

tion is required to be held to the full amount of the excess. Officers to superintend the distribution of specie and Dominion notes to the several banks are: 1st the Comptroller of Currency at Ottawa, and 2nd, the Assistant Receivers-General, appointed in the following cities:—Toronto, Montreal, Halifax, St. John, N.B., Victoria, B.C., Charlottetown and Winnipeg.

821. The first step taken in Canada for a revision of the currency was in 1795, when, to remedy the evils resulting from the coined money in circulation being reduced in weight, debased in value, and composed of every variety of pieces peculiar to all countries trading with this continent, a Bill was passed by which was fixed a standard of value, founded upon the average intrinsic worth of the gold and silver coins of Portugal, Spain, France and the United States. In 1817 the first bank was established, the Bank of Montreal, in Montreal, followed the next year by the Bank of Quebec, in the city of Quebec. These banks were not granted a charter till 1821. The first charter is not remarkably different from those of the present day. The three special functions of banking were performed from the first establishment, viz., receiving deposits, issuing notes and discounting bills. Between 1821 and 1836 many banks were established. Among them was the Bank of British North America, organized by English and Scotch merchants and incorporated by Royal Charter. In 1830 the Banking Act was amended so that the total amount of notes of less sum than \$5 in circulation at one time should not exceed one-fifth of the paid-up capital; no notes under the value of \$1 should be issued, and all issues of less than \$5 might be suppressed by an Act of the Legislature. About 1835 the Government provided for the establishment of private, or, as they were called, licensed banks. These were authorized to issue notes upon depositing with the Government provincial debentures to the amount of the contemplated issue. A bank fever seized the province in 1836, and in 1837 applications were made for licenses for nine banks in Upper Canada. In May, 1838, the Lower Canadian banks suspended specie payment for the first and only time. Parliament was summoned to allow the banks of Upper Canada to suspend specie payments, the law in their case making repudiation of notes to result in suspension of charter. Sir Francis Bond Head, the then Governor, successfully opposed the motion, and the banks were carried through the crisis, one of the chief features of which was the purchasing of their notes by the banks of the United States at a premium of 2 to 5 per cent, the notes being then sent to the province and gold