring the right of seasoning the currency to the latter, at this critical juncture.

The circulating medium of the Province has not, during the last three years, been equal to its actual and legitimate wants, so that the paper portion of it has been fully equal to specie in value. By referring back therefore to the average amount of the issues of all the Chartered Banks during that period, and allowing also something for the probable withdrawal of a part of the paper of the Joint Stock and private Banks, as the utmost limit of paper to be put out by the three Chartered Banks, during a suspension of specie payments, there can be no danger of a depreciation of our paper currency below that of the United States. Indeed, as our Bank paper has not been in excess like theirs, and as it is now resting on a more solid basis than that of our neighbours, I am of opinion, that it will not only retain a higher value than theirs during a suspension, but that it will rise almost at once, to the value of specie, on the resumption of cash payments, so as to preclude any anxiety in regard to a run from local holders of Bank paper.

The Banks, exempted from the operation of the restraining law of last Session, may seem to have a claim to be considered as favorably as the three Chartered Banks, yet the task of now going minutely into the affairs of these exempted Banks, and devising such restraints as the public good would require, would be very tedious and difficult, and it would perhaps, be well nigh impossible to secure the faithful observance of such restraints. The exempted Banks will in truth, suffer no inconvenience from the mode I have proposed, but perhaps, find it to their advantage, as supplies of the (quasi) "legal tender Bank notes" will be obtained by them at less cost than specie could be, even under ordinary circumstances.

I would just add, that the protected Banks should pay in silver the fractional parts of a dollar, on checks drawn on them.

2.—It would, it appears to me, be out of the question for the Banks to attempt to afford such accommodation to the trade, and to bring up the circulating medium to what it was two or three months ago, so as to save those who, though embarrassed, are yet solvent; to convert the thousands of unemployed labourers, now mere consumers, into producers also; and generally to sustain the hitherto healthy action of internal advancement, and at the same time continue specie payments. So long as the price of the precious metals is so much higher at New York than here, every dollar of hard money that leaves the Banks, will take a trip south of line 45, and cannot be brought back, at least at the present time, and I fear for a long period to come, at a less cost than 10 to 13 per cent., a course that would soon make the Banks virtually and actually bankrupt.

3.—The several Cashiers of the Banks in the City will be best enabled to reply to the first part of the question; and my reply to No. 1, will be found to contain an answer to the latter part.

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4.—I trust the Committee will, in consideration of the importance that is justly attached to this question, grant me their indulgence, if I go more at large into it than might seem consistent, with a due regard to their time, and the pressing nature of their duties.

APPENDIX A.

The law has decreed, that Bankers' notes shall be paid "in specie, on demand"—not merely as a protection to the holders of them, but as a check to those dangerous expansions of paper issues, which would involve the whole community in ruin. "Convertibility" therefore, although an immediate right of the holders of Bank notes, is also a power placed in their hands, with a remote view to the public safety; and I do not in consequence think it impossible to discover an occasion that would make the converse of that power, or rather its temporary suspension, equally a matter of national utility or justice.

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I am perfectly sensible of the advantages of an honest fulfillment of engagements, to a sound system of credit, as well as free to acknowledge the general danger of disturbing or weakening that moral sentiment which accustoms men to respect the laws, and punctuality in the performance of obligations. But it must not be forgotten, that members of a society are not so much guided by mere abstract ideas, as influenced by practical results. If therefore, a strict adherence to the moral or legal obligation of the Banks to pay *on demand*, be felt to be no longer for the safety of the public, then the question resolves itself into this:—Shall the community at large suffer by the retention or enforcement, by a portion of the body, of a right or power injurious to the public weal? The very fundamental law of society, the common good, surely requires, and will justify the abrogation or temporary suspension, as may be, of such a right or power.

I have thus endeavoured to shew, that the propriety of a suspension of specie payments by the Banks, must be put solely on the ground of *public utility or justice*. As for the interest of the *Banks themselves*, as opposed to the rights of the holders of their notes, it cannot be thought of for a moment. The Banks have reaped high profits from their issues, and have thus taken premiums to insure themselves against the contingency of the *ordinary and legitimate* demands of specie. But a suspension of cash payments is not sought for at the present moment to sustain any particular Bank, or set of Banks, but to support the *Banking system, and through it, the trade of the Province*.

Credit in general, and Bank credit in particular, are essential to trade in its improved mode and customs; and the well-being of a country, dependent on credit being kept sound and steady, may be prejudicially affected as well by too sudden and great a contraction, as well as by an excessive expansion of Bank issues. The former is generally a consequence of the latter—convertibility of the Bank notes into specie, being the operating power. There may, however, arise occasions when contractions are required for the safety of the *Banks* though *no injudicious expansions* may have taken place; indeed, though the issues may have been very inadequate to the *healthy* demand for accommodation. These are not, then, occasions wherein convertibility is either *salutary for the public*, or called for in *justice to the holders of Bank paper*.

One of these occasions has now presented itself. The Banks in this Province, from a regard to their own safety, are obliged to contract their issues, a demand being made on them for specie: *not* because their paper has suffered depreciation from immoderate issues: *not* because there has been over-trading among the people here, (the demand in such cases being the effect of the natural causes that adjust prices.)—*but because* a neighbouring nation, instead of using the coin which is acknowledged to be locked up in large amounts in the vaults of their several Banks, and in their public chest, and permitting it, as the *commercial medium belonging to the whole world, to traverse the Globe as mercantile balances* would direct, come here to withdraw a portion of the specie, which it is essential we should possess, and which we should be entitled and enabled to retain, were they to act justly, and keep reciprocal faith with us. Non-convertibility, therefore, as regards them, would not be the denial of a fair demand, but would arrest the selfish purpose of a party, who is desirous of having one side of an account settled, without being either able or willing to discharge or allow for the other.

The Banks of Upper Canada have hitherto honorably and promptly met the run or demand for specie, from whatever quarter or motive it came; and it is now seen that there does not exist any *local distrust* of the stability of the Banks, or fear that their *paper is not fully equal to specie in the Province*, for the drain from within has ceased. The local holders of

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Bank notes do not therefore, desire to put in force the check of convertibility; but at the same time, the Banks, knowing that such portions either of the outstanding paper, or of such as they might and ought to issue for the public service, as would fall into the hands of our *neighbours*, would be immediately demanded in specie, to be taken *out of the Country*, are under the necessity, not only of avoiding any new issue, but of curtailing the old; as a consequence, the unfair, insidious attack from *without*, prevents *justice* being done to those customers of the Bank, who have a *positive claim* for the usual aid at this time—*besides, it throws the whole business of the Country into confusion.*

I do not, therefore, consider that a suspension of specie payments, *not the act or assumption of the Banks themselves*, nor done on the representations of any particular individuals or interests, but ordered by command of the Legislature, speaking the wishes of the *whole people*, would be “inconsistent with mercantile honor, and the character of the Province.”

That such a measure is now imperatively called for, I am too well convinced of; and I think we cannot too soon get under some sort of cover, ere the additional storm that threatens us from Europe should have burst upon us.

5.—A complete prostration of all business, and a ruinous depression of prices of every description of property. Our merchants would, I fear, be generally unable to meet their engagements in England, and their mercantile credit would go along with that of their unfortunate, but more culpable brethren in the United States. Wide spread misery would be entailed for a long period on the industrious classes, and the country would retrograde an age.

6.—I do not think it practicable, except perhaps for a very short period, when I think the consequences to the Banks would be such as to prevent them affording, by other arrangements, such efficient and continuous relief through the present crisis to the business of the country generally, as to save the province from a state of almost inevitable bankruptcy.

7 to 10.—These questions I am unable to answer satisfactorily, alike from my being wholly unconnected with any Bank in this Province, and my being only recently come here.

11.—The limit of issues of the protected Banks I have already stated. I would also recommend that they be not allowed to dispossess themselves of the specie in their vaults at the time of suspending, but I would leave it to the judgment of the Directors to encrease their stock of specie, or not, as they might judge proper, preparatory to the resumption of cash payments; for I would here observe, that the people are more interested in the *uniformity of the VALUE* of the currency, than in its *quantity or composition*. I would further advise, that Commissioners should be appointed to inspect and report on the affairs of the Banks; and that the public should be made acquainted with the state of their concerns, by periodical accounts.

12.—The debentures, payable in London, might afford relief to the merchants who have to remit home, provided they had the means of paying for them, which at present but few of them have: and I do not think that any issue of debentures, as a legal tender, would be either so well received by the Banks, or would be considered a sufficient protection by them, to induce them to make money easier, and facilitate the purchase of these debentures. Those securities payable here, would at best, under present circumstances, be little more than waste paper.

13.—I cannot answer this question to the point, as I do not know what army bills were issued, and with what protection. If they were made quite a legal tender—then I have already given it my opinion, that such a course, as applied to debentures, would either be little protection to the Banks, or certainly not *insure* from them the assistance (and that immediate and liberal,) required by the mercantile body; or satisfy them of their safety in filling up the void in the circulating medium. There is an antagonist principle between them and Bank issues, that will, instead of doing good, produce incalculable mischief.

14.—I have already expressed my despair of any relief from them, in that quarter, for the relief could only come, if at all, from them through the Banks.

15.—I am not enabled to answer this.

16.—If the debentures are to be so *small* as to be the *operative part* of the currency, the issue of them ought to be sufficient to keep up the active circulating medium, to at least what it was three months ago. In such case, they would be a bad substitute for Bank paper.

17.—I really do not believe, either the public or the Banks could, or would, take up any quantity of them, at present; and yet the cry and necessity for relief are *pressing and immediate*.

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18.—If any sale for them here, I fear the effect would be rather to depress the money market, for I think so much active capital, to be frequently turned over, would in the end be withdrawn from circulation.

19.—I do certainly think not only the Government credit, but the entire fabric of credit, would be impaired.

20.—This is a question the views I have taken of the whole subject do not readily enable me to answer, and I believe will be one of rather difficult solution by any one.

21.—Not so long as specie rules so high as it does in the New-York market.

22.—A small, if any premium, over Bank paper, supposing they could be set fairly afloat, and at a very great discount, (varying with the prices of the metals in New-York,) below gold and silver.

23.—In my view of the case, the Banks would be obliged to continue still further their curtailments, if these debentures were issued, so that unless they were to send their specie to a foreign market, they would be the better enabled to resume cash payments on their very limited issues; but if the public confidence were disturbed in regard to Bank paper, by the factitious support intended to be given to it by these debentures, I fear the Banks would have to prepare for more serious difficulties, after their resumption.

24.—Not until the legal rate here, and the commercial price in New-York, of the precious metals, were near equalized.

In regard to making the debentures a *legal currency*, will the Committee allow me, and respectfully, to call their attention to Lord Glenelg's Despatch, 31st August, 1836, the terms of which, it appears to me, preclude the Lieutenant Governor sanctioning any bill in regard thereto, that would have the effect of affording the desired relief at the present unfortunate juncture.

I would further very respectfully submit to the attention of the Committee, whether it might not be expedient to suspend the Usury Laws, so far as to allow PRIVATE capitalists to take, say, eight per cent. during the suspension. This measure might draw into activity many idle or hoarded sums, and perhaps bring in foreign money. The impolicy and futility of the Usury Laws are beginning to be admitted pretty generally, and there is now, I think, a fair opportunity to try the efficacy of a slight diversion from them.

Toronto, 26th June, 1837.

By BENJAMIN SMITH, Esquire.

1.—I think that the present condition of trade is owing to its having been hitherto carried on with a false capital, borrowed from the Banks, and to the Banks being now unable to continue the assistance formerly given to the merchants, in consequence partly of a large portion of their funds being locked up in the hands of parties who are unable to return it; but principally in consequence of the stoppage of specie payments in the United States. The failure of the crops last year is, probably, another cause of the present difficulties. The best mode, in my opinion, to afford relief, would be to pass some Legislative measures to protect the Banks from being compelled to pay their notes in specie, provided the public is at the same time protected from any loss by such measure.

2.—I think the Banks cannot, under present circumstances, continue to discount, and to issue their paper so long as it is convertible, and specie bears so high a price in the United States as it does at present—because, it is the interest of the public to draw specie from the Banks to sell it at the high rate of premium it bears.

3.—I have no means of giving the answer required by this question.

4.—Under the present very peculiar state of the Province, and of our neighbours, I do not consider it would be inconsistent with mercantile honor, to suspend cash payments. I think that such a measure is called for.

5.—Were the Banks compelled to "close their doors," I think the effect on commercial credit would be injurious, and that prices of all articles would fall.

6.—I do not think it practicable.

7.—I cannot.

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- 8.—By the confidence of the public in the solvency of the Banks.
- 9.—I have not the knowledge requisite to answer this question.
- 10.—This Bank is but just established, and has not yet drawn on New York.
- 11.—To confine the circulation of the Banks to the amount of their paid up capital.
- 12.—In the present state of the Province, I think the effect would be good in various ways. The Debentures would be taken by persons who have not confidence in the Banks, and would be the means of bringing into circulation money that is now idle, in consequence of their bearing interest. Were the interest payable in London, I think they would be bought by persons having occasion to remit money to England, where perhaps, they might also be disposed of on account of the Province, in order to create funds to carry on public improvements.
- 13.—I do not know the nature of the enactment referred to, not being in this country at the time it was made. I beg leave here to refer to my answer to the next question.
- 14.—By making some Legislative enactment, so that the tender of them by the Banks and individuals, would obviate the necessity of specie payments.
- 15.—I do not know.
- 16.—I have no means of knowing correctly.
- 17.—They would probably, be required to the amount of one-half, or one-third, of the paid up capitals of the Banks, provided they protected the Banks from paying specie.
- 18.—To make the circulating medium greater.
- 19.—I think not, provided that in all cases good and undoubted security be taken, whenever the public credit is lent.
- 20.—I do not know.
- 21.—Not during the time of suspension of specie payments by the United States' Banks.
- 22.—Under existing circumstances, they would be on a par with Bank paper and specie. Under a suspension of specie payments, they would be on a par with paper, and at a discount compared with gold and silver.
- 23.—On the resumption of cash payments by the Banks, after a suspension, prices of all articles would probably fall.
- 24.—At the same time that the Banks in the United States and Lower Canada resumed specie payments.

GENERAL ANSWERS BY THOMAS MCKAY, ESQUIRE.

My opinion of the causes of the difficulty that now exist in the money market of the United States, is in consequence of the law requiring those who purchase Government lands to pay specie for them; this specie being locked up from circulation, deprives the Country of that basis for Banking.

A wild spirit for speculation prevails generally over the Union. The crops last season, of most of the Northern productions, have in a great measure failed, as well as the producers themselves—must have affected those engaged in mercantile pursuits. The Merchants for some years past have imported goods to a larger amount than they have been able to export or make remittances for. Some people assert that the Government of the United States is culpable for all this; it is however, clear, that the Merchants themselves have at least been the immediate instruments of their own destruction, inasmuch as they have exported more cotton to England last year than usual, and the proceeds thereof have been taken back in gold and silver, which is now to be found in the United States' Treasury.

The Banks in the United States having suspended cash payments, has affected the general business of the Canadas, particularly Upper Canada. If they had followed the example of the Merchants in Lower Canada, who called a public meeting, and I may say, were unanimous in favour of their Banks stopping specie payments. Immediately on the Banks stopping paying specie they afforded the mercantile community their usual accommodation, and business goes on now nearly the same as usual, whereas, in Upper Canada, our banks have continued to pay specie, and in consequence, cannot discount the best of paper, for fear that the bills should be

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returned to them for specie. I believe there is now a diminution of the usual circulation of money in this Province, to the amount of about one hundred and sixty thousand pounds, currency, which has and continues to cripple this Province.

There is another reason for the scarcity of specie, namely, exchange on England rising to an enormous rate causes a great demand for specie in the United States, and has become an object for them to take it from Canada.

The Banks are obliged, by their charter, to have specie in their vaults to redeem their paper. It cannot be expected, that in times like these, when specie brings a high premium, that they will discount to accommodate the public to their own disadvantage. Therefore, I think it necessary that the Legislature do pass a law authorising the Banks to stop paying specie forthwith, and not to resume paying specie until fourteen days after being in knowledge of the Banks in Lower Canada having resumed specie payments.

During this recess, the Banks ought to have specie in their vaults one-third of the amount of what they circulate of paper. I think this would be a sure protection against their doing over-much business. Commissioners ought to be appointed to examine their vaults, at least once every fourteen days, and report the same to the Executive. Suppose this were carried into a law forthwith, I do not consider it inconsistent with mercantile honor, nor affecting the character of the Province in the least.

I think Government Debentures, payable in London, with five per cent. per annum, will meet a ready market, and would enable us to carry on the different works contemplated by the Acts passed last Session of Parliament for that purpose—but I presume that some of those works, although completed, would not, probably for some time to come, be able to pay the interest of money expended on them; therefore, I am at a loss to say how the interest is to be paid, unless a direct tax is imposed on the Province.

By J. S. MACAULAY, ESQUIRE.

1.—The trade of Upper Canada is carried on principally with borrowed capital; any long-continued suspension on the part of the Banks, to supply the usual discounts, will therefore produce the inevitable bankruptcy of a great portion of the commercial community.

The only practicable modes of averting so great an evil, that suggest themselves to my mind, are either to issue to the Banks a Government paper, bearing interest, and protecting that paper in the same manner that the Bank of England paper was protected during the suspension of specie payments in that country, or to extend a similar protection to the notes of any one Bank.—(Vide accompanying paper, A.)

2.—The Banks cannot, under present circumstances, continue to make new discounts and issues of their paper, and at the same time retain specie in their vaults.

There will be a constant and increasing demand on this Province for specie, so long as we continue to redeem our pledges, and our neighbours do not.

Money Brokers will pick up the notes of the specie-paying Banks, to realise the premium on the coin.

The private Banks, ignorant that if they increase the paper currency, the public have a right to expect that they will introduce a proportionate quantity of bullion, satisfy themselves by exchanging their paper against that of the Chartered Banks, in order to fill their coffers at the expense of those Banks.

Our Republican neighbours, driven by their necessities, will sell their wares at any sacrifice, to procure our specie.

These are the reasons which lead me to believe, that no new issues of paper can at present be made by the Chartered Banks.

3.—On the 1st ultimo, the entire issue of the Chartered Banks very little exceeded the amount of their paid-up capital—the business of the country being at that time in its ordinary condition.

If, then, the Banks, both chartered and private, were limited to issue no more than an amount equal to their paid-up capital and the specie in their vaults, scope would be given for a small extension of the circulating medium beyond what it has been heretofore, should the circumstances of the country require that additional assistance.

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4.—The British Government did not consider it inconsistent with mercantile honor to suspend cash payments, and yet continue business; neither ought we to hold a different opinion—provided, we can distinctly shew, that a case of necessity requiring such suspension has arisen, and that the measure will be of a temporary nature only.

A suspension of cash payments would be of no service to the country! If the Banks were to continue discounting, in consequence of such suspension, an immediate depreciation of their paper would ensue; they would be compelled to pay so much more for silver during that depreciation, that in order to save themselves, they would ultimately be forced to contract their circulation, sufficiently to enable them to meet the resumption of cash payments with the bullion then in their vaults. The lesser evil at present would be to persevere in the redemption of our promises even unto the end. It will, I think, be found, that the temporary calm produced by a suspension of cash payments in the neighbouring States, is but the prelude to a storm such as no commercial community has yet endured.

5.—A general bankruptcy would immediately follow the closing of the Bank doors.

7.—It is my belief, that the private Banks have been the principal demanders of specie from the chartered institutions; and that the major part of the money paid by those institutions is still in the Province, unless it has been exported by the private Bankers, in order to realise the premium thereon.

12.—If an issue of Government Debentures of various amounts were made, to protect the specie in the vaults of the Banks, the value of the Bank paper would be upheld; the means of procuring supplies of specie from England would be rather increased than diminished; and the labouring classes would obtain full employment.

13.—An issue of the description suggested, would enable the Banks to sustain the commercial credit of the country, but they could not discount to the same extent as heretofore.

14.—Debentures bearing interest, payable in London, might be used as a remittance in lieu of exchange; the chief advantage of an issue of debentures would be, that the Banks having their coffers partly protected by them, might, in a limited degree, continue their discounts to the Merchants.

19.—To preserve the public credit unimpaired, I would recommend, that if debentures are issued, payable in London, those issues should be made to the Banks only, on their giving good security that the payment of interest in London will be provided for by them. Any Bank paying out a debenture in this Province, *in redemption of its paper*, should also be bound to provide for the punctual payment of the interest thereon, if the Provincial revenue be insufficient to meet those claims on demand.

21.—In my opinion, the debentures would sustain their value at an equality with the current coin of the Province.

22.—The debentures, Bank paper and silver, would be at a par of value, but where gold and silver circulate together, of the same intrinsic value, the gold will command a premium, on account of the facility of its transport. By the standard adopted in this Province, British silver, which is intrinsically less valuable than the gold coin, is made to pass at a higher rate—twenty silver shillings being one pound five shillings currency; and a sovereign being only current for one pound four shillings and fourpence—consequently sovereigns will be at a premium so long as the present currency bill continues to be the law of the land.

23.—The issue of debentures payable in London, would afford the Banks ready means of procuring supplies of specie from thence, and consequently facilitate the resumption of cash payments.

24.—I would not recommend the suspension of cash payments, even in a partial degree, for a longer period than until thirty days after the next meeting of the Legislature. This would afford time to the Banks to supply their coffers abundantly, if coin can be procured; would serve to check any improper issue by the Private Banks; and would satisfy the public that there is no intention on the part of the Legislature to do aught, which, by possibility, might permanently, or for any lengthened period, affect the value of property.

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A.

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Assuming that the Government possess the means of gradually introducing into the Province a large supply of specie, it is proposed to alleviate the present commercial difficulties by affording to the notes of the Bank of Upper Canada the legal protection which would enable other Banks to use them in redemption of their paper.

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1.—Each Bank to be supplied in exchange for a similar amount of its own paper, with Upper Canada Bank notes, (marked,) not exceeding in amount one-third of its paid up capital.

2.—The Government to redeem with specie, the notes so exchanged with the Bank of Upper Canada.

3.—The Bank of Upper Canada to be in like manner supplied with specie, equal in amount to one-third of its paid up capital, in exchange for an equal amount of its notes.

4.—Specie payments to be resumed so soon as the Chartered Banks shall have been so supplied with specie.

5.—The Banks to receive specie from the Bank of Upper Canada, for so many of the marked notes of that Bank, as they may hold on the resumption of cash payments.

6.—Any surplus importations of specie to be sold to the Banks at the cost price, in proportionate quantities to the amount of specie imported by cash at the time of sale.

By B. TURQUAND, Esquire.

1.—I have given the subject some consideration, and with my imperfect knowledge of mercantile and banking transactions, have come to the conclusion, in my own opinion, that our principal object is to gain time, as the only apparent means within our power to combat the present difficulties; and as a preliminary measure, by way of expediency, to immediately suspend the further issue of specie by the Banks, and—

Secondly,—To create a circulating medium by the issue of Government debentures, in the shape of Exchequer bills, to be made equivalent to a legal tender, redeemable at a certain date, and bearing interest, i. e. over a certain amount, at not more than five per cent. in Upper Canada, or four in England.

Thirdly,—To relieve the commercial embarrassments, let loans be made to such Bank, Joint Stock Company, &c. as desire it, under proper security, to be repaid by them six months before the stated period for final redemption by the Government. This repayment to be in specie, as well as the accruing interest thereon at six per cent, being an advance of one per cent. in favor of the Government.

This would enable the Banks to continue discounting as usual—to accumulate specie—would keep bullion from escaping into the United States—mercantile relief would be at once afforded, and it is presumed, a gradual restoration of public confidence would be the result.

Fourthly,—By the issue of this Government paper for the supply of the different public works, all the contemplated improvements would be put into operation, and the emigrant provided for—an object, it is humbly presumed, of no small interest.

It is stated by persons supposed to be well acquainted with mercantile operations, and their consequences, that the present embarrassments can only be temporary. By the above method therefore, *time*, at least, would be gained; and supposing in the interim it should appear that the Province is likely to be unable to meet its engagements by the stated time, it may, together with the specie received from the Banks, &c. and such assistance as might be obtained from the Home Government, become fully prepared, within the six months that would necessarily elapse between the repayment by the Banks, and the period of final redemption by the Province, especially at a time when the difficulties that now exist, may be expected to have ceased.

It has been thought that a metallic currency, coined expressly for this Province, might be introduced with advantage—may it not become a matter of deliberation how far its introduction might be beneficial at the period above alluded to?

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- 2.—I am not sufficiently acquainted with banking concerns to give a decided opinion in this matter, but I should think not.
- 3.—I am incapable of answering this question.
- 4.—I think the measure is called for.
- 5.—The result in this case appears so obvious as to need no reply.
- 6.—I conceive this question to be answered by reply to No. 1.
- 7.—I cannot.
- 8.—From a general confidence in the solvency of our Banks, and the comparatively small amount of their paper afloat abroad.
- 9.—I have no data to enable me to reply to this question.
- 10.—Applies to the Banks.
- 11.—I am unable to answer this question.
- 12.—As far as I am capable of judging, I think the effect would be most beneficial, and beg to refer to my reply No. 1.
- 13.—Undoubtedly it would.
- 14.—Vide reply No. 1.
- 15.—Yes, about £12,000, currency.
- 16.—I cannot say, but should think about £150,000 :—if the public works are to be supplied as well as the community, I apprehend more may be requisite.
- 17.—See reply to No. 1.
- 18.—As a temporary measure, I do not apprehend any serious results.
- 19.—I should think this will depend upon the value of such circulating medium other than within this Province, particularly in England.
- 20.—I am not prepared to answer this question.
- 21.—I think this would mainly depend upon their value abroad.
- 22.—I should reply in the affirmative in both cases.
- 23.—I cannot reply to this question.
- 24.—See reply to No. 1.—I imagine this question applicable to the Banks alone.

Toronto, 29th June, 1837.

By MESSIEURS TRUSCOTT AND GREEN.

1.—The embarrassments existing in the United States proceed from various causes: from over-trading; from extensive speculations in real estate; from internal improvements on a scale disproportioned to the disposable capital of the Country; but chiefly from the policy of the Executive Government, in attempting to substitute, prematurely, a metallic for a paper currency. Under any circumstances, such a process could only be accomplished very gradually, but it would be sure to fail unless the balance of trade was in favour of the country making the experiment; and there was another reason for its failure in the United States—a vast accumulation of surplus revenue was going forward, by which operation gold and silver, and the notes of the most solvent Banks were withdrawn permanently from circulation, instead of being received as heretofore, as revenue with one hand, and distributed as expenditure with the other. Had forty millions of dollars been withdrawn from the circulation of Great Britain, for a period of one year only, the same disastrous results would have ensued, perhaps greater; because in the United States, this abstraction of the very life-blood of the circulation has been temporarily supplied from other channels—imperfectly it is true, but preferable to a vacuum—and when this weaker substitute comes to be displaced, the full extent of the mischief will then be ascertained.

If the issues of Bank paper had been diminished and controlled by Legislative enactment in the United States, the wild speculations of the day would have been completely checked: prices would have fallen, and foreign importations would have been diminished; but the Government promoted over-trading, of which it complained, by inducing the Banks and merchants to import gold and silver, in addition to consumable commodities—thus turning the balance of trade still more against the United States.

That balance was not apparent in the foreign exchanges, owing to the system of *credit* under which business was conducted with Europe, and under the cloak of which foreign

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bankers and merchants actually advanced *temporary capital* to America. So long as England furnished it to pay for British manufactures, to which there is scarcely a limit, the nation was benefitted; but when the same credit was employed to absorb gold and silver, which native industry cannot produce, and which is also limited in amount, it became imperative with the Bank of England to check this system of credit, in order that the drain on her vaults should cease: the Bank therefore curtailed her circulation, and refused generally to discount American bills.

The consequences were not immediately felt, because, for some time, such bills were discounted by private bankers and brokers; but in the end this resource was found inadequate—and it is believed, that the principal American houses came to an understanding with the Bank of England to cancel their *credit accounts* in the whole of North America, on condition of receiving temporary assistance.

The previous contraction of the circulating medium, would, of course, lower the prices of commodities; and when accompanied, as it was, with declarations which shook public confidence, it is not surprising that the fall should have exceeded the contraction. Cotton, tobacco and American produce generally, declined from these causes, in an unprecedented ratio, and also from the expectation that an *increased quantity* would be shipped, without reference to price, as the means of liquidating American engagements in Europe.

The necessity of making remittances to England turned the *exchange* decidedly in her favour; and so long as the American Banks redeemed their notes in specie, it was found the least expensive remittance—and hence the run upon the Banks which determined them to suspend. Since that event, the premium on gold and silver has continued to advance, and is in demand for foreign exportation, so that the amount *in general circulation* will be diminishing daily, until the foreign debt of the United States is discharged. When the balance of trade is once more restored, the exchanges will fall, and the premium on bullion will decline. Until that period arrives, it will be in vain for their Banks to resume cash payments.

It is not believed, that any unjustifiable speculations, or imprudencies, have occasioned the distress now experienced by the community in Upper Canada. It may be fully accounted for by the fact, that long accustomed credits have been cut off in England, and that the Provincial Banks are not in a situation to afford their *usual accommodation*.

2.—The Banks cannot discount and retain specie in their vaults, under present circumstances; every note re-issued for such a purpose, would entail a loss upon the Banks, equivalent to the premium on bullion in the United States.

3.—The circulation of the Agricultural Bank has been diminished fifty per cent.; and if the same reduction has generally taken place, it is not surprising that distress should be felt. Provided cash payments were suspended, the paper circulation might be safely increased to the full amount of banking capital.

4.—The situation of this Continent leaves no alternative but suspension in some form or other—it may be done openly, or it may be accomplished *indirectly*, as by the issue of Lower Canada notes, which are not convertible; or if the law will admit, by making a certain class of debentures a legal tender.

5.—If the Banks were to close their doors, from any cause whatever, prices would fall; a state of disorganization would follow, and all classes brought to the verge of ruin.

6.—See answer No. 4.

7.—Part of the specie withdrawn from the Banks may be still in circulation, but a large proportion has been exported, and the rest will gradually disappear, whatever enactments are made to the contrary. Coin will be carried to the market which commands the highest price, the same as any other article of merchandise; and it possesses this advantage, that it can be easily smuggled.

8.—The derangement in the monied market is so general, that the value of one sort of paper over another is scarcely ascertained *by the public*—there is also a belief abroad, that the Banks in this Province *will suspend* specie payments; but let it be ascertained that no Legislative protection is meant to be thrown round them, for the sake of the community, and their notes will be returned upon them more promptly than their resources will be available.

9.—Not in possession of sufficient data.

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10.—Our drafts have amounted to £36,132 per annum.

11.—If the Banks should be allowed by law to suspend, it would be proper to assign a *maximum circulation* to every Bank, in proportion to its capital, and each Bank might be required to retain a *minimum amount of specie*, proportioned to its *actual* circulation. If, however, any *indirect* mode of suspension were adopted, there would be no occasion for any Legislative supervision or control.

12, 13 & 14.—The debentures made payable in London, bearing interest, might range from £50 to £500 sterling, and these would serve the mercantile interest as remittances.—Those intended to take the place of *coin*, might range from £2 10s. to £12 10s. and need not bear any interest whatever, if redeemable within twelve months.

15.—It is understood that these debentures have not been taken up; but if they could be made available to the Banks, to ward off the demand for specie, there would be little difficulty in negotiating any reasonable amount.

16.—It is believed, that £100,000 currency in debentures not bearing interest, and £250,000 sterling in debentures bearing interest, payable in London, would afford effectual relief to all classes.

17.—See answer No. 15.

18.—The general effect would be to make money plentiful.

19.—The public credit of England has never been impaired by loans of exchequer bills; and if the same precautions were adopted here, no injurious consequences could result to the Province.

20.—It would not be expedient to make the interest on debentures payable either in London or Toronto, at the option of the holder; because, funds must in that case be provided in both places. Every debenture bearing interest should be payable in London, because it is from thence relief will be ultimately afforded, by the investment of British capital.

21 & 22.—Debentures which were equivalent to a legal tender would sustain themselves on an equality with Bank paper, and perhaps a fraction higher, but not on a par with gold and silver.

23 & 24.—If a considerable amount of debentures were remitted and sold in England, the exchange would fall, and the Merchants would import on better terms, but the Banks would not be able, on that account, to resume specie payments; they must abide the course of events in the United States, for so long as bullion bears a *high premium there*, no convertible Bank paper can maintain itself in circulation in these Provinces.

Toronto, 26th June, 1837.

By STEPHEN J. FULLER, Esquire.

1.—I have reflected much on the existing commercial difficulties in the United States, and their effects on the trade and banking of this Province; and I am irresistibly led to the conclusion, that the commercial and agricultural communities of this Province, are now suffering under very great embarrassments, owing to the total suspension of Bank accommodation, and the very unprecedented reduction of the circulating medium heretofore in use. I am further of opinion, that the suspension of the usual facilities afforded by our banking institutions to the Merchant, and others in this Province, and the contracting of their paper issues, were steps forced upon them, not only in self-defence, but as measures of real benefit to the community at large, in their ultimate results.

An Act of the Congress of the United States, passed about three years since, increasing the *nominal* value of foreign gold and silver coins, rendered an importation of such coins into the United States from Europe, and from England particularly, a speculation of certain and considerable profit. Had such importations of specie been dependant upon the legitimate operations of trade, little, very little, of the precious metals would have found their way into America; but the vast facilities and enormous credits extended to American speculators by the most extensive and wealthy houses in England, enabled many brokers and speculators in New-York to import, *upon credit*, large sums in specie, amounting, in sovereigns alone, to two millions of pounds sterling. The ruinous effects of this excessive and forced importation of specie, with the balance of regular trade so largely (say \$35,000,000) against America, must

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have been foreseen by every prudent observer conversant with the operations of international commerce. But the evils which would have arisen, great as they undoubtedly must have been, would still be comparatively trivial, had no obstruction been opposed to the ordinary action of commerce. In the usual course of trade, the gold imported for the purpose of obtaining a temporary profit, must have been re-exported at very great loss, not only to the amount imported on speculation, but to a certain extent proportioned to the balance of legitimate trade against the Country generally.

In 1835, the Executive of the United States, acting upon a mistaken and vicious policy, directed that payment for the public lands, and to the public offices generally, should be made in specie only. In consequence of this order, (the famous specie circular,) over twenty millions of dollars were drawn from the sea board and commercial cities, and deposited hundreds of miles in the interior, upon the very verge of civilization, in the land offices, and there kept locked up by direction of the Executive. The consequence was an unexampled scarcity of the precious metals in New York, &c. for the purposes of commerce; a drain upon all the Banks; a suspension of cash payments by the Banks—not from any prudent desire to economise the precious metals, or to assist the operations of trade—but, generally speaking, from their inability to continue cash payments, many Banks having been drained of their last dollar in silver. The sudden and extensive increase in the price of specie, consequent upon these circumstances, rendered it desirable in the State of New York to obtain the paper of the Banks of this Province, which still honorably continue *cash* payments. The extensive trade between this Province and the State of New York, with the balance of trade rather against us, and a large portion of our paper circulating freely on the frontiers of that State, afforded great facilities to the Brokers and others to collect our notes, and in a short time a very extensive run for specie commenced on our Banks here. That this run from the adjoining State was much increased by the ignorance, or timidity, of many individuals at home is certain; and that the effects, severely as they are now felt, and much as they are to be deplored, would have been still more ruinous but for the decided and prudent course adopted by the Banks, no one can doubt. I am therefore of opinion, that the most prudent course for relieving the present pecuniary embarrassments, (the only one existing) would be a suspension of specie payments by the Chartered Banks; a gradual return to their regular business accommodations, and to a limited issue of their own notes, based upon a proportion of specie in their vaults respectively, to the amount of paid-up capital; a limitation of their exchange transactions to the actual wants of commerce, and an extension of their circulation proportioned to the increase of specie in their vaults; and a monthly examination of the state of their finances and business transactions, to be submitted to Commissioners to be appointed for the purpose.

2.—I am convinced, that the Banks cannot make new issues of their paper, and retain their specie. My opinion is formed on the fact, that specie is even now rising in price in New York; that it must continue so to rise for some time to come; and that specie payments cannot, with safety, be resumed in the United States until every dollar of the balance now due by them to England is paid up. It was much easier to have prevented the state of things which has been brought about in the United States, than it will be to recover from the blow which has shaken their commerce and credit to its very foundation. And it must be borne in mind, that the whole amount of specie in the public chests of the United States, (upon which much stress has been laid) estimated at \$25,000,000, would be insufficient to pay the balance now due to England. I know it has been urged, that the import trade of the United States will be much diminished—it doubtless will—but the revenue will also be much diminished—and not only the revenue derived from commerce, but the very large revenue derived from the sale of public lands—and in such case the Government will be under the necessity of drawing on the specie and surplus which they have now locked up, and which cannot in consequence be applied, as heretofore supposed it would be, to the general relief of the country. With the balance of trade against us, and the value of specie here, regulated as it must be, for many years to come, by its value in New York, and while that value continues much above par, it will be impossible for the Banks here to issue their own notes and continue to redeem them in specie, with any probability of supplying the demand for one month.

3.—I have no certain means of ascertaining the amount of circulating medium, but in a country so thinly populated as this is, I think it may safely be kept up to an amount equal to

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one-half of our imports; and from general observations, after six years residence in the Province, I should think it has been nearly in that proportion heretofore. I think the circulation has always been rather under than over the amount necessary for supplying the wants of the Province.

The reason why I consider specie, as proposed in my answer to No. 1, a necessary basis for the Bank issues, is not that such sum lying dead in the vaults is of any benefit in itself, or of any advantage to the Banks or the public during a suspension of cash payments, but that it inspires public confidence, and forms a nucleus round which to collect gradually the means of resuming cash payments, when such a measure should become advisable or safe; for I am of opinion that our resumption should rather precede than follow the resumption in New-York.

4.—I consider such a measure perfectly consistent with mercantile integrity and Provincial honor, provided it is founded upon sound and wholesome regulations, and the excessive issue of paper currency restrained by the judicious control of able and honorable Commissioners.

5.—The effects on commercial credit and prices generally, would be most ruinous. A total suspension of business must follow.

6.—I do not think it practicable by any means.

7.—I have already stated my opinion on this head, and I am inclined to the opinion, that the specie generally has been exported.

8.—I believe that the utmost confidence exists among the intelligent portion of the community in the stability of the Banks—that there is a general feeling of some Legislative enactment to protect the Banks, and that many are waiting the result of the present deliberations of Parliament. I may mention a fact within my own knowledge as an instance. A certain party, known to me personally, is at this moment a holder of £1,750 of Upper Canada Bank notes—he has no doubt of the safety of the Institution, but he says he will wait to see the action of Parliament on the subject before he takes his paper in. If he considers the plan adopted prudent, he will keep the paper and employ it as usual, if not, he will return it for specie.

9.—I have no certain knowledge on the subject referred to, but I believe our lawful trade with the United States is increasing considerably—I am confident that the illicit or smuggling trade is increasing rapidly. I can form no estimate of the remittances to the United States.

11.—As I have before stated, I would advise the issue to be proportioned to the *paid up capital*, and partly to the proportion of specie to that capital under the surveillance of Commissioners, and subject to monthly, or even weekly reports to the Governor in Council.

12.—I do not consider such an arrangement necessary. I have little doubt that the Receiver General will be enabled to procure all the money requisite for this Province in London—and such a mode of obtaining money is far preferable to any issue by the Government here—for the purpose of propping up any paper currency.

13.—I do not believe it would; and the extent to which it ought to be carried, to afford the necessary relief, might seriously embarrass the Government, and throw many obstacles in the way of resuming cash payments.

15.—I believe not, or if any, to a very small amount.

15.—An immediate increase of £250,000, would afford vast and very general relief; but I do not think that the debenture plan is the one that should be resorted to.

17.—I am of opinion that debentures would only be taken up (if at all) by the Banks at present.

18.—In my opinion injuriously, here and elsewhere also.

19.—I have no doubt it would.

20.—Only by pledging the Provincial revenue to that purpose. Any projected improvements cannot pay the interest on their outlay until carried fully into operation, and that could not take place with the projected improvements here, for a few years.

21 & 22.—I am of opinion that debentures would not maintain their value during the present demand for specie, when compared with gold and silver; and that their relative value in specie and paper currency, would be proportioned to the premium which the former bore over the latter.

23.—I believe it would be highly detrimental.

24.—When Bank paper or notes were at par in New-York, &c.

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By WILLIAM H. MERRITT, ESQUIRE.

APPENDIX A.

1.—For my own part, I trace the commencement of the present derangement as far back as 1834, when the Congress of the United States enhanced the value of gold above the European standard. A certain portion of the metallic currency is absolutely necessary to be retained in every commercial country, to regulate their foreign exchanges, which must be in proportion to the extent of their commerce. England requires a large amount—the United States much less—and Canada a very small proportion. When left to the natural course of trade, this *common currency of the world* will regulate all exchanges produced by the fluctuations of trade, between each respective Country, and enable each to establish a circulating medium of paper, convertible into gold and silver at will, for the transaction of their domestic concerns.

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In 1833—4, and 5, this system appeared to work well in England and America, under the protection and guidance of the Banks of England and United States. Exchanges, domestic and foreign, was obtained at cheap and regular prices. The American merchants procured money in England at 4 and 5 per cent. from English bankers, and obtained their importations at the cheapest rates.

The American Executive Government, since 1834, appears to have directed their policy to obtain gold and silver from Europe, and succeeded in increasing the amount from \$20,000,000 to \$80,000,000—thus withdrawing it first from the Country where it was most usefully employed, and then from the United States Bank, and from the Maritime Cities, where it was alone useful, and locked it up in the Western Country, where it was useless—thus preventing its natural operation in the course of trade, and preventing its return to England.

The Bank of England perceiving their bullion gradually withdrawn to America, were under the necessity of curtailing their circulation. The effect of withdrawing their credit from those houses was immediately felt in America, and general embarrassment was the consequence. A party in that Country, to justify the policy of their Executive, attribute this embarrassment to over-trading, in order to shield the Executive from the odium of producing it, by tampering with the currency. If this principle is well founded, and the currency requires to be so equalized, the Banks in the United States cannot return to specie payments until the due proportion is returned from America to England. Over-trading will always correct itself if let alone. Land or any other article, may be purchased at too high a rate, or in too great quantities, but it will in due time return to its natural level.

2.—The exchanges between Great Britain and the Continent of America, is regulated by the New-York market, by which we must in a great measure be governed. The power of our Banks to redeem their notes *in specie* and continue their issue is *destroyed* the moment the article obtains a higher value in New-York in the United States, or Montreal in Lower Canada, and it can never be resumed here until they return to specie payments.

3.—I beg leave to enclose you an extract from the Report of the Committee of the House of Assembly, which is a brief and concise statement of the amount of debts, circulation and specie, of the various Banks at different periods, together with their capital, which is as follows:

	THREE CHARTERED BANKS.	THREE JOINT STOCK BANKS.	TOTAL.
Amount of paid up Banking capital, 15th June, 1837, £	476,978	90,323	567,301
Do. Bank paper in circulation, 15th May, 1837, . . .	423,401	71,135	494,536
Do. do. do. 15th June, 1837, . . .	319,244	55,045	374,289
Amount of average increase (annual) of paper circulation over whole period, from 15th June, 1834, to 15th June, 1837,	27,987	.....	40,428
Amount do. over do. from 15th June, 1835, to do. . . . .	.....	12,441	.....
Amount of deposits on 15th June, 1837,	204,571	10,730	215,301
Amount of specie in vaults, 15th May, 1837,	107,334	11,039	118,373
Do. do. do. 15th June, 1837,	78,884	12,094	90,978
Amount imported from abroad since 15th May, 1837, . . .	40,000	.....	40,000
Amount of loans and discounts, (about) 15th June, 1837, . . .	895,039	125,483	1,021,522

4.—It would be a breach of faith on the part of the Legislature not to place the inhabitants of this Province on an equal footing with the inhabitants of Lower Canada and the United States, when placed in this disadvantageous position, from causes without their control.

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It is unnecessary to advance reasons to repel this quixotic notion. If our Merchant is indebted to the Merchant of Montreal or New York, he pays in specie—*vice versa*—they pay him in depreciated paper: common sense claims reciprocity in mercantile transactions. All we require is time, until they resume.

5.—Commercial credit would be ruined, and price of property and all other articles be reduced to the original standard of a gold and silver currency. A person who enjoys a salary of £1,000 at present, must be reduced to about £100, and the country would retrograde in time also about that proportion.

6.—It is impracticable, and you will not get *one opinion*, from any person who understands the subject, to the contrary.

7.—It is of little consequence—a large amount has disappeared and been withdrawn from the business of the country in one month.—(See Report.)

8.—From the want of a circulating medium, and the great distance where they were kept in circulation.

9.—I am in possession of no data to furnish this information.

10.—Not applicable to me.

11.—I would substitute no check whatever—the competition between the Banks themselves is a sufficient check.

12.—It is impossible for any person clearly to point out, or venture to predict the effect of this measure, or any other, as it depends wholly upon the judgment and management of others.

If all parties interested would join in giving every facility, and bring them promptly into action, the small debentures would answer a much better purpose for our domestic exchanges than gold and silver—and the large debentures would be sold in England, and form a fund to enable our Banks to resume specie within one month after the Banks in the United States should resume. The Banks should be compelled to pay the highest premium.

13.—I think it would.

14.—By restoring the circulating medium.

15.—The conditions of that Act, by not placing the debentures in possession of those interested in their disposal, would prevent their sale, unless capital was abundant in this Province, which is not the case.

16.—Not over what the different works require.

17.—The Banks.

18.—The whole amount of our debentures are so inconsiderable, they would produce no visible effect in the London market, if offered on change the same day.

19.—Not the least;—the Province would be worth ten times more at the end of twenty years, by means of the additional wealth those improvements would create, than at present.

20.—From the different works which are provided by law to meet this interest. If a total failure in either of those works, (for it can arise from no other cause) the Provincial Treasury, in case our revenue fall off this year, as we have reason to apprehend, pay the interest from the principal, and next year, or year after, our imports will enable us to redeem it; and by that time, the revenue of Lower Canada will be more justly apportioned, so as a part will apply to pay the interest on those imports, and relieve Upper Canada from sustaining the entire burden, for the mutual benefit of the Lower Province.

21.—No.

22.—Yes, yes—the variation will depend wholly on the current value of gold and silver in New-York—therefore the precise amount of premium and discount cannot be foretold.

23.—It would accelerate it, for reason mentioned in answer to 12.

24.—Whenever they are resumed in New-York, and not before—be it one month or twenty years, on our *present system* of Banking, which is nevertheless a correct one.

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By R. STANTON, ESQUIRE.

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1.—The present commercial difficulties may be attributed to the sudden suspension of cash payments, by the Banks in the neighbouring States, and in Lower Canada—our own Banks at the same time continuing to meet their engagements by paying in specie, procured at a high rate, putting it out of their power to afford that continued accommodation by new discounts, without which the regular transactions of business cannot be carried on. These difficulties cannot, I think, be attributed to over-trading or speculation, as the returns from the Banks, which would enable us to trace it to such a source, if it existed, on the contrary, shew such an amount in circulation, as compared with the capital paid in, as clearly indicates a sound and healthy state of the trade of the Province generally. The condition of the Banks I believe to be such as to entitle them to the fullest confidence of the public, and that they substantially possess it. A return on their part to the usual accommodation, by discounts, would be the best mode of relieving the mercantile community from their embarrassments.

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2.—I should think not—because, every new discount would afford new means to continue the drain upon their vaults—while all others were refusing to pay in specie, they must become, at whatever sacrifice, the procurers of coin, to meet the demands from all quarters, which would inevitably be made upon them.

3.—I am not possessed of the necessary information, to enable me to answer this question.

4.—Among the reasons given for suspending cash payments in England, in 1797, and which continued for so many years without affecting either the character of the country or its mercantile honor—were; “That the Bank could not continue its discounts, and its payments in specie; and if its discounts were greatly reduced, the commerce of the country would be destroyed.

“That specie payments were of no benefit to England, as the specie on being drawn from the Bank, went abroad.

“That it was more important, that the Bank should exist, than that it should meet its payments at the expense of its existence.

“That it was better to stop specie payments, while specie and bullion could be kept in the country by that means.”

The difficulties under which we now labor, as compared with those which existed in England at that time, and which, for the reason assigned, led to a suspension of cash payments for so long a period, might be relied on as an answer to this question. In addition, it may be urged, that while our neighbours in all directions have resorted to the same means, it will be impossible for us to stand out alone against the combinations which must inevitably be directed against us, as affording the solitary source for them all to procure supplies of specie, as fast as we can import it, and our means enable us to procure it, at however ruinous expense.

5.—If the Banks were compelled to close their doors from an impossibility to carry on their business with convertible paper, the effect on commercial credit and prices generally, must be ruinous—for in such a case, it is to be presumed, that the Banks would have gone on to their last shilling—their specie all paid out and their doors closed, the country would be left without a circulating medium, except perhaps a remnant that might be found among us after foreign demands had been met.

6.—Under a continuance of existing circumstances, the Banks might certainly continue the emission of notes convertible into specie at the pleasure of the holder, so long as the capital stock held out to enable them to meet the sacrifice which must inevitably be made; while they were the only specie payers—when these means were exhausted, the machine would come to a stand still of itself. The collection of its debts must then ensue, with disastrous consequences to the community.

7.—I am not aware of the particular manner by which it has been carried on, but I am induced to think, that the largest sums have been withdrawn from the Chartered Banks, from their having been relied upon as the importers of specie for all others. From the statements made it would seem that up to the present period, the amount exported has not been very

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considerable; the demand from abroad can scarcely be said to have fairly set in upon us as yet, though the period cannot be very distant when it will do so. In any measure to be proposed, it would perhaps be well to guard against this mode of any Bank relying for its supplies of specie on the notes of another; each should depend on its own resources and exertions—all professing to be equally entitled to confidence.

8, 9, 10—Require to be answered by the Banks.

11.—The appointment of Commissioners, possessing a general superintendance over the affairs of the Banks. The Act to apply specially to the Chartered Banks, and conditionally to others, who choose to avail themselves of its provisions, and to place themselves under whatever restrictions and checks it might impose.

12 to 24.—With respect to the question generally, of an issue of debentures, to which these queries refer, I do not think that it would be prudent at the present moment to force as it were into the market, any of the loans authorised by the Acts of the last Session for various public works. It would be preferable, as I think, to allow them to continue as they are to be taken up by capitalists strictly as public securities. I apprehend that the Government has taken the necessary measures for bringing these loans before the British public—some of them may even by this time be negotiated; and when the market becomes settled and steady, they may all be taken up. Such an issue just now would not, as I conceive, afford any practical relief to the mercantile community. If the measure to be passed is such as will enable the Banks to resume their ordinary discount accommodation, it is as much as is required for the mercantile body.

As great anxiety however is expressed, to afford employment for the emigrants arriving among us, a temporary circulation might be provided by an Act for the purpose, authorising a home loan to be negotiated with the Chartered Banks here for a limited sum—say £150,000; of this, £50,000 to be applied under the Act of the last Session for roads and bridges in the several Districts, and the remainder in proportions to the most prominent of the other public improvements, including the various Macadamized roads. The loan might be arranged with the Banks, in consideration of the relief extended to them in the suspension of specie payments.

Under the direction of the Commissioners to be appointed, the Banks should be prohibited from parting with their specie on hand at the time of suspension, except fractional parts for change—being at liberty to make purchases as opportunity offered; they would thus be preparing themselves for the resumption, and when that period arrived, with prudent management, no very serious difficulty would be experienced.

By A. FERRIE, Esquire.

1 & 2.—I have reflected on, &c. and the result has been an entire conviction, that the original cause of the existing difficulties in our monied institutions was owing to the exchange on England in New York, &c. rising to an almost unprecedented height, and that owing to the late extensive failures all over the United States which led to *their* Banks stopping discounts for self-preservation, thereby creating such a scarcity of money as to disable their Merchants remitting to meet their credits in Britain in the usual way, (bills of exchange) and this urgency creating an excessive demand for specie there, raised *it* to such a high premium as to make it a profitable speculation to import specie from this country. Your Banks seeing this, naturally took the alarm, and refused all discounts, or usual accommodation to their customers, as *their* issues, to a certain extent, were sure to fall into the hands of those who would have no scruple to demand of them specie for their notes, to send to the United States, and thereby realize the said high premium; and which would have been repeated to such an extent as to oblige the Banks here to stop payment, owing to their vaults being drained of their last piece. Had your Banks stopped specie payments whenever these difficulties appeared, as those in the Lower Province did, they might have gone on granting their usual accommodation to their customers, and thereby prevented all the mischief and suffering to your Merchants, and others in the country, which has taken place, and which is sure to last and *increase* under the present system, to the ruin of the people and best interests of the country.

3.—Whatever the extent of the circulating medium may have of late been, it appears clear to me, that it never was greater than the real wants of the Province required, and the

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population and trade of it fully warranted. I do not think that your Banks being authorised to suspend specie payments, would at all warrant them making their issues exceed what they were before the present difficulties originated. And I can freely state with confidence, that the suspension of specie payments by the Banks in Lower Canada, has not in the least degree destroyed the confidence of the population in their solvency and security—even the ignorant country Canadians take their notes in exchange for their commodities quite freely, although dissuaded from doing so by a few designing demagogues, and a part of the press.

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4.—I consider it perfectly consistent with mercantile honor for the Banks to suspend specie payments, and then continue their business to a proper amount: not extending their business or issues beyond what it before was, or in any way taking an undue advantage of the protection contemplated to be given them, otherwise a severe reflection is cast on the honor and integrity of the Bank of England, who did the same in 1797, by and with the advice of both Houses of Parliament there, bodies which none but knaves or fools will ever charge with being dishonourable.

5.—All sudden and extensive curtailments in the usual circulating medium of a country, more particularly of a commercial one, has uniformly been, and must for ever be, the cause of great distress and bankruptcies, even amongst those who otherwise would have been quite solvent, *nay, probably rich*; and this arising from the consequent *reduction of value* of every thing which can be held by Merchants or Traders, even down to every species of fixed property. And it hence must be evident to your Honors, that every exertion ought to be made by every public body, as well as individuals, to avert so great a calamity, which if done in time, may be the means of preventing all this mischief, and the country generally being thrown far back in its prosperity.

6.—From what precedes this, your Honors will see that my opinion is, in the present crisis, it is impossible for the Banks in this Province to continue their usual issues and redeem their paper as called on, as the expenses of constantly replenishing their vaults with specie, would be attended with most ruinous expense.

7.—I do not know how far this question justly applies to the existing circumstances of the case in question.

8.—If the demand for specie has been tardy, it only proves that the native population of the Province are quite satisfied of the honor and responsibility of the Banks; and hence it is fair to infer, that the drain of specie from them to the extent to which it has gone, has been from the United States, or by those sending it there.

9.—I have an intimate knowledge of the mercantile intercourse between Upper and Lower Canada, and can confidently state that the intercourse has of late been greatly narrowed, originating from various causes, namely—the failure of crops, and consequent loss to the Farmers, and those at all connected with them; the scarcity of money arising from this; the inability of the Merchants to send to their furnishers at Montreal their usual and necessary remittances, to which comes to be added the alarm created in the minds of the Montreal Merchants, by your Banks having totally withdrawn all discounts and other facilities formerly given, to enable their debtors making the said remittances, &c.

11.—To prevent the Banks over-issuing during any *temporary* suspension of specie payments, the Legislature should prohibit their extending their issues beyond what they generally were before the suspension, and it should be made imperative on them to prove, by the oath of their Cashiers, &c. at the end of every quarter while this unfortunate necessity continues to exist, that they have not, nor are exceeding said limits.

12.—It is my opinion, backed by very many of the best informed Cashiers and others at the head of our Banks in Lower Canada, and Merchants also, that the issue of Government Debentures, as proposed, will only do as an aid to the suspension and usual issues of the Banks, and to make them be taken freely by the capitalists of *this* country, or any other, they must be made redeemable at and by some very respectable monied institution, either here or in Great Britain; if in the latter, they would in many instances answer the purpose of bills of exchange.

13.—I am doubtful that an issue of Government Debentures would not enable the Banks to continue discounts with their paper, and sustain commercial credit.

14.—Is answered in the 13th.

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17.—In the present depressed state of public credit, and great scarcity of money in this Colony, as well as in Great Britain and the United States, I think that no very large sum of these debentures could be sold for money, and none but real capitalists will be able or disposed to buy them.

To answer with any certainty the remaining questions, is beyond my capability: nay, a Prophet only could answer them with any degree of certainty.

By WILLIAM PROUDFOOT, Esquire.

1.—The present condition of trade and banking concerns of the Province is undoubtedly embarrassed, and without some relief from the Legislature, will result in many failures and much distress:—this, I am of opinion, is mostly owing to the pressure of the money market in the United States. The only way of obviating this is by assisting, or rather protecting the Banks, in a manner by which they will be enabled to discount, and relieve the mercantile community.

2.—I do not think the Banks, under present circumstances, can continue to make discounts and issues of their paper, and at the same time retain specie in their vaults—and for this reason, so long as specie payments are withheld in Lower Canada and the United States, so long will specie be at a great premium, and be an object of speculation. Were the Banks of Upper Canada to discount and make fresh issues, their notes would be sought after, bought up and brought in upon them, to obtain specie for exportation.

3.—For some years past the circulating medium in active operation in the Province, during its ordinary state of business, has in my opinion increased, during the past year, to about £555,000. Should specie payments fail, that issue of paper ought of course to be curtailed, to prepare for the resumption of specie payments, but to what extent I cannot at present exactly state.

4.—I do certainly consider the suspension of specie payments and the continuing of business thereafter discreditable to the character and credit of the Province; but discreditable as I think it is, unless some measure can be devised to give us a substitute for specie, that must take place, or the Banks cease to afford that assistance which at this time is so loudly called for.

5.—Should the Banks close their doors, the effect on the commercial credit, and Province generally, would be most deplorable. The Merchant, though able to meet all demands as far as property goes, would be unable to make his remittances—produce would fall, and a general stagnation of business of all kinds would take place.

6.—I see no other mode than the one suggested by the bill now under discussion in the Commons House of Assembly, on the issuing of Government Debentures, bearing interest, and enacting that no person prosecuting any Bank can recover costs, providing it is proved that a tender has been made in such debentures.

7.—The drain upon the Bank of Upper Canada, except from two or three other Banks, was individually small, and I think very little of the specie taken therefrom was sent out of the Province. Of other Banks I cannot speak.

8.—In the Lower Province, in consequence of the stoppage of specie payments there, the notes of the Banks of Upper Canada are held in more confidence, and circulate more readily there than their own; and on the frontier in the United States, in consequence of the withdrawal from circulation of Bank notes under \$5, our notes of a low denomination cannot be dispensed with as a circulating medium.

9.—So far as my knowledge extends, with the exception of last year, I am of opinion, that our mercantile intercourse with the United States has been rather on the decrease. The probable annual amount of remittances to the United States, I am unable to form a correct opinion.

10.—In 1835, amount of drafts on New York, were.....£159,068
In the year 1836, to June 1837, is..... 114,661

11.—I would appoint Bank Commissioners to supervise the Banks, and would limit their issues according to their specie in the vaults.

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12.—Referring to the bill before the Commons House of Assembly, already mentioned, such an issue of debentures as there suggested, would enable the Banks to discount in a limited degree, and those made payable in London would answer for exchange, and possibly might be the means of effecting some of the public improvements contemplated by the last Session of Parliament.

13.—I think it would to a certain extent.

14.—It would enable the Banks to resume discounts to a limited amount, and bring down the rate of exchange, provided the interest were made payable in London.

15.—I am not aware they have to any extent.

16.—Not over £60,000, or £75,000.

17.—If they were made redeemable in London, at a high rate of interest, the Merchants here might make use of them to a limited extent for remittances; I do not think any large amount would be taken up by persons residing in this country.

18.—I think forced sales of debentures could not be made, and they could not interfere with the money market.

19.—I do not think it would.

20.—The punctual payment of the interest on debentures semi-annually might be securely made through the Agents of the Banks in London.

21.—I think scarcely, compared to gold and silver.

22.—They might be at a premium compared with Bank paper who did not redeem their notes in specie.

23.—It would cause the Banks to retain their present supply of specie, to increase it hereafter, and thereby to facilitate the return to specie payments.

24.—The resumption of specie payments here must, in my opinion, necessarily depend upon the resumption of specie payments in Lower Canada and the United States; and the issue of debentures would enable us to do so sooner than we otherwise would.

Toronto, 27th June, 1837.

By THOMAS G. RIDOUT, ESQUIRE.

1.—The suspension of specie payments by the Banks of the United States, and the Banks of Lower Canada, has no doubt caused an unusual demand for specie on the Banks of this Province, and has prevented that accommodation which the trade had heretofore received, consequently commercial embarrassment has taken place, and will continue to be felt as long as the cause exists, or can only be relieved by less imports of goods and greater exports of produce.

2.—The Banks, under present circumstances, cannot continue to make new discounts and issues of paper, and at the same time retain specie in their vaults—because, both in Lower Canada and the United States, specie bears a high premium; and a man could not do a more profitable business than to convert Bank notes into gold and silver, and sell it in a foreign market: especially, if he can first obtain the Banks by means of a discount.

3.—The average amount of circulating medium in active use within this Province was probably £550,000, consisting of—

Provincial notes,.....	£450,000
Foreign notes,.....	50,000
Specie,.....	50,000

The present circulation may be estimated at £450,000, viz:—

Provincial notes,.....	£300,000
Lower Canada notes,.....	75,000
Specie,.....	80,000

£455,000

The two latter will increase as the former is diminished, and I do not think that the circulating medium will be less, under any circumstances, than £350,000.

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4.—It would not be consistent with mercantile honor, and the character of the Province, for the Banks to suspend cash payments, and yet continue discounts; if a suspension cannot be avoided, then I think that business ought to be curtailed within the narrowest limits: this would be the quickest and surest remedy for the evil. Viewing bankruptcy on its present grand scale, it appears to me, that any discredit attached to it is so divided, that very little attaches to any one. I do not imagine that it would be safe for the Banks to extend their business; they might, however, afford a great deal of accommodation without increasing their loans.

5.—Should the Banks be compelled to close their doors, commercial credit would sink: and if inconvertible notes were in circulation, prices would rise in proportion to the depreciation of Bank note paper, but profits would be merely nominal—for the Merchant, in making his remittance, would be obliged to sacrifice all his extra gains, in order to purchase specie or a bill of exchange.

6.—I do not think it practicable for Banks to continue emissions of notes convertible into specie, at the pleasure of the holder, until they shall have so reduced their notes in circulation, and also their deposits, as to make them easily manageable. When they shall have done this, their new business can be readily brought to the standard of specie; all new deposits will be reduced to that scale, and their exchange purchases must be at the same rate—for however bad the old business may be, yet the Bank is not obliged to enter into new transactions at a certain loss; and the Bank may then freely issue its notes, which will pass at a par with specie, and moderate discounts may be safely made, to be re-paid in specie or its equivalent.

7.—It is probable that the greater part of the specie, say two-thirds of that lately drawn from the Banks, still remains in the country, but a small proportion has been sent to the United States. The principal part of the run upon the Bank of Upper Canada for specie, has been made by the four private Banks of this City.

8.—As Bank Notes become scarcer they are not presented for specie in such large sums as they were during last month; this affords the Banks the advantage of time to replenish their vaults by actual importations of silver and gold. A certain quantity of notes of specie paying Banks will be kept afloat, against every unfair means that can be used by private Banks to collect them; and as they cannot be bought but with gold or silver, we cannot yet calculate what amount may be kept afloat under such circumstances, it may be one-third of the average of former issues.

9.—The following is an abstract of the bills discounted by the Bank of Upper Canada, on Lower Canada and the United States, during the last two years:

22nd June, 1835, to 1st July, 1836—On Lower Canada, £358,868; on New York, £44,744.

1st July, 1836, to 22nd June, 1837—On Lower Canada, £428,348; on New York, £72,918.

June, 1835, to June, 1836, amount of Bank drafts on New York, £159,068.

June, 1836, to June, 1837, do. do. do. £114,661.

June, 1835, to June, 1836, do. do. on Montreal, £464,167.

June, 1836, to June, 1837, do. do. do. £497,542.

11.—A Bank issuing inconvertible notes should be restricted to the amount of its capital paid, perhaps two-thirds would be a safer restriction, as well for the Bank as for the public; they should make weekly returns to the Lieutenant Governor, which ought to be published for general information: confidence will then be placed where it is due.

12.—An issue of Government Debentures, payable in one, two and three years, bearing six per cent. interest in this country, and five per cent. in London, payable at the Bank of England, might answer some good purpose, especially the latter, as a medium of Exchange to England, but at a great sacrifice to Government, as they would lose the exchange of the day, and would be obliged to retire them at maturity, by a remittance of Exchange, at any price, however high.

13.—The Army bills alluded to were redeemable at Quebec whenever presented, by a bill on the Treasury, at thirty days, bought at a discount of from seventeen and a half to twenty-seven and a half per cent. This depreciation of their bills cost the Government, during the last war, about a million sterling, and was owing to the depreciation of Bank note paper in England—the Bank having for many years suspended specie payments.

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Province notes for small sums of five dollars and upwards, would probably receive better circulation than Bank notes, provided they were redeemable at sight, at the Receiver General's Office, by his bills on London, at the current rate of exchange at New York or Montreal, at the option of the party drawing—it being presumed at first that the Receiver General had raised funds in London by the sale of the Provincial Debentures—by this means the Government would never have any occasion for, or be obliged to make use of, suspended Bank note paper; such a measure would relieve our foreign trade: but as there is but little prospect of a speedy return of cash payments, the great difficulty would be for the Government to provide ways and means to retire their debentures in London as they became due; that is, however, for the Parliament to consider.

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14.—The mere issue of debentures will not afford relief to the mercantile body, as in the first instance they must be bought from Government with specie, or its equivalent.

15.—I do not think that any of the Debentures authorised to be issued by the Acts of the last Session have been yet taken up, excepting one for £500.

16.—If it can be ascertained that Government Debentures will find a ready market in London, there is no saying to what extent they might be issued.

17.—It is not probable that debentures to any great amount could be disposed of at this moment. The principal purchasers would be Emigrants, and they would only buy on condition of redemption at any moment they wanted their money for other uses.

18.—Forced sales of debentures could not be made, and therefore they could not interfere with the money market.

19.—If public credit becomes mingled up with commercial and private credit, now at a discount, the former will of course be impaired.

20.—The punctual payment of interest on Government Debentures depends upon the Government. The half-yearly amount of interest might be securely deposited in the Bank of England, for those debentures payable in London.

21.—I do not think that during the general depression of the money market of America, that Government Debentures of this Province, at twenty years, or even for a shorter term, will not sustain their value at an equality with the current coin of the Province.

22.—Supposing the Banks to suspend specie payments, debentures will most likely be at a premium when compared with Bank paper, and at a discount when compared with gold and silver.

23 and 24.—I cannot presume to say what the effect would be.

Perhaps an Act merely to save the Banks from forfeiture of Charter for a limited time, in case they should be compelled to stop specie payments, would be the best remedy for the present evils, the necessity for such stoppage being first proved to the satisfaction of the Commissioners, and approved by the Lieutenant Governor.

SPECIE IMPORTED.

From London, in 1834,	£66,666	
“ New York, do.	50,000	
		£116,666
From London, in 1835,	£14,444	
“ New York, do.	65,000	
		79,444
From London, in 1836,	£ 5,555	
“ New York, do.	30,000	
		35,555
From New York, in 1837,		20,000
		£251,665
Besides, we have, on the way from New York,		20,000
Total imports,		£271,665

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		EXPORTS.	
1834.—	Gold sent to New York,	£ 47,636
1835.—	Gold do. do.	£19,809
1835.—	Silver do. do.	41,817
			61,626
1836.—	Gold do. do.	.....	£15,493
1836.—	Silver do. do.	.....	20,053
			35,546
Total exports,		.....	£144,808

By R. C. HORNE, ESQUIRE.

It can hardly be questioned, that an utter prostration of business of every kind must ensue, if some measure is not devised to enable the Banks to resume their accommodations to the public. Yet, that they cannot do so without protection, is equally undoubted. For it would be impossible for them to procure a sufficient supply of specie, unless at a ruinous expense: and the whole amount now in the Province would immediately disappear, either by being locked up by those who could afford for a time to keep it idle, or it would be more or less rapidly conveyed to the neighbouring country, where it commands so high a premium, either in payment for goods bought by our Merchants, or for articles smuggled into the country by petty traffickers, as is already the case to a considerable amount.

The suspension of cash payments by the Banks would prove an evil of such serious consequence, and the state of the commercial world on this continent is so entirely unprecedented, that measures which, under ordinary circumstances, would deserve the severest reprobation, become necessary, in order to avoid evils of much greater magnitude.

One of the remedies proposed is, to make Government Debentures, in fact, a legal tender, in payment of Bank notes. The manner of doing this is so indirect, yet effectual, that at best it can only be viewed as a species of crooked policy; and what is more to the purpose, it will prove utterly inefficient for the object proposed.

Supposing a Bank to be in possession of a number of Government Debentures, so low as £12 10s. each; the holder of its notes has only to present them himself, or by the agency of a number of friends, in parcels containing \$49, or less, and the Bank will be obliged to pay the whole in specie; with the great additional disadvantage of the appearance of a run, by the continued and persevering applications of the parties waiting to be paid.

An effectual relief may be afforded to all the Banks, and at the smallest possible departure from the precise terms of their charters, by the following plan, which of course, is open to much alteration and improvement, in the progress of discussion.

Let a temporary Act be passed, making the notes of the Upper Canada Bank of five dollars and upwards, a legal tender, in redemption of the notes of five dollars and upwards of the other recognised Banks of the Province; its own notes under that amount being also redeemable in specie, as heretofore. Should specie payments be resumed in the mean time in the States, the Lieutenant Governor might be authorised to suspend the operation of the Act by Proclamation, giving six months' notice.

No foreign note under five dollars being allowed to circulate in the State of New York, very few would be presented from that quarter; and the demand being in a great degree confined to the Province, and for comparatively a small amount, it would not be difficult to maintain a sufficient supply of specie for that purpose, the more especially, as gold must necessarily be brought here in large quantities by the Emigrants coming to the country.

Some check might be deemed necessary to prevent a redundant issue of irredeemable paper; but the issues being submitted to the Legislature, and the Act temporary, it would be the imperative duty of the Bank to govern its circulation by the amount of specie on hand, so as to be fully prepared whenever the Act should cease to protect it, the more especially, as it would then be directly called upon by the other Banks to pay the balances in specie, for a considerable amount of notes held by them for a temporary purpose. The issues of the other Banks would be controlled by the Bank of Upper Canada demanding specie for any balances over and above the amount they could redeem in its notes.

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The Bank so protected could immediately take up such of the Government Loans as are most pressingly required, and the active business of the country resumed at once. It may be necessary to enact, that not less than one-tenth of all Bank issues should be under five dollars, which would be sufficient to keep the requisite amount of small notes in circulation, as probably not one-half would be presented for specie. The effect of the whole measure would be, that one dollar only may be required, where, without protection, at least fifteen must be provided by all Banks of issue.

To give full effect to this expedient, and to prevent any such inconvenience in future, the present exigence should be made use of to provide a Provincial Currency, which would protect the country from speculation from without, as well as avoid in a very great degree the necessity of importing specie from New York, at a most burdensome expense, as the Banks could then afford to draw upon that City for the accommodation of the public, at or near par.

The coins most essentially required are, of silver—shillings, sixpences, and perhaps three-pences; and of copper—halfpence only; at the rate of £90 sterling, equal to £110 currency, which as bullion would be nearly the value of the American half dollar.

The Mother Country has shewn herself so truly liberal in acceding to every reasonable request made by these Provinces, that should an application be made by the Legislature for an especial coinage of silver and copper, adapted to the wants of the country, it would assuredly be immediately granted.

The expenses attendant upon the importation of the new coinage might be borne by the Province, or the Bank of Upper Canada might be required to import a certain amount, in requital for the privilege of having its notes made for a time a legal tender—the sum to be proportioned to its issues of notes.

By JOHN S. CARTWRIGHT, ESQUIRE.

1.—Situating as Upper Canada is, and with the balance of trade against us, both with the United States and Lower Canada, she must be greatly influenced by whatever occurs to disorganize the commercial affairs of either, particularly Lower Canada, who are almost wholly our importers. I have no doubt that the great neglect of Agriculture, (which was too tardy a method of obtaining wealth for the sanguine and speculative temper of the people of the States,) the insane speculations in real estate, based on false or factitious capital, and the depreciation in the value of their exports, particularly cotton and tobacco, has been the chief causes of distress in the neighbouring Republic. The great facilities of procuring money afforded by the numerous Banks, (all too anxious to do business without sufficient discretion,) have induced, and perhaps encouraged, speculators to embark in undertakings almost desperate, and which no prudence can justify. A convulsion has taken place, and its consequent results, a want of confidence, which has extended itself to Lower and Upper Canada. Lower Canada having been obliged, or having been induced to suspend specie payments, has added materially to the difficulties in Upper Canada; and as we are compelled to pay our debts to the Sister Province, she has a decided advantage in the exchanges, which is very injurious. As regards Upper Canada, although I am not aware of any desperate speculations, I have reason to believe that many are entered into without means, and liabilities incurred which can only be relieved by Bank accommodation; and when capital has existed with Merchants, I fear a portion of it has been abstracted from the more prudent and legitimate operations of trade, for the tempting though delusive profits accruing from the sudden but uncertain rise of real estate. The Banks of Upper Canada have hitherto done a safe and profitable business; and it is generally admitted that they have been of material advantage both to the agricultural and commercial community, to whom they have given great facilities, and have continued these credits so long that the public have relied upon it, and have arranged their business accordingly. It is immaterial to inquire into the question whether Banks were chartered for this purpose or not—it is sufficient to know that they have been in the habit of receiving it, and it cannot be suddenly withdrawn without producing a total derangement, bordering on bankruptcy. In consequence of the run on all our Banks, caused by a variety of circumstances beyond their control, the accustomed accommodation is of necessity withheld, and the Merchants suddenly deprived of

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their usual facilities, and unless measures be immediately adopted to enable Banks to afford these accommodations, the whole mercantile community both in Upper and Lower Canada must fail. It is a difficult question how this can be effected under present circumstances. I would say, suspend specie payments, under certain restrictions. It does appear to me utterly impossible for so small a portion of the world as Upper Canada, with the rate of exchange always against us, to withstand the world. No Bank can give any accommodation whilst specie is at a premium of twelve per cent.; for they get one and a half per cent. for their discounts for ninety days, when in less than an hour they may be called upon to redeem in specie, for which they have paid twelve. With proper safeguards, I do not apprehend great danger in the resumption of specie payments. I would limit the issues of Bank paper to the paid up capital of the Banking Institutions, by which means it would not exceed the legitimate wants of the country, requisite for business transactions, it would never become depreciated within the Province, and by compelling the Banks to redeem their one dollar notes in specie it would prevent that scarcity which a total suspension produces. Within the last few weeks, (from the 10th of May, to the 26th of June,) the circulation of the Commercial Bank has been reduced from £169,000 to £107,000, upwards of £62,000; and taking this as the average of the others, more than one-third of the usual circulating medium has been withdrawn, which has added greatly to the commercial embarrassments. If this is not deniable debentures must be resorted to. The issue of debentures to a prudent extent would enable the public works (I mean those likely to pay,) to proceed—the Banks would take them for their paper, (provided they were allowed to tender them in payment instead of specie.) This would at once give employment to a large and numerous class of persons now depending on their daily labour for subsistence, and thus convert consumers into producers. It would fill up the vacuum in the circulating medium—prevent the demands from without—and by thus placing the Banks beyond the vexatious demands of those who, though they refuse to redeem their own paper, are abstracting all the specie from this Province, enable them to grant accommodation. I should recommend the debentures to be payable in small sums, say £10 to £100, within the Province, and £100 and upwards in London. The interest could be paid to the Banks, who should be required to pay the holders in London, at their agents, and at their counter in this Province.

2.—I have answered this in the former.

3.—I believe there has always been a scarcity of money in this Province, as compared with other countries; I should estimate the average amount of the circulating medium at £500,000. I think the legitimate business of the country requires that amount, under any circumstances; and in the event of a suspension of cash payments, limiting the issues of Bank paper to that amount, would prevent any great depreciation. The Banks would mutually regulate their exchanges, and thus be a wholesome check on each other: and no Bank would venture to issue more than its fair proportion.

4.—I do not consider that the suspension of specie payments, (under existing circumstances, and under limitation,) can compromise the character and credit of the Province, to the extent that I apprehend must result in case a suspension does not take place, namely—universal bankruptcy; and would not be half so injurious to the country as a continuance of the present embarrassments.

5.—It is impossible to contemplate the effect with ordinary feelings; property of every description would become depreciated beyond conception; the Banks would immediately proceed to collect their debts—and when it is considered that the public owe them nearly one million of pounds, and that the whole circulation is not much beyond a fourth of that sum—it is impossible to foresee its ultimate results.

6.—Such an object cannot be accomplished.

7.—Almost all the small sums that have been withdrawn from the Commercial Bank, were by persons resident within the Province; but all the large sums, except in one or two instances, by persons resident without the Province.

8.—I do not think that the return of notes has been tardy, when more than one-third has been withdrawn from circulation since the present embarrassments commenced—some portion must remain to carry on the ordinary business of the country—though I have no doubt that many persons who have confidence in the Banks have used their best exertions to prevent the bills from coming in for specie, and have in some instances succeeded.

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9.—I cannot give any answer to this question.

10.—The chief part of the funds of the Commercial Bank, in New York, was employed principally in the purchase of exchange on London. The amount of drafts drawn on our Agents in New York, by the Commercial Bank, has never exceeded twenty-five thousand pounds, in any one year.

11.—Restriction to the paid-up capital, and the redemption of the one dollar notes.

12.—Immediate relief to all classes, as before observed, by enabling the Banks to grant accommodation, and enabling the importing Merchant to remit these payable in London, instead of bills of exchange, in payment.

13.—I think it would sustain commercial credit.

14.—By enabling the importing Merchants to facilitate their remittances—the increase of the circulating medium—consequent ability to pay debts.

15.—To a very small extent; capitalists being enabled to make more than six per cent. by the purchase of real estate, a large amount of which is now in the market, at far less than its accustomed value. Another reason alledged is, that they are payable in this Province, and that they can only be tendered for at the office of the Receiver General, and consequently not sought for by capitalists from without, but that if payable in London, they would be eagerly sought after.

16.—Not exceeding £200,000 this year.

17.—I have no doubt, if allowed to tender them in lieu of specie, and that if their notes would be received in payment, the Banks would take them.

18.—It would at once reduce the premium on exchange, which is 15 to 20 per cent. against us, and thus at once be a saving to the Province.

19.—I do not think the credit of the Province would be impaired by the issue of debentures, provided care was taken to secure the punctual payment of the interest.

20.—From tolls on those works that pay, which would be on all the Macadamized roads, and many others, and the interest could be remitted to London, through the agency of the Banks.

21.—Certainly; unless there was an over-issue, which always causes depreciation.

22.—I think the debentures, payable in London, would be at a premium when compared even with gold and silver, as being a much safer investment, and as compared with the metallic and paper currency, in proportion to the difference between the value of gold, &c. and paper.

23.—I do not think it would be productive of any serious consequences, as all those payable in London could be converted into specie. I express this opinion, however, with some hesitation.

24.—It is impossible to answer this question with any degree of accuracy. In my opinion, it will depend on the resumption of specie payments in the United States and Lower Canada, particularly the last.

Toronto, 29th June, 1837.

I cannot give an opinion as to the probable amount of foreign notes in circulation on the 1st of May, though it was very small. The amount at present is much more than usual, owing to their being issued by more of the Banks. The amount, I think, cannot exceed thirty thousand pounds, but it is conjecture.

By C. MILLER, ESQUIRE.

1.—Opinions respecting the present condition of the trade and banking concerns of the Province, are so varied and contradictory, and so much may be said pro and con, that I cannot, in the present instance, express a decided opinion respecting the best mode of relieving the mercantile community from their embarrassments; but I venture to say, it does appear to me, that a spirit of over-trading and of undue speculation have been of late widely diffused over the Province. A plurality of banking institutions tend to foster such propensities; and as a preventive to future disasters, I am of opinion, that there should be but one Bank of issue in the Province, under such Legislative control as would guard the public from the danger of an over-issue in the paper currency.

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2 & 3.—I think the Banks could now with safety make a *small* addition to their issues, but certainly not to a *great* extent; for then trading with the United States, which I believe to be now almost entirely suspended, would be resumed, and importations, particularly illicit, from thence, having necessarily to be paid for either in specie direct, or in notes of the Province, which would immediately be returned upon the Banks. So long as British coin continues in demand, and at such a premium in New York, as to yield a profit even upon its current value in the Province, there is a positive inducement to foreign holders of such notes to send them in for payment. On this point I beg leave to submit, for the consideration of your Honorable House, an Act for the prohibition of the exportation of specie from the Province, as one tending to the protection of the Banks against demands from the United States, as well as from Lower Canada.

4.—I think a *voluntary* suspension of cash payments, and a continuance to do business, would not be consistent with mercantile honor; and I *do not* think such a measure on the part of our Banks is immediately called for by the state of the country. But as the Legislature is now in Session, for the express purpose of affording protection to the Banks, &c. perhaps the suspension of specie payments should be *compulsory*.

5 & 6.—I have not the means of arriving at a conclusion on the point of these queries; but, perhaps, a part of the foregoing answers may not be deemed irrelevant.

7.—I cannot say, *the subject not* coming under my immediate notice.

8.—It appears to me to rise from a very small portion of our Banks' circulation being now in the United States, and that their total circulation is barely sufficient for the natural course of business within the Province, even in its present depressed state. I come to this conclusion by comparing the estimated amount of the Provincial population with its amount of paper circulation, as shewn by the lately published statements of the affairs of the three Chartered Banks.

9 to 24.—My knowledge of facts, and general means of information, are not such as to enable me to give the required statements, or to express a correct opinion on the matters contemplated in these questions.

Kingston, 29th June, 1837.

By B. THORNE, ESQUIRE.

1 and 2.—The large amount of circulating medium that has been withdrawn by the Banks since the early part of May, and the long cessation of discounts by the three Institutions, without the announcement of any failure among the mercantile community, shew a solidity and soundness that few countries can boast of, and evidently shew that there has been no over-trading, and that the operations of commercial men have been confined to legitimate objects.

From the suspension of specie payments by the Lower Canada Banks, there has been, no doubt, considerable indulgence extended by the Merchants of the Lower Province to their debtors in Upper Canada, which must have greatly relieved the pressure that the whole trading community would have been under, had all demands been scrupulously exacted. It cannot be denied, that it has even enabled our Banks to maintain their high position better than they could have done had there been no kind of facility afforded, in the way of discounts and otherwise, by the monied institutions of Lower Canada.

The stand taken by our Banks, and the time they have now maintained such a proved pre-eminence is the best proof of their resources, and should inspire confidence in their management, should Legislative relief be extended to them. I do not see that they can with safety go into any new business without some relief. Without accommodation to the mercantile community they must remain in a state of torpor, both as regards our export and import trade; but few, if any, are sufficiently wealthy to go into the extended operation of importing specie to pursue the former, and the latter must consequently be unable to dispose of their goods or to make remittances. Banks are the medium through which all the monied transactions of the country have passed, and if their undivided attention is given to the discharge of their debts, which must be the case if a redemption in specie is maintained, as has already been fully exemplified, the great indebtedness of the United States to England must continue to keep exchange on that country very high, and create an unusual demand for the precious metals,

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inasmuch as the want of confidence gives a decided preference to the latter over bills as a means of remittance, both for new transactions and the return of capital that has been invested in American securities, much of which will be recalled.

We are unfortunately thrown upon a country so situated for a supply of Specie. It is true, that whatever exchange we have upon the Mother Country will command a high premium; but even under the most favourable disposition that can be made of it, I apprehend that no institution, to get one and a half per cent, would venture to put its paper into circulation, as it would quickly be returned upon them for redemption. The continued drain upon their vaults, cannot but make all loans at common interest unprofitable that are made in issues convertible at will of the holder, so long as there is a suspension by the Banks of the United States and the Lower Provinces. It may be asked, what can be given in exchange for the paper—Would we not take upon ourselves all the trade of Lower Canada with the United States? Would not our paper be a remittance for all their importations, as well as for any monied operations in exchange, and other transactions that would daily present themselves? Would not our paper be immediately returned upon us for payment? Have we, in short, such an accumulation of realized wealth, as to assume the high position of not only carrying on our own trade, but also to furnish means to others?

3.—This must depend upon the amount and value of our exports, and the influx of capital by emigrants, and bills drawn by persons resident in the Province. For the last two years, I should say, the average has been upwards of five hundred thousand pounds, of all kinds of paper; the amount of gold and silver it is difficult to ascertain—it does not, perhaps, bear a greater ratio than ten per cent to the paper.

The wet harvest of 1835, and the reduced value of wheat from that cause, must have lessened greatly the amount in the hands of the agricultural interest. The crop of 1836 brought high prices, but was deficient in quantity, as compared with former years.

As long as paper is issued upon the productive industry of the country, (for labour is the foundation of value,) and the value of these products is regulated by the comparative value of similar products in countries to which they can be exported, and upon the influx of capital, whether in the shape of bills of exchange or otherwise, there can be no excessive issues, and consequently, no danger to be apprehended by the holders of paper issued upon these sources of income, even though it may not be immediately convertible into specie.

It is when issues of paper credits are made upon engagements, predicated upon imaginary wealth, upon fixed and unproductive property, that they become unsafe, depreciated and unsound; and therefore it is, that the power of making money, of constituting a representation to every man's industry and property, should be entrusted to but few bodies whose general action can be brought under wholesome regulation—more particularly, where the representation of value is not convertible at the will of the holder into hard money. Under ordinary circumstances, the far fewer the Banks of issue the better, but this is more particularly called for where unforeseen circumstances render a suspension necessary.

4.—Had we by our own conduct brought upon us the necessity of suspension, it would deeply affect our honour and credit, but inasmuch as it will be manifest to the Mother Country that we have resorted to this extremity to keep ourselves out of the influence of the monetary embarrassments of our bankrupt neighbours, the commercial world will attribute our doing so to self-preservation, and I should say, would approve such a course as best calculated, under the circumstances, not to impair our ability to discharge any obligations that we by the course of our trade might have come under. We know that in the ordinary course of trade no honest and industrious man can compete with a bankrupt, without the risk of alarming those who may have entrusted him with their property. Though we may have recourse to suspension as regards our trade and individual exchanges, it does not follow that the Provincial Government should resort to this expedient: her faith must be preserved in the payment of the Government creditor, even though the expense of a few thousand pounds should be incurred thereby.

In the suspension by the Bank of England, in 1797, the Army and Navy were made exceptions, a clause having been introduced into the bill, that the Army and Navy should be paid in specie.

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The Commissariat account should therefore be an exception, should the Bank of Upper Canada act under law passed for the suspension of specie payments.

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5.—A general depression upon the trade of the country, if not amounting to inability, at least to a tardiness in paying our foreign debts that would be injurious to our credit. The indebtedness to the Banks so far exceed the amount of paper to gold and silver in circulation, that we should be left without any circulating medium—should be reduced to a system of barter—a reduction in our imports, and a commensurate diminution in our Provincial income, which, as compared with our public engagements, would, I am fully persuaded, be to a ruinous extent.

6.—The Banks can only supply themselves with specie by bills of exchange, and I do not think that the amount to be obtained would be sufficient to furnish them with the necessary supply, should they make emissions of paper upon discounts. I doubt if Provincial Debentures would command specie in the monied emporiums of this Continent; and I would object to acting upon Provincial credit in that way beyond the amount of our annual income, to exceed it in the present state of the money market would be fraught with much future mischief. It is safer to act upon realized wealth in the present state of things, than upon that which is only in perspective and even doubtful returns upon the expenditure.

7.—I should suppose many have exchanged their paper with a view of profit—many have been influenced by fear—many with a disposition to annoy, and political bias—many are intensioned through ignorance, having been acted upon by the malevolent publications of a designing individual.

I do not know what amount has been returned to the Banks; from our daily intercourse with the United States there doubtless has been considerable "suction from without."

8.—Over so extensive a country and widely scattered population, the movements and exchanges of trade must of necessity be tardy. A large amount of the paper now out being in the hands of people whose confidence in the Banks remains unbroken, they only part with it as their wants require.

9.—The intercourse with the United States has increased these last two years; the high artificial prices of almost all commodities, more particularly the staple productions of the soil, having induced the Americans to become purchasers in the Province, from the abundance and cheapness which prevailed, as compared with their own country. But it is one of the most settled principles of trade, that extremes always beget extremes, and therefore I look forward to excessive cheapness for all kinds of natural wealth, in exchange for the precious metals; and if we continue to pay them out that we shall be flooded with property of all descriptions; for be it remembered, that we have not her protecting duties, and even if we had, the facility of smuggling upon so extensive a frontier would be no great bar to its introduction.

What would be the situation of Great Britain were they equally disposed to the introduction of all the productions of Continental Europe? The paper system, which is the life and soul of that country, under her enormous debt must explode, and general bankruptcy be the result.

11.—I would allow the Chartered Banks to issue one and a half the amount of their capitals, obliging them to keep, on an average, one-third of their capitals in specie in their vaults. I would issue about sixty thousand pounds in debentures, to regulate the exchanges between them, where it could not be mutually done by exchange on London, or the monied emporiums of this Continent; this would have the effect of preventing any of the Banks from the over issue on discounts, as effectually as if they had to pay their balances to each other in specie. These debentures would have to be taken up by the Banks, and should be issued on works now in progress.

12.—Having already stated my impressions in reply to question number six, renders it unnecessary to repeat my opinion.

13.—The little difference between a suspension for a limited time and this process, but attended with extra labour and expense to the Banks in making fresh issues. The principle and effect are the same—it only alters the mode of action.

I suggested to the Bank of Upper Canada issuing post bills for small sums at sight, on New York or Montreal; had the Banks generally done so, their business of discount and other-

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wise would have been greatly facilitated. These post bills would have carried on the internal trade of the country, and been taken off to their destination when required for the payment of debt or otherwise; within the Province their notes took that course in our former state of affairs.

Knowledge seems no qualification for the direction of monied institutions in this Province. Men are elected as Directors, to whom, as far as integrity is concerned, there may be no objection, but who know as little of the principles of money and trade as they do of astronomy, or any other science they have never studied.

14.—These debentures could only be issued for gold or silver, or the paper of a specie paying Bank, and could not therefore be obtained upon discounts, which I presume is what the mercantile body require, to assist them in past as well as future operations.

15.—Can be best answered by the Receiver General.

16 and 17.—I refer you to my previous answers for these questions.

18.—I think a large issue of debentures, in the present state of the monied market, would depreciate the credit of the Province.

19.—It may have the effect of supporting commercial and individual at the expense of public credit, which of all others should be preserved; the credit of a country is pretty much like that of an individual, it depends upon its income and probable resources. These may sometimes be overrated, which almost invariably leads to abuse and misapplication.

20.—Must be paid out of the Provincial Revenue, or the proceeds of new loans; if depending upon the latter to any great extent, is no indication of internal prosperity. I do not mean to say that we may not frequently act with safety upon anticipation.

In a new country, more particularly, anticipation is interwoven with the whole frame work of society, and is more or less daily acted upon in our own varied undertakings; but like all other things in this world is liable to abuse.

21.—I do not think they will, if there be too large an issue.

22.—At a par as compared with paper, but at a discount as compared with gold and silver, since the latter would be applicable to trade in any part of the world.

23.—If you issue too large an amount it will seriously protract the resumption of cash payments.

24.—With the plan I have proposed the Banks can resume at any time, and without depreciating the value of the debentures, should the state of the money market in the neighbouring States, and a return to a better state of things in that country, dictate such policy. It is only to keep ourselves out of the pale of their embarrassment that we resort to it.

By H. SMITH, Esquire.

1.—The best method of relieving the mercantile community from their embarrassments, is to sustain the Banks to the utmost possible degree of propriety, which is consistent with the safety of the public. I think there are generally throughout the Province, more Merchants and more goods than the wants of the people require. I have no knowledge of the affairs of any other Banks than those which are chartered, and which seem to me to be conducted in the most prudential manner.

2.—Not unless the law respecting them is altered: because, the amount of specie in their vaults is already far below the amount of their issues.

3.—I do not know the amount of the circulating medium of the Province, but I think it is larger than in prudence it ought to be, so far as the borrowers of money are concerned.

4.—This depends altogether upon circumstances; but should the Legislature determine to support the Banks in the measure of withholding specie payments, I think the restriction ought to be limited to a certain period, between six and twelve months. I am, however, of opinion, that the Banks, by ceasing to discount, (judging from the demand already made upon them,) will be able to redeem their notes when presented for payment. In this case, of course, both the interests of the Banks and those of the mercantile community must suffer to a certain extent. The choice of advantages, therefore, is Provincial honor, or Provincial prosperity.

5.—The unsettling of business for a long time to come, and ruin to many.

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6.—There is no possible way for the Banks to be at all times able to redeem their paper, but by limiting their issues to the amount of specie in their possession; but this would so cramp their operations as to render their business any thing but profitable, and indeed, would cause the existence of Banks in this Province to be almost useless.

7.—I believe that most of the specie that has been drawn from the vaults of the Banks has been exported.

8.—To the confidence the public have of the solvency of the Banks, as well as their necessary use as a circulating medium.

9.—I think our business with the United States does not keep pace with the increasing wants of the Province, nor in proportion to the increase of its population. This is in a great measure owing to the imitation by the British manufacturers, of many articles that were formerly imported from the States, and which are now furnished at a much lower rate than they can be by American dealers. A few years ago I travelled with one of the partners of the principal mercantile house in London, connected with the trade of Canada, who made it his business to select patterns of several articles of American manufacture, with a view, as he told me, of having the same description of goods made in England, which he subsequently carried into effect; and I have reason to believe, from my own experience when engaged in mercantile pursuits, that it was the means of our business with the United States falling off to a very considerable extent. There are now so many importations direct to Upper Canada, that it is impossible to state whether our business with the Lower Province is increasing or not.

10.—I have no means of ascertaining.

11.—Whenever the specie in the vaults of a Bank amount to more than one-twentieth of its issues, I would prevent it discounting, until the proportion of specie possessed by it was equal to ten per cent. of its circulation or paper.

12.—If the Government would take the notes of the Banks in exchange for debentures, such issues would be of infinite service in sustaining the Banks.

13.—I think it would, with the condition stated in the last answer.

14.—By enabling the Banks to extend their assistance to them; provided always, that the Government will receive the notes of the Banks.

15.—I do not know.

16.—I think from one hundred to one hundred and fifty thousand pounds would be sufficient.

17.—The Banks would, no doubt, purchase debentures to a much larger amount than that stated in the last answer, but as they could only purchase with their own notes, it might not be deemed expedient to dispose of a greater amount than was absolutely necessary for the purpose mentioned in the 14th question.

18.—If debentures were not issued to a greater extent than is sufficient to afford relief to the mercantile body, I think the sale of them would cause no alteration in the money market.

19.—This depends in a great measure in the prudent co-operation of the Banks, and judging from experience, I think there is little danger of the public credit being jeopardized by the management of their institutions. I think, however, it would be right, by Parliamentary enactment, to put it out of their power to go beyond the line of prudence in their issues, for which purpose, during this assistance afforded them by the public credit, they ought to be restricted in the amount of their circulation.

20.—I do not know.

21.—They would, if their amount was not too large.

22.—If the amount of debentures and Bank paper in circulation be not too large, I think there will be little, if any difference between the metallic and paper currency.

23.—I do not know.

24.—This depends altogether on the amount of their issues between the present time and the event referred to.

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By T. C. PATRICK, Esquire.

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I.—I have reflected deeply on the existing commercial difficulties; and I will not, as I am called upon by your Honorable Committee, hesitate to declare, that I consider “the present condition of the trade and banking concerns of the Province” to be most critical and alarming—not from any imprudence or misconduct on their own part—but from the rapid and fearful diminution of the circulating medium, which, as the law now stands, is unavoidable.

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Money, as every one knows, is the medium through which commerce, trade and agriculture, and all the transactions of civilized life are carried on: and in proportion to its abundance, sufficiency or scarcity—as compared with its profitable employment—does a community advance or retrograde. In the common acceptation of the term, money means, or is understood to be, gold and silver; but the quantity of these metals in existence being totally inadequate to the vast operations of commerce, and the multifarious wants of mankind, ingenuity has devised a substitute to answer the purpose of the precious metals within the sphere of its circulation, infinitely more convenient and eminently conducive to the prosperity of all countries where it has been adopted and judiciously managed. This substitute is Bank notes; that is, the undertaking of the Banks to pay to the holder who should require it, the amount in gold or silver on demand. Now, the object of this contrivance being to increase the quantity of money, and thereby to give employment to the labor, industry and enterprise of the people, it would be inconsistent with that object for Banks to keep in their coffers a sum in specie equal in amount to the notes or undertakings issued: it is enough that they should keep a sufficiency to answer ordinary demands, and to supply those purposes for which Bank notes are inapplicable, and for payment of engagements without the sphere of their circulation. Gold and silver in themselves only represent property: it is their exchangeable value which, in civilized countries, procures food and raiment; but a man cast on a desert island could exist on a cask of flour or pork, when a keg of gold would be of no service to him. It being known that Banks have not only the capital which put them in operation, and supplied the gold and silver originally required, but that they never give their notes or undertakings without having in exchange property, or a security on property. Bank notes become equally with gold and silver a representative of property, and are taken and acknowledged as such. This is called paper currency, and like a steam engine, it works admirably and advantageously while the power is duly restrained, the machinery well regulated, and its revolutions uninterrupted; but the institutions of men are subjected to vicissitudes: commerce—the precursor of wealth, civilization and the arts—is like the elements, occasionally convulsed; and although affairs may be wisely and prudently ordered in our own country, they are not always so in that of our friends and neighbours, and we may become sufferers through their errors. In this position stands Upper Canada at the present moment—with a healthy and flourishing trade; her importations below the natural demand, and her surplus products taken off at remunerating prices; in the absence of imprudent adventure in her Merchants, and an excessive issue by her Banks—she is in danger of having her present prosperity and future prospects blasted by the influence of causes originating in unsound measures of finance, and an over-weaning desire to introduce a more extended metallic currency in the Government of the United States; and in desperate speculation, preposterous credits and reckless over-trading in the Merchants and others of that country. The consequences to America are extensive failures; a perfect prostration of trade; an enormous debt to the Merchants and Manufacturers of Great Britain and France; a high rate of exchange, and a corresponding advance in the value of the precious metals at New York. It is this last circumstance which so powerfully affects Upper Canada, from the temptation it offers to transport gold and silver to the United States—the profit on which has lately been from eight, to twelve and a half per cent. By returns laid before the House of Assembly, it appears that between the 3rd of May and the 16th of June, the specie taken from the Bank of Upper Canada was, £37,334 10s. and the notes of that Bank withdrawn from circulation in the same period, £58,138 5s. being more than one-half the specie in their coffers, and more than one-fourth of their notes in circulation. Assuming that the other Banks have been called on to an equal extent, a most fearful abstraction of the precious metals, and an alarming reduction of the aggregate currency has taken place. The demand for specie continues up to the present time, and will continue so long as a profit attaches to it as a merchantable commodity, and it can be obtained.

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SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

APPENDIX A.

Second Report of the Select Committee appointed to examine and report upon the measures which it may be most expedient to adopt, in consequence of the present Commercial difficulties in this Province.

From what has been said, your Honorable Committee will at once perceive, that as gold and silver form the basis of the paper issued, the Banks cannot subject themselves to increased demands for specie, by putting forth their notes, through the discounts of bills or other means; that merchants and traders, accustomed to ordinary facilities from the Banks, in the conduct of their business, severely feel the want of accommodation; that the circulating medium being reduced more than twenty-five per cent, money has become generally scarce; sales cannot be effected; engagements cannot be punctually met; debts can with great difficulty be collected; labour will lack employment; and the whole operations of commerce, agriculture and trade, will be impeded and diminished. These positions—and I contend that they are incontrovertible—warrant me, I think, in saying, that “the present condition of the trade and banking concerns of the Province,” are in a most critical and alarming situation.

The best mode of relieving the country generally, I consider, to be the adoption of the course pursued by Mr. Pitt, in the year 1797, when Great Britain was under somewhat similar circumstances. Let it be declared inconsistent with the welfare and best interests of the Province that the Banks should continue to redeem their notes in specie for a given period, and in the mean time let the person of the debtor be protected from arrest, after the tender of the debt and costs in notes of any of the Chartered Banks; all costs after the offer of payment in such notes should be made to fall on the Plaintiff.

2.—Certainly not; as specie will assuredly be demanded for any paper put forth.

3.—None beyond the Parliamentary returns.

4.—In reply to this question, I take leave to request your Honorable Committee to refer to my answers to questions Nos. 3 and 4, in the annexed paper, being the replies given to the House of Assembly on the same points.

5.—If the Banks, from the absence of Legislative protection, were compelled to close their doors, and wind up their affairs, the consequences to commercial credit, and to themselves, would be ruinous. Prices would fall in proportion to the diminution of money in circulation; the sacrifice of property would be enormous, and general distress would prevail.

6.—I think it impracticable for the Bank to put forth their notes while they continue to be convertible into specie at the pleasure of the holder, because specie would most assuredly be demanded from them.

11.—I beg to be again permitted to refer your Honorable Committee to the answer No. 28, in the annexed paper, for my view on the points embraced in this question.

12.—My opinion with respect to the issuing of debentures at the present time, will perhaps be better collected by your Honorable Committee referring to my answers No. 30, No. 14, and No. 37, in the annexed paper, than by any thing I can at this moment write.

19.—I think the public credit would be rather increased than otherwise by an issue of debentures, inasmuch as the sums raised would be expended on public works for the improvement of the Province, and from these works would arise an augmentation of revenue—an additional value to land—and an increase to the aggregate wealth of the country, whereby her public engagements would acquire higher repute in the money market.

Answers referred to in the foregoing.

No. 3.—Certainly not; it will neither “compromise the character and credit of the Province,” nor “will it injure *at all* the character and standing of the Banks of the Province.” It is a measure the adoption of which is rendered imperative as a means of self-preservation, against the influence of causes over which neither the Government nor the Banks of Upper Canada had any control. Great Britain sustained no disparagement in national honor or commercial integrity from the suspension of payment in specie by the Bank of England; on the contrary, her trade, manufactures and agriculture, flourished in a manner altogether unprecedented, and she was thereby able to sustain a war of more than twenty years duration, and in a brief interval after its successful termination to resume cash payments, and make the precious metals again the standard of value in her Dominions.

No. 4.—It is my opinion that the necessity is paramount, and that the existence of that necessity may be dated from the period when the State of New York sanctioned the suspension of specie payments by the Banks under her authority.

APPENDIX A.—(See *Journal*, page 27.)SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

No. 28.—I am an advocate for leaving all matters connected with trade and commerce free and unrestricted. Self-interest is a better preservative than Legislative enactment. If any limit be resolved on, it should not be less than double the amount of the stock or *paid-up* capital. I should recommend, that returns be required of the amount of specie at present held by the Chartered Banks; that it should on no account be reduced, except by such moderate sum in the smaller coins as should be necessary for change; and that the earliest favourable opportunity should be taken to increase it to one-third of the average circulation of paper, exclusive of the amount paid for the debentures required to be taken up for the public service.

APPENDIX A.

Second Report of the Select Committee appointed to examine and report upon the measures which it may be most expedient to adopt, in consequence of the present Commercial difficulties in this Province.

No. 30.—Assuming that the debentures here mentioned are to be in sums adapted for general circulation, according to a scheme which has been proposed, the effect would be to displace the issue of the Banks—in plain terms, to substitute Government paper for that of the Banks. Against Government paper, as a circulating medium, there are objections insuperable in my mind. Debentures for £100, and upwards, granted for loans advanced on the credit of the Province, or in anticipation of accruing revenue, are held by capitalists, whose interest it is to give support and stability to the Government—not to embarrass it. But if Government paper enter into general circulation for the ordinary transactions of common life, it becomes a formidable engine in the hands of the multitude in times of political excitement, or under the depression of trade and agriculture—arise from what causes they may. Agitators take advantage of a state of temporary privation to inflame the minds of the people—and Governments are often condemned when they are in no wise culpable, and have possibly done all in their power to avert the calamity. As a precedent, it is also dangerous: the uncontrolled power of creating money will not be readily relinquished; and money easily procured will be lavishly spent.

No. 14.—I do—a plan has been mentioned to me, which I think well adapted for raising the money required, in the event of its not being procured in London. The plan I understand to be something like the following:—That in consideration of the Chartered Banks being authorised to suspend payment in specie, they should be compelled to purchase of the Government, debentures bearing interest at the rate of four per cent. per annum, in proportion to the amount of their several subscribed capitals, at such times as they should be required; and that the money paid for the debentures should be employed in carrying into effect the public improvements sanctioned in the last Session of Parliament.—That the debentures so to be issued should be redeemed whenever, and so soon as, a loan for the purpose can be negotiated in London, and under any circumstances, previously to the Banks being required to resume cash payments. This was the outline, and the proposal appears to be deserving of consideration, and as free from objection as any scheme is likely to be, which has for its object the raising of money not to be convertible into specie.

No. 37.—It would, in my opinion, be very inadvisable for the Government to mix itself up in any banking transactions. Bank post bills, payable to order seven days after sight, make a safe and convenient remittance; and the time they remain out, would probably be a compensation for the trouble of preparing and issuing them—but of that I should leave the Banks to judge for themselves. In the event of a loan not being at present negotiable in England, it has occurred to me, that bonds or debentures for £100, and upwards, payable in England at twelve months after date, and bearing an interest of ——— pence per diem, might be made available for remittance by our Merchants, after the manner of the bonds of the United States' Bank, and that the introduction of such securities in the London stock exchange, would perhaps, facilitate and encourage the employment of more British capital in this Province; but on the whole, and in conclusion, I incline to the adoption of the plan mentioned in my answer to the 14th query. It is simple in its nature; of easy accomplishment; is consistent with accustomed usage; requires no new machinery; makes no new introduction to the circulating medium; confines the Government engagement to the capitalist, and keeps the interest in the Province.

APPENDIX A.—(See Journal, page 27.)

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

APPENDIX A.

STATEMENT,

Of the Affairs of the Bank of Upper Canada, on Saturday, the 24th day of June, 1837, furnished by order of the Honorable the Legislative Council.

Second Report of the Select Committee appointed to examine and report upon the measures which it may be most expedient to adopt, in consequence of the present Commercial difficulties in this Province.

	£	s.	d.		£	s.	d.
Capital Stock paid in,	200,000	0	0	Gold, Silver, and other coined metals in the vaults of the Bank,	30,184	3	10
Amount of Notes in circulation not bearing interest, of the value of \$5 and upwards, £95,425 0 0				Real Estate and Bank Furniture,	8,659	0	1
Ditto under \$5, 39,681 5 0	135,106	5	0	Bills of other Banks,	39,586	15	0
Bills and Notes in circulation bearing interest,				Balances due from other Banks, and foreign Agents in New-York and London,	42,600	13	0
Balances due to other Banks,	65,090	11	10	Amount of all debts due to the Bank, including Notes, Bills of Exchange, and all Stock and funded Debts of every description, excepting balances due from other Banks,	431,712	9	11
Cash deposited, including all sums whatsoever due from the Bank, not bearing interest, its Bills in circulation and balances due to other Banks excepted,	149,751	13	5				
Cash deposited bearing interest, being for the Home District Savings Bank,	2,795	1	7				
	£				£		
	532,743	11	10		552,743	11	10

WILLIAM PROUDFOOT,
PRESIDENT.THOMAS G. RIDOUT,
CASHIER.Bank of Upper Canada,
Toronto, 24th June, 1837.

Amount of the last dividend, being for the six months ending 31st December, 1836,	£	8,000	0	0
Amount of reserved profits, after declaring the above-mentioned dividend, £	12,855	16	5	
To which add—				
The profits which have accrued since,	£14,507	17	5	
Deduct—				
Current expenses and premiums paid for specie,	5,577	6	4	8,930 11 1
				£ 21,796 7 6
Amount of debts due to the Bank and not paid, being over due, of which about £6,000 may be considered bad or doubtful,	£	49,946	3	6
Amount of specie in the Bank on the 3rd May, 1837,	£	49,700	12	4
Do. do. imported since from New-York,		20,000	0	0
				£ 69,700 12 4
From which deduct—				
Amount paid since the 3rd May last, in redemption of Bank notes,	£	39,516	8	6
				£ 30,184 3 10
Amount of notes in circulation on the 3rd May, 1837,	£	204,990	5	0
Deduct—				
Amount called in since that period,		69,884	0	0
				£135,106 5 0

Bank of Upper Canada,
Toronto, 24th June, 1837.

We, the undersigned, make oath and swear that the foregoing statements are correct, to the best of our knowledge and belief.

W. M. PROUDFOOT,
PRESIDENT.THO'S. G. RIDOUT,
CASHIER.Sworn before me at Toronto, }
this 28th day of June, 1837. } JOHN B. ROBINSON, C. J.

APPENDIX A.—(See *Journal*, page 27.)SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.**Notes of the Bank of Upper Canada in circulation at the undermentioned periods.*

January 1, 1834,	£ 197,209
June 1, 1834,	199,477
January 1, 1835,	220,265
June 1, 1835,	210,349
January 1, 1836,	208,753
June 1, 1836,	181,049
January 1, 1837,	202,710

APPENDIX A.

Second Report of the
Select Committee
appointed to examine and
report upon the measures
which it may be most
expedient to adopt, in
consequence of the present
Commercial difficulties in
this Province.

THO'S. G. RIDOUT,
CASHIER.

Bank of Upper Canada,
Toronto, 24th June, 1837.

*Amount of Bills and Notes Discounted, Bank Notes in circulation, and Specie in the Vault of the
Bank of Upper Canada, from June 1835 to June, 1837.*

	DISCOUNTS, AND BILLS RECEIVABLE.	BANK NOTES IN CIRCULATION.	SPECIE AT TORONTO.
1835—June,	£ 399,688	£ 210,349	£ 72,771
July,	393,958	193,285	75,687
August,	397,532	203,488	74,772
September,	362,399	199,017	84,133
October,	381,510	204,518	84,310
November,	394,093	186,181	114,382
December,	407,598	213,144	109,130
1836—January,	417,984	208,753	104,192
February,	464,877	213,950	98,730
March,	459,206	213,055	91,726
April,	472,769	188,631	67,030
May,	420,123	190,600	70,360
June,	427,823	181,049	68,966
July,	471,988	188,005	51,873
August,	463,022	187,426	40,906
September,	424,422	184,000	29,571
October,	398,939	204,064	24,865
November,	388,984	205,986	44,471
December,	409,487	213,770	61,348
1837—January,	469,316	202,710	60,684
February,	464,346	211,380	60,551
March,	431,612	222,956	51,633
April,	455,008	230,829	48,660
May,	473,905	212,356	49,700
June,	444,958	168,906	37,850

THO'S. G. RIDOUT,
CASHIER.

Bank of Upper Canada,
Toronto, 24th June, 1837.

APPENDIX A.—(See Journal, page 27.)

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

APPENDIX A. *Amount of Bills and Notes discounted by the Bank of Upper Canada, from the 1st June, 1835, to 1st June, 1837.*

Second Report of the Select Committee appointed to examine and report upon the measures which it may be most expedient to adopt, in consequence of the present Commercial difficulties in this Province.

1835—June,	£115,164	
July,	138,183	
August,	118,457	
September,	136,239	
October,	108,276	
November,	110,392	
December,	168,848	£895,559
1836—January,	144,503	
February,	168,365	
March,	118,244	
April,	74,167	
May,	101,053	
June,	117,633	
July,	140,098	
August,	129,334	
September,	119,310	
October,	91,867	
November,	157,759	
December,	106,259	1,468,592
1837—January,	143,545	
February,	140,095	
March,	140,171	
April,	113,103	
May,	62,323	599,237
		£2,963,388

THO'S. G. RIDOUT,

CASHIER.

Bank of Upper Canada,
Toronto, 24th June, 1837.

STATEMENT,

Of the Affairs of the Commercial Bank of the Midland District, on 17th June, 1837.

	£	s.	d.		£	s.	d.
Amount of Capital Stock paid in,...	196,597	10	0	Gold, Silver and Copper, in the Vault of the Bank and its Offices,	23,022	4	10
Bank Notes in circulation of the denomination of \$5, and upwards, ..	91,470	0	0	Real Estate, Office Furniture, &c, ..	3,730	0	0
Ditto, under \$5,	32,125	10	0	Bills of other Banks,	3,866	10	0
Notes in circulation bearing interest, (none),				Balances due from other Banks, and foreign Agents,	752	7	7
Balances due to other Banks, and foreign Agents,	17,621	8	6	Amount of all debts due, including Notes, Bills of Exchange, and all other Stock and funded Debts of every description, excepting the balances due from other Banks,	344,088	8	7
Cash deposited, including all sums whatever due from the Banks, (its Bills in circulation and balances due to other Banks excepted,)	26,730	12	2				
Cash deposited, bearing interest, ...	10,914	8	9	Total amount of the resources of the Bank,	£ 375,459	9	5
Total amount due from the Bank, £	375,459	9	5				

We, the undersigned, make oath and swear, that the foregoing Statements are correct, to the best of our knowledge and belief.

(Signed) JOHN S. CARTWRIGHT,

PRESIDENT.

F. A. HARPER,

CASHIER.

Sworn before me at Kingston,
this 17th June, 1837.

JAMES MACFARLANE, J. P.

Rate of dividend No. 8, due on 1st instant, four per centum, for the last six months,

Amount of reserved profits at the time of declaring such dividend,

Amount of debts due the Bank and not paid, in the hands of the Solicitors, £16,463 8s. 0d. of which £435 5s. 6d. may be considered doubtful.

JOHN S. CARTWRIGHT,

PRESIDENT.

Toronto, 24th June, 1837.

APPENDIX A.—(See Journal, page 27.)

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

MONTHLY STATEMENT,

APPENDIX A.

Of the Liabilities and Assets of the Commercial Bank of the Midland District, from the 1st June, 1835, to the 19th June, 1837.

Second Report of the Select Committee appointed to examine and report upon the measures which it may be most expedient to adopt, in consequence of the present Commercial difficulties in this Province.

		£	S.	D.
1835.				
June 1,	Stock,.....	100,000	0	0
	Notes in circulation,	119,853	0	0
	Deposits,.....	22,745	8	6
	Notes discounted,.....£256,448 5 8			
	Specie, 16,995 11 4			
July 6,	Stock,.....	100,000	0	0
	Notes in circulation,	115,735	0	0
	Deposits,.....	23,529	1	5
	Notes discounted,.....£231,694 1 4			
	Specie, 15,441 8 5			
August 3,	Stock,.....	100,000	0	0
	Notes in circulation,	126,991	0	0
	Deposits,.....	19,270	1	10
	Notes discounted,.....£235,182 4 1			
	Specie, 18,076 11 4			
September 7,	Stock,.....	100,000	0	0
	Notes in circulation,	111,506	0	0
	Deposits,.....	16,391	17	11
	Notes discounted,.....£226,221 1 1			
	Specie, 15,003 18 9			
October 5, ..	Stock,.....	100,000	0	0
	Notes in circulation,	116,720	0	0
	Deposits,.....	14,478	6	5
	Notes discounted,.....£233,138 15 11			
	Specie, 26,952 14 3			
November 2,	Stock,.....	100,000	0	0
	Notes in circulation,	111,143	0	0
	Deposits,.....	16,429	12	3
	Notes discounted,.....£219,526 7 5			
	Specie, 30,160 18 5			
December 7,	Stock,.....	100,000	0	0
	Notes in circulation,	124,926	0	0
	Deposits,.....	25,473	18	7
	Notes discounted,.....£236,558 9 9			
	Specie, 31,873 0 3			
1836.				
January 4,	Stock,.....	100,000	0	0
	Notes in circulation,	123,425	0	0
	Deposits,.....	23,722	18	7
	Notes discounted,.....£246,960 8 0			
	Specie, 34,296 12 1			
February 1,	Stock,.....	100,000	0	0
	Notes in circulation,	145,262	0	0
	Deposits,.....	39,767	1	10
	Notes discounted,.....£285,403 4 5			
	Specie, 34,874 10 0			
March 7,	Stock,.....	115,940	0	0
	Notes in circulation,	152,455	0	0
	Deposits,.....	54,207	19	2
	Notes discounted,.....£331,295 15 0			
	Specie, 33,779 6 10			
April 4,	Stock,.....	155,670	0	0
	Notes in circulation,	134,916	5	0
	Deposits,.....	56,342	13	7
	Notes discounted,.....£332,725 4 8			
	Specie, 38,438 7 0			
May 2,	Stock,.....	166,710	0	0
	Notes in circulation,	138,482	10	0
	Deposits,.....	33,395	13	1
	Notes discounted,.....£345,448 4 0			
	Specie, 23,264 8 10			
June 6,	Stock,.....	172,015	0	0
	Notes in circulation,	134,820	0	0

APPENDIX A.—(See Journal, page 27.)

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

APPENDIX A.		1836.	£	s.	d.
Second Report of the Select Committee appointed to examine and report upon the measures which it may be most expedient to adopt, in consequence of the present Commercial difficulties in this Province.	June 6,	Deposits,.....	28,917	10	3
		Notes discounted,.....£348,753 4 10			
		Specie,..... 19,353 3 11			
	July 4,	Stock,.....	176,575	0	0
		Notes in circulation,.....	105,510	10	0
		Deposits,.....	18,310	15	3
		Notes discounted,.....£311,811 7 5			
		Specie,..... 23,399 1 4			
	August 1,	Stock,.....	182,040	0	0
		Notes in circulation,.....	112,850	5	0
		Deposits,.....	25,534	15	7
		Notes discounted,.....£283,463 16 10			
		Specie,..... 24,729 11 5			
	September 5,	Stock,.....	182,347	10	0
		Notes in circulation,.....	132,809	0	0
		Deposits,.....	26,850	5	5
		Notes discounted,.....£275,207 0 0			
		Specie,..... 22,429 10 0			
	October 3,	Stock,.....	185,250	0	0
		Notes in circulation,.....	167,651	0	0
	Deposits,.....	27,564	14	2	
	Notes discounted,.....£323,608 10 10				
	Specie,..... 22,817 5 5				
November 7,	Stock,.....	156,450	0	0	
	Notes in circulation,.....	175,123	2	6	
	Deposits,.....	19,822	14	5	
	Notes discounted,.....£341,903 14 8				
	Specie,..... 21,995 3 7				
December 5,	Stock,.....	187,880	0	0	
	Notes in circulation,.....	166,150	17	6	
	Deposits,.....	23,711	12	4	
	Notes discounted,.....£346,760 2 2				
	Specie,..... 35,762 4 8				
1837.	January 3,	Stock,.....	190,462	10	0
	Notes in circulation,.....	166,265	2	6	
	Deposits,.....	23,919	15	8	
	Notes discounted,.....£345,182 13 6				
	Specie,..... 36,259 5 9				
February 6,	Stock,.....	193,000	0	0	
	Notes in circulation,.....	175,540	7	6	
	Deposits,.....	32,305	12	9	
	Notes discounted,.....£400,931 2 1				
	Specie,..... 35,852 8 9				
March 6,	Stock,.....	193,267	10	0	
	Notes in circulation,.....	195,243	2	6	
	Deposits,.....	35,111	2	5	
	Notes discounted,.....£415,348 16 7				
	Specie,..... 36,028 5 8				
April 3,	Stock,.....	194,690	0	0	
	Notes in circulation,.....	178,167	2	6	
	Deposits,.....	44,343	17	10	
	Notes discounted,.....£403,460 6 7				
	Specie,..... 35,769 12 4				
May 1,	Stock,.....	194,817	10	0	
	Notes in circulation,.....	172,324	7	6	
	Deposits,.....	41,992	13	10	
	Notes discounted,.....£403,015 15 8				
	Specie,..... 36,520 3 4				
June 5,	Stock,.....	196,530	0	0	
	Notes in circulation,.....	133,821	7	6	
	Deposits,.....	33,249	9	2	
	Notes discounted,.....£373,939 2 10				
	Specie,..... 24,157 19 7				
June 19,	Stock,.....	196,607	10	0	
	Notes in circulation,.....	116,292	12	6	
	Deposits,.....	34,598	11	4	
	Notes discounted,.....£339,635 4 11				
	Specie,..... 23,102 11 8				

APPENDIX A.—(See Journal, page 27.)

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

Amount of Notes in circulation, on 15th May, 1837,	£169,629	0	0	APPENDIX A.
Do. do. do. 15th June, 1837,	116,092	0	0	
Amount of Specie in the Vaults, on 15th May, 1837,	£36,520	11	3	Second Report of the Select Committee appointed to examine and report upon the measures which it may be most expedient to adopt, in consequence of the present Commercial difficulties in this Province.
Do. do. do. 15th June, 1837,	23,102	11	3	
Do. do. received during that period,	£2,047	10	0	

JOHN S. CARTWRIGHT,

PRESIDENT.

Toronto, 24th June, 1837.

The Commercial Bank have imported into the Province, since the 1st day of June, 1835, the sum of £74,000, in specie; and have exported in that period. £11,077 10s. Previous to June, 1835, specie was easily obtained, in consequence of the Contractors on the Rideau Canal being paid in half-dollars.

JOHN S. CARTWRIGHT,

PRESIDENT.

ABSTRACT

From the Books of the Gore Bank, exhibiting a general Statement of the Affairs of the Institution, on Friday, the 16th June, 1837.

DEBTS DUE BY THE BANK.		RESOURCES OF THE BANK.	
£	s. d.	£	s. d.
Capital Stock paid in,	80,381 5 0	Gold, Silver and Copper Coins, in the Bank,	17,932 5 11
Bank Notes in circulation, not bearing interest, higher denominations than five dollar bills,	£14,095 0 0	Bills of other Banks on hand,	2,579 5 0
Lower denominations than five dollars,	20,151 5 0	Balances due from foreign Agents,	2,130 15 1
		Real Estate and Bank Furniture,	857 6 0
Balances due to other Banks,	34,246 5 0	Amount of all debts due, including Notes, Bills of Exchange, and all Stock and Funded Debts of every description, (excepting the balances from other Banks), payable as follows, viz:	
Cash deposited, bearing interest, (none),	3,480 12 1	In Upper Canada,	£81,786 15 1
Cash deposited, including all sums whatsoever due from the Bank, not bearing interest, (its Bills in circulation and balances due, excepted),	8,379 6 9	“ Lower Canada,	12,860 12 10
Unclaimed dividends,	1,342 2 4	“ United States,	11,345 16 4
Reserved profits at the time of declaring the last dividend,	1,242 0 9		105,993 4 3
Amount of profits since declaring the dividend,	421 4 4		
Balance due by the Bank,	£129,492 16 3	Total of the resources of the Bank,	£129,492 16 3

MISCELLANEOUS.

Rate and amount of the dividend, being for the year ending 2nd May, 1837, at the rate of six per cent. per annum,	£ 2,775	4	5
Amount of reserved profits, after declaring the dividend,	1,242	0	9
Amount of debts due the Bank not paid, being over-due,	13,531	6	8

WILLIAM WHYTE,

PRESIDENT.

A. STEVEN,

CASHIER.

Sworn before me at Hamilton,

this 22nd day of June, 1837.

EDMUND RITCHIE, J. P.

APPENDIX A.—(See Journal, page 27.)

SECOND SESSION THIRTEENTH PROVINCIAL PARLIAMENT, 7th & 8th WILLIAM IV.

APPENDIX A.

GORE BANK.

(The Gore Bank did not issue any of their Notes till July, 1836.)

Second Report of the
Select Committee
appointed to examine and
report upon the measures
which it may be most
expedient to adopt, in
consequence of the present
Commercial difficulties in
this Province.

CIRCULATION.		AVERAGE MONTHLY CIRCULATION.
1836—July	11.....£ 2,645	
	18..... 4,993	
	25..... 7,916	
	30..... 9,125	1836—July,.....£ 6,170.
August	8..... 10,459	
	15..... 11,405	
	22..... 12,238	August,.....£11,955
	29..... 13,720	
September	5..... 14,141	
	12..... 15,254	
	19..... 16,663	September,.....£16,461
	26..... 19,817	
October	3..... 19,858	
	10..... 22,146	
	17..... 23,598	
	24..... 24,382	October,.....£23,104
	31..... 25,534	
November	7..... 26,510	
	14..... 28,684	
	21..... 27,761	November,.....£27,717
	28..... 27,914	
December	5..... 30,925	
	12..... 32,712	
	19..... 35,357	
	26..... 35,095	December,.....£34,213
	31..... 36,974	
1837—January	9..... 35,849	1837—January,.....£38,174
	16..... 36,275	
	23..... 40,132	
	30..... 40,441	
February	6..... 41,512	
	13..... 40,195	February,.....£42,171
	20..... 41,885	
	27..... 45,093	
March	6..... 49,031	
	13..... 45,127	
	20..... 46,355	March,.....£47,209
	27..... 48,323	
April	3..... 49,240	
	10..... 52,285	
	17..... 55,955	
	24..... 59,958	April,.....£54,358
May	1..... 48,464	
	8..... 46,745	
	15..... 40,816	
	22..... 38,220	
	29..... 38,470	May,.....£42,543
June	5..... 37,970	
	12..... 33,890	
	16..... 34,246	

This Statement is taken from the Statement Book of the Gore Bank, which is now in my possession, (having been sent down for the information of the Committee of the House of Assembly). I believe the amount of Gore Bank Notes in circulation has been much reduced since the 16th instant, but have no statement of later date than that.

COLIN C. FERRIE.

Toronto, 29th June, 1837.

APPENDIX A.—(See Journal, page 27.)

SIR FRANCIS BOND HEAD, K. C. H. Lieutenant Governor.

Amount of Gold and Silver Coin in the Vaults of the Gore Bank.

APPENDIX A.

1836.			1837.		
May	9	£ 776 13 3	January	16	£21,287 12 4
	30	1,056 18 8		30	21,699 10 6
June	13	3,718 11 2	February	20	21,367 16 2
	27	3,909 0 10		27	21,383 1 6
July	11	5,888 12 4	March	13	21,439 14 1
	30	6,304 18 4		27	21,554 5 0
August	15	6,657 9 6	April	17	21,503 7 6
	29	6,973 19 1		24	21,390 15 10
September	12	8,036 18 6	May	1	21,266 19 9
	26	8,417 4 11		8	21,288 12 2
October	17	9,717 16 6		15	21,114 11 4
	31	14,115 7 6		22	20,000 1 8
November	14	14,301 0 8		29	18,685 12 10
	28	20,832 11 8		31	18,513 9 2
December	12	20,834 5 9	June	5	18,763 7 2
	31	20,974 15 11		12	18,230 6 8
				16	17,932 5 11

Second Report of the Select Committee appointed to examine and report upon the measures which it may be most expedient to adopt, in consequence of the present Commercial difficulties in this Province.

Taken from the Bank Statement Book.

COLIN C. FERRIE.

June 29th, 1837.

Abstract from the Books of the Gore Bank, of Specie imported and paid out in 1836 and 1837.

1836—May	2, Specie from the Bank of Upper Canada,.....	£ 663 4 3
June	6, Ditto, ditto, ditto, ditto,	2,450 0 0
July	8, Ditto, ditto, ditto, ditto,	1,500 0 0
September	8, Ditto, ditto, ditto, ditto,	1,000 0 0
		£5,613 4 3
October	6, Ditto, ditto, City Bank, Montreal,.....	1,025 0 9
	29, Ditto, imported from New York,.....	£1,000
	29, Ditto, ditto, ditto,	3,500
November	17, Ditto, ditto, ditto,	3,750
	17, Ditto, ditto, ditto,	2,500
		—10,750 0 0
		£17,388 5 0
1837—February	10, Specie paid to Suspension Bridge Bank,.....	400 0 0
		£16,988 5 0
May	20, Specie paid to Farmers Bank.....	900 0 0
		£16,088 5 0
June	5, Specie received from Suspension Bridge Bank,.....	275 0 0
		£16,353 5 0

MEMORANDUM.—Upon the amount of specie obtained by the Gore Bank from the Bank of Upper Canada, I believe the Gore Bank paid the Bank of Upper Canada a premium equal to the expense of importing the specie, which is the same as if it had been imported from New York by the Gore Bank. The amount of specie in the vaults of the Bank, from time to time, over and above what is accounted for by the annexed statement, arises from the sums paid by and to depositors, and others transacting business with the Bank, from time to time, and cannot be specifically accounted for.

COLIN C. FERRIE.

June, 29th, 1837.

APPENDIX A.—(See Journal, page 27.)

SIR FRANCIS BOND HEAD, K. C. H. *Lieutenant Governor.*

STATE OF NEW YORK.

From the last Report of Bank Commissioners.

APPENDIX A.

	EIGHTEEN CITY BANKS, 4th May, 1837.	SIXTY-THREE COUNTRY BANKS, 10th May, 1837.	TOTAL.
Circulation,.....	\$4,931,000	\$9,600,000	\$14,532,000
Specie,.....	2,596,000	1,000,000	3,596,000

Second Report of the Select Committee appointed to examine and report upon the measures which it may be most expedient to adopt, in consequence of the present Commercial difficulties in this Province.

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